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Vale and China Baowu sign MoU to develop steelmaking decarbonization solutions

Vale has signed a Memorandum of Understanding ("MoU") with China Baowu Steel Group Corporation Limited ("China Baowu") in which both agreed to pursue opportunities to develop steelmaking solutions focused on reducing greenhouse gas emissions.

The MoU comprises the discussion to produce biochar and use it in blast furnaces in order to consume a carbon neutral material based on biomass instead of fossil energy. The MoU also intends to discuss a possible investment by Vale into China Baowu's pilot biochar plant project, with an indicative amount ranging from sixty to seventy million renminbi.

This initiative contributes to achieving Vale's commitment to reduce 15% of net Scope 3 emissions by 2035. Additionally, Vale seeks to reduce its absolute Scope 1 and 2 emissions by 33% by 2030 and achieve neutrality by 2050, in line with the Paris Agreement, leading the evolution process towards low carbon mining.

About China Baowu

China Baowu is the world's biggest steel producer with around 115Mt crude steel production in 2020 on a consolidated basis. With the vision "to become a leader in global steel industry" and the mission to "jointly build high-quality steel ecosystem", and with the corporate values of "integrity, innovation, synergy and sharing", China Baowu commits itself to building a framework of coordinated development of related industries of new materials, intelligent services, resource and environment, industrial parks, and industrial finance etc. based on a green, premium and intelligent steel manufacturing industry through leaderships in technologies, benefits and scale.

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