
CVRD puts Brazilian pig iron makers on notice

Friday, 31 Aug, 2007

Companhia Vale do Rio Doce, reaffirming its commitment to the sustainable development of the regions where it is present and to the compliance with environmental and labor legislation by its clients, announced the followings

- 1) On August 28th 2007, CVRD sent letters to a group of pig iron producers in the Brazilian states of Pará, Maranhão and Minas Gerais, informing decisions concerning iron ore supply
- 2) Siderúrgica Ibérica do Pará SA (Ibérica) and Siderúrgica Marabá SA (Simara) have been informed that, as of September 1st 2007, they will have 30 days to prove their compliance with the environmental and labor legislation. In case this fails to happen, such companies will have their iron ore supply interrupted
- 3) Companhia Siderúrgica do Pará (Cosipar) and Usina Siderúrgica de Marabá SA (Usimar), which had already been informed of the suspension of their commercial contracts, have also been informed of the 30 day period to confirm the compliance with environmental and labor laws
- 4) It should be pointed out that Brazil's Ibama environmental protection agency, following inspections conducted this year on pig iron mills in the states of Pará and Maranhão, has sent to the environmental bodies in the states mentioned above, as well as the Federal and State Prosecutors' Offices, a report on environmental liabilities in these pig iron mills. During this month of August, CVRD was informed that Ibama filed civil suits against the companies cited in the items 2 and 3 above about the same matter
- 5) Pig iron mills Siderúrgica do Maranhão SA (Simasa), Siderúrgica Marabá SA (Simara), Viena Siderúrgica do Maranhão SA (Viena), Itasider Usina Siderúrgica Itaminas SA and Ferro Gusa do Maranhão Ltda (Fergumar) have been included in a list released by Brazil's Labor Ministry, published on the ministry's official website. The list brings the names of companies facing suits for buying charcoal coming from charcoal producers, which use slave type labor. These companies will also have a 30 day period to prove their compliance to the labor authorities. If they fail to confirm their compliance, they will have their supply suspended
- 6) Acting in accord with the principles of sustainable development to which the company is committed, CVRD requires its clients and suppliers to comply with the environmental and labor legislation in force

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