

## Petrobras and ArcelorMittal sign agreement for low carbon business studies and assessments

- *The partnership involves assessing potential business models for low-carbon fuels, hydrogen and its products, renewable energy production and CCS (carbon capture and storage)*

Petrobras and ArcelorMittal Brasil signed a Memorandum of Understanding (MoU) with the purpose of studying potential mutually beneficial business models in the low-carbon economy. The companies will seek to identify commercial opportunities and potential partnerships in Brazil that are aligned with their diversification and decarbonisation strategies. The extensive cooperation stems from synergies identified in a joint study to develop a CCS (Carbon Capture and Storage) hub in the state of Espírito Santo, as well as to evaluate business models that make its implementation economically viable. In practical terms, CCS is a technique involving the capture of CO<sub>2</sub> and its retention underground preventing the gas from reaching the atmosphere and contributing to minimizing climate change effects.

In the hub concept, CO<sub>2</sub> is captured from different locations and emission sources (steel industry, thermoelectric plants, cement industry, natural gas processing units, among others) and transported via a connected pipeline network, which can be shared and optimised for the storage of large quantities of CO<sub>2</sub> in suitable geological reservoirs. This hub concept, with the use of connected networks, could boost technical and economic viability, favouring the use of CCS as a relevant large-scale decarbonisation option.

Petrobras has already started mapping geological reservoirs that can be configured as safe and suitable carbon storage

options and is also studying existing company facilities in Espírito Santo to integrate the CCS hub infrastructure for the state.

"The steel segment is one of the areas where Petrobras can add a great deal of value in possible low-carbon business partnerships or by exploring potential commercial agreements linked to the projects Petrobras is developing in the sector, involving not only CCS, but also renewable energy, hydrogen and its derivatives and low-carbon fuels. This agreement with ArcelorMittal is yet another of the initiatives Petrobras is developing together with leading companies in their segments and demonstrates the commitment of both companies to building a more sustainable future, seeking a transition to a low-carbon economy in a fair and inclusive way that simultaneously promotes Brazil's economic, social and environmental development," said Petrobras' Director of Energy Transition and Sustainability, Maurício Tolmasquim.

"We understand that projects to capture and use CO<sub>2</sub> in a productive and safe way, with adequate transport and storage, represent a fundamental technological strategy in a low-carbon economy scenario. This is why both companies are interested in identifying solutions that are mutually beneficial, technically possible and economically sustainable," said Jorge Oliveira, CEO of ArcelorMittal Flat Carbon Latin America.

According to him, this initiative is in line with the Group's global goal of becoming carbon neutral by 2050. "This is another step in our journey towards decarbonisation. The transition to a more carbon-sustainable economy is essential to meeting the challenges of climate change and preserving the environment for future generations. We are committed to actively participating in this process," he added.