



Norwegian Consulate General  
Rio de Janeiro

Report

# Investment Report: Norwegian Value Creation in Brazil 2021-2022

2023 Edition



# Table of Contents

	Page
Foreword .....	3
Executive Summary .....	4
Overview .....	6
Energy, Offshore and Maritime .....	11
Renewables .....	15
Research, Development and Education .....	18
Agribusiness .....	20
Environmental, Social and Governance .....	21
Methodology and Definitions .....	22

## A leap into a greener future!

As the global economy gradually rebounds from the pandemic, we are pleased to confirm that the longstanding economic ties between Norway and Brazil have remained robust. This edition of the Investment Report reflects the resilience of ongoing Norwegian investments in the country and the enthusiasm for a green future. The report represents a collaborative effort among various Norwegian agencies- namely Team Norway. Our joint mission is to strengthen trade relations between Norway and Brazil, particularly in the fields of energy transition and the green economy.

The principles of environmental and social responsibility (ESG) are a strong trademark of Norway and Norwegian companies in Brazil. In July 2022, our government passed the Transparency Act, making responsible business conduct a legal obligation for companies operating in Norway and internationally. We remain committed to promoting and upholding these vital principles.

Norwegian investments in Brazil have yet again reached record-breaking figures. Between 2021 and 2022, US\$7.3 billion were invested in Brazil, marking a 5.6% increase compared to 2019-2020. Norwegian companies are responsible for 31,000 direct and 133,000 indirect jobs in Brazil, while contributing approximately US\$2.4 billion in taxes. These companies are active in various sectors, including agribusiness, maritime, oil and gas, and renewables, with a total of 236 companies operating across all regions. This makes Brazil the third-largest market for Norwegian investments, following Europe and the United States.

Norwegian companies are at the forefront of cutting-edge solutions to support industries in the green shift, encompassing offshore wind, hydrogen production, clean fuels for maritime transportation, sustainable fertilizer production, and carbon capture and storage. Notably, these sectors align with Norway's strategic priorities and exhibit clear synergies with Brazil's objectives in the field of energy transition.

Brazil stands out as a competitive and exceptional market for the advancement of clean energy and sustainable products. Norwegian companies view Brazil as a pivotal country in their journey towards energy transition. Currently, there are US\$ 7 billion-worth of investments either announced or in progress in wind and solar, collectively amounting to over 1.5 GW of capacity. The share of renewables has significantly grown to almost US\$ 1.2 billion, surging from 2% to 16% since 2020 – a leap into a greener future!

While Norway's role as an oil and gas producer presents complex challenges, we are committed to carefully addressing these dilemmas and taking the necessary actions to foster a sustainable future. Norway will be part of the solution, making substantial contributions to this ongoing revolution. As such, the green energy transition is a top priority for Norway.

The green shift is a game changer that presents enormous opportunities. It will generate businesses and jobs on both sides of the Atlantic. The enduring and trust-based friendship between Norway and Brazil, combined with our commitment to the climate agenda, sets the stage for another remarkable chapter in our joint history!



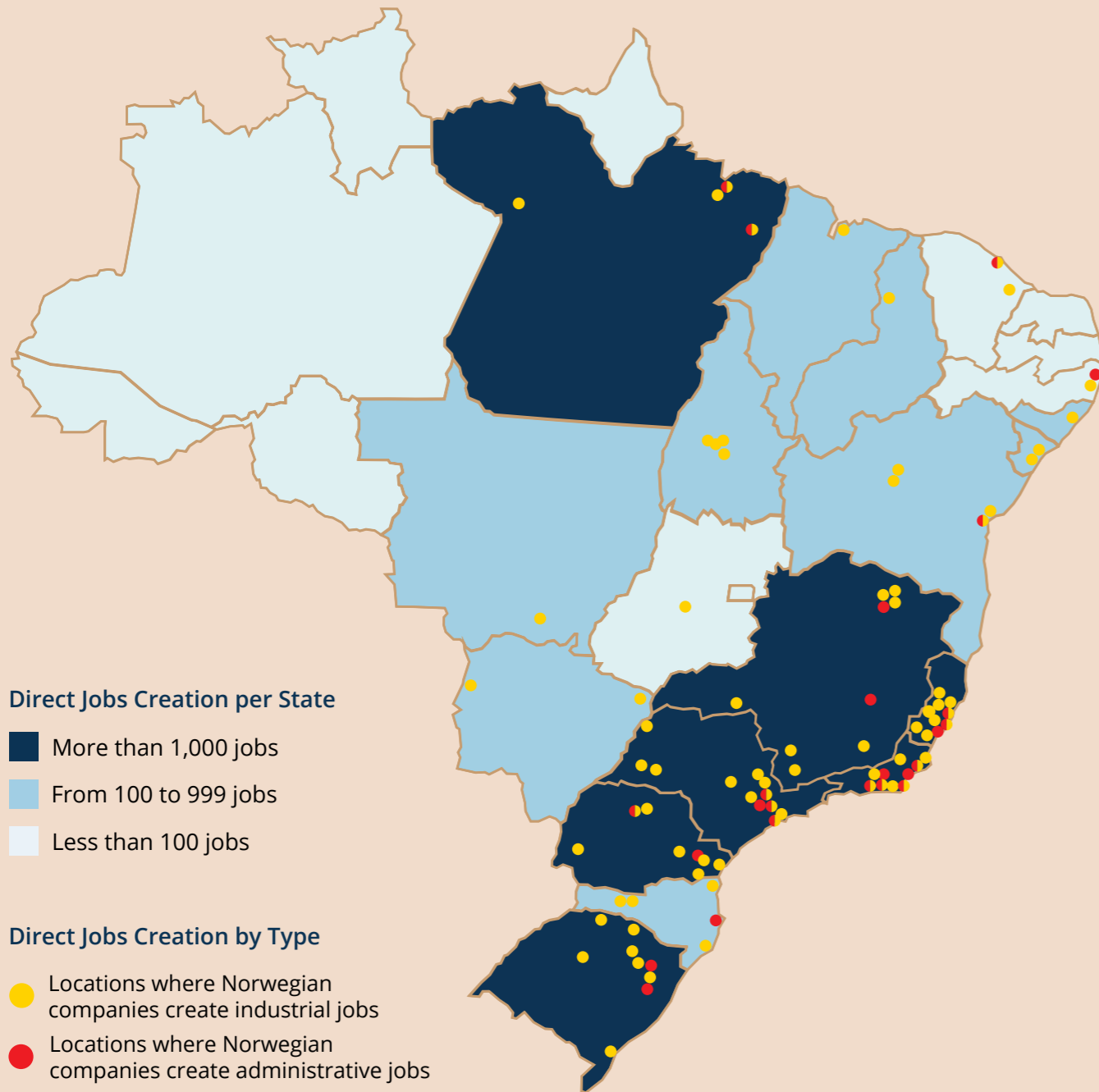
**Odd Magne Ruud**  
Ambassador



**Mette Tangen**  
Consul General

# Executive Summary

## Norwegian Job Creation in Brazil



**LOCATIONS**

**88**  
across 19 states

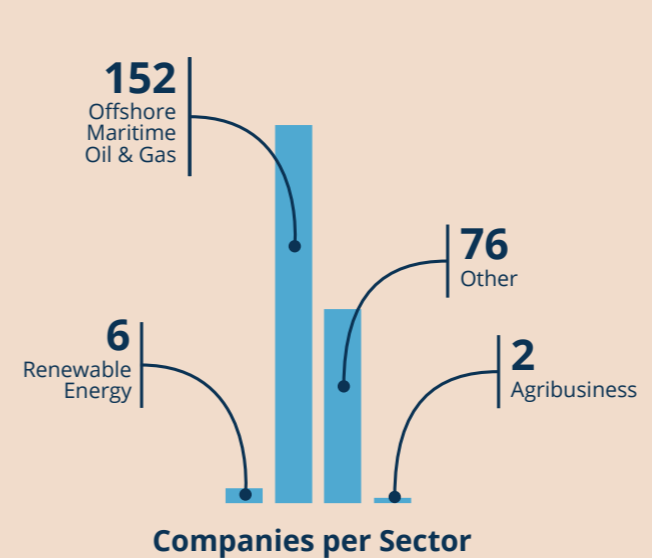
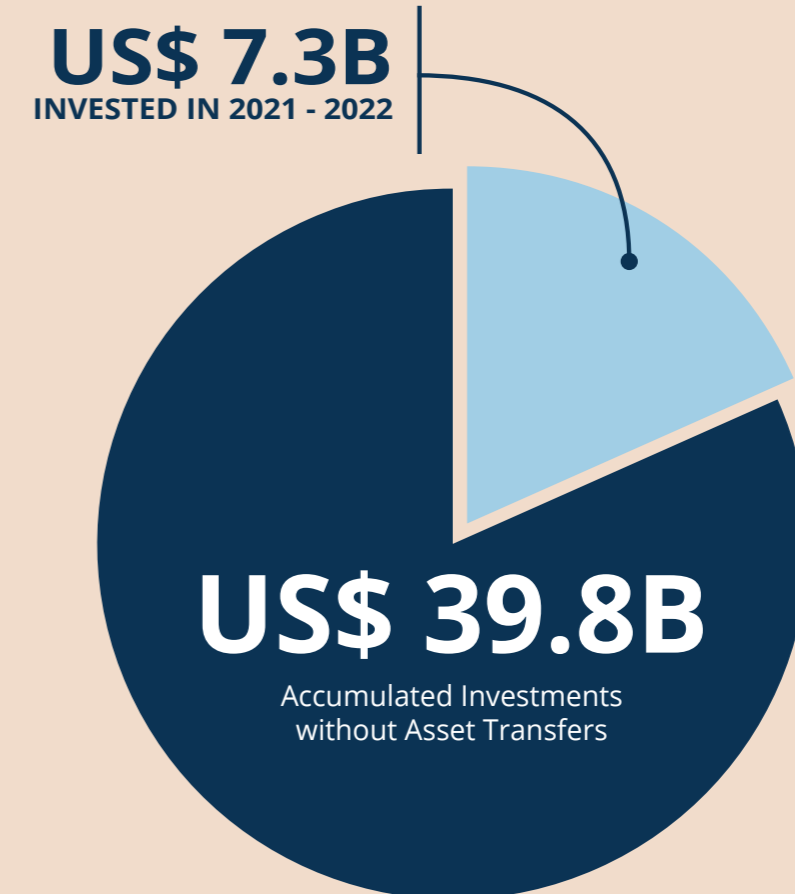
**JOBS CREATED**

**31,000**  
Direct Jobs

**133,200**  
Indirect Jobs

# Executive Summary

## Norwegian Investments in Brazil



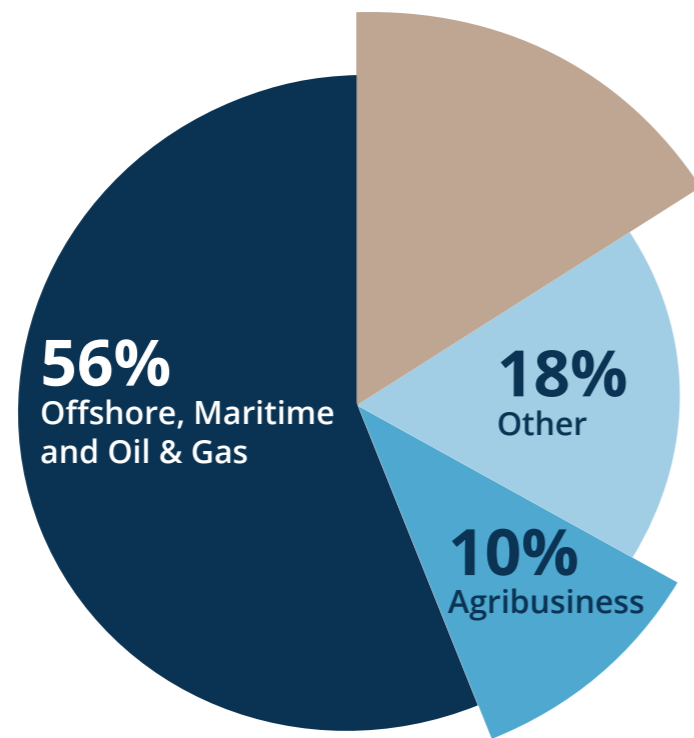
**US\$ +14.3B**  
LAST 4 YEARS

Norwegian investments in Brazil in the four-year period from 2019 to 2022

**236**  
NORWEGIAN COMPANIES

Up by 8% in the four-year period from 2019 to 2022

# US\$ 7.3 Billion in Investments in Brazil in 2021-2022



## Investments Overview

Norwegian investment in Brazil reached more than US\$ 7.3 billion in 2021 and 2022. This figure repeats a positive trend seen in recent years, with an increase of 5.6% in comparison to 2019-2020 levels.

The new record high investment can be attributed to diversification in the invested sectors, combined with a significant increase in reinvested profits.

## Investment by Sector

The energy sector continues to draw a large portion of the investment, as *Equinor* reveals the company invested US\$ 11 billion in Brazil so far and expects to invest at least another US\$ 15 billion by 2030. *Equinor* is further consolidating its position as the second largest operator in terms of production of oil and gas.

Renewables and carbon-free energy sources contributed greatly to the increase in investment in the energy sector. Companies like *Equinor*, *Scatec Solar*, *Hydro*, *Statkraft* and *Aker* are leaders in larger initiatives in this sector.

*These efforts resulted in the increase of investments in renewables, reaching 16% of the total invested amount, a six-fold increase compared to the 2019-2020 period.*

Significant investments in the agribusiness sector were identified in the period of 2021 and 2022, making up 10% of the total investments.

Chemicals, finance, IT, media, mining, etc. are grouped into one category and represent sectors in which Norwegian companies are active in Brazil. The investment in these areas represent 18% of the total investments in the period.

## Tax Payments

During the 2021 - 2022 period, the Norwegian companies surveyed contributed more than US\$ 1.8 billion in tax payments to Brazil, up by 47% compared to data reported in the 2019 - 2020 period. There is an estimated additional US\$ 600 million by other Norwegian companies, totaling US\$ 2.4 billion in paid taxes.

## Direct Job Creation

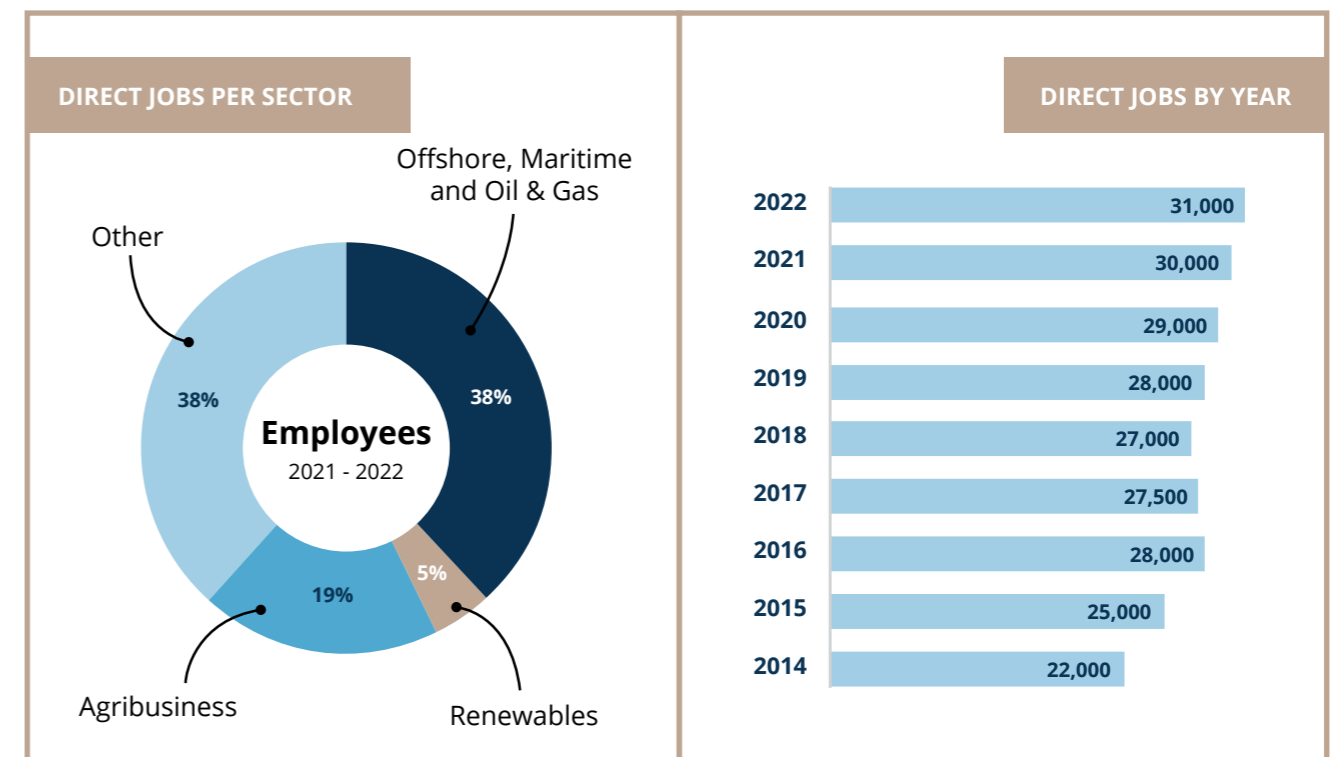
By the end of 2022, at least 101 Norwegian companies created direct employment throughout Brazil. The increase in employment continues to follow a linear growth trend, rising 7% in comparison to 2020.

## Indirect Job Creation

According to the model of the Brazilian Development Bank (BNDES) used to estimate indirect jobs, Norwegian companies were responsible for more than 133,200 indirect jobs across all sectors of the economy by 2022.

Indirect jobs are created outside the company, at suppliers or independent contractors that increase their headcount due to projects carried out for a Norwegian company.

The offshore, maritime, oil & gas sectors are the largest direct and indirect employers, with responsibility for 61% of the total direct and indirect workforce.



## **i** Norwegian Asset Transfers to Brazil

For the purpose of this report, asset transfers are not considered a part of Norwegian investments in Brazil. Nevertheless, asset transfers are the most significant investment type for many of the Norwegian companies operating in the Brazilian maritime and offshore sectors.

Brazil has been an important country for Norwegian deep sea vessel owners for many years. According to the Maritime Outlook 2023 report by the Norwegian Shipowners' Association, it remains among the top five most relevant markets in their operations.

The same report places Brazil third in importance for both offshore shipping and offshore drilling companies, behind only Norway and the UK.

Norwegian companies secured many contract extensions in the 2021-2022 period, while other assets have been newly transferred to Brazil.

The largest asset transfers for Norwegian companies to Brazil in the period include the following vessels:

- Normand Pioneer, Normand Titus, Normand Poseidon, Normand Flower and Normand Valiant for Solstad
- Skandi Neptune and two state-of-the-art heavy duty work class ROV systems for DOF Subsea
- Safe Zephyrus for Prosafe

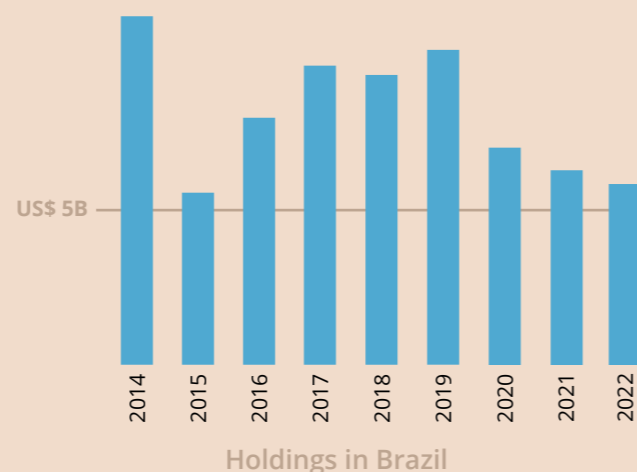
## **i** Norwegian Pension Fund in Brazil

The Norwegian Pension Fund remains an important player in the Brazilian financial market, despite some reductions over the last few years. By the end of 2022 it had holdings in Brazilian bonds and equities worth US\$ 5.602 billion.

By December 2022, the Norwegian Pension fund had US\$ 4.656 billion invested in Brazilian equities which corresponds to 0.326% of the total B3 market capitalization.

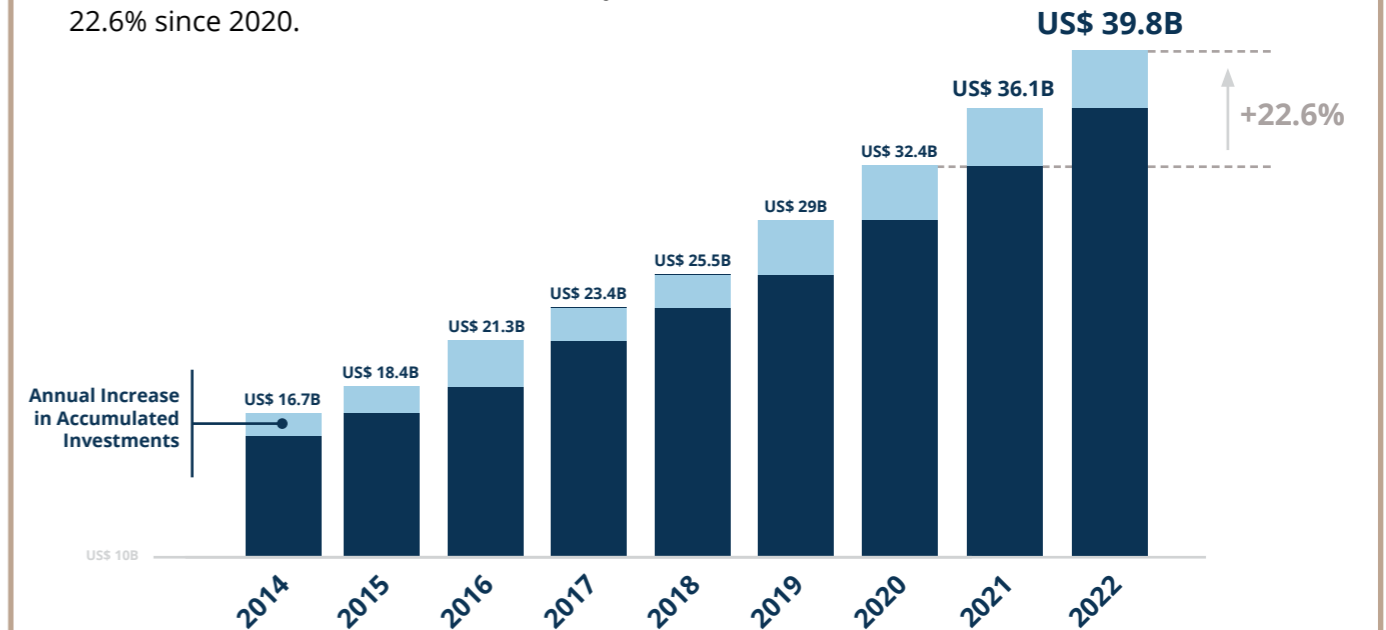
Petrobras is the fund's largest equity holding in Brazil in 2022. The total investment in Petrobras was US\$ 711 million, which corresponds to a 1.17% shareholding. Banco Bradesco SA is the second largest investment where the fund has 1.12% shareholding, with an investment of US\$ 341 million.

In this report we did not include investments made by the fund as a basis for Norwegian investments to Brazil.



## ACCUMULATED INVESTMENTS

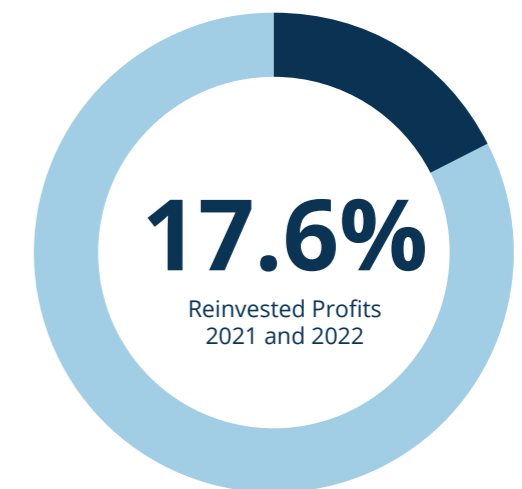
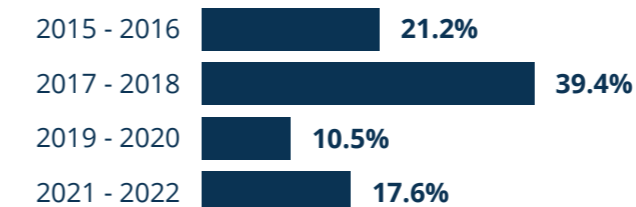
Accumulated Norwegian investments in Brazil, without asset transfers, have increased by 22.6% since 2020.



## REINVESTED PROFITS

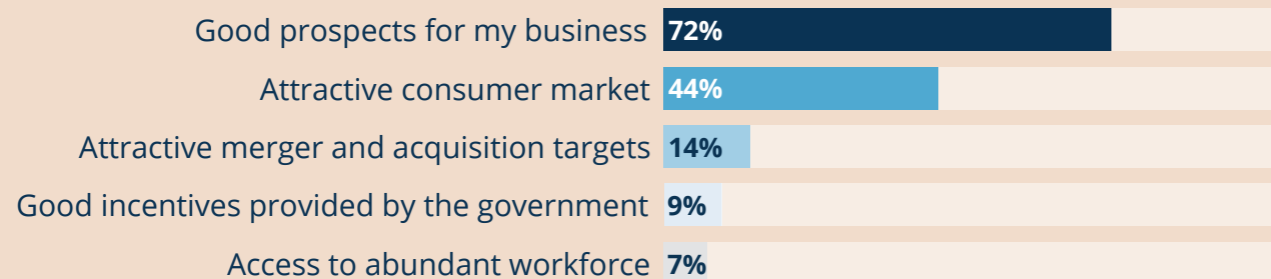
Norwegian companies reinvested more than US\$ 1.2 billion of their profits in their Brazilian operations between 2021 and 2022.

After a decline in the previous period, reinvested profits are climbing and represented 17.6% of the total invested amount.






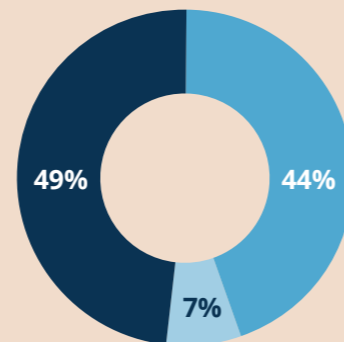
## Business Environment Barometer

### What is the main reason for your company to invest in Brazil?






### What was the primary purpose for your company's capital allocation to Brazil during the 2021 and 2022 period?

-  Invest in organic growth
-  The company did not allocate capital
-  Other






### What are your company's investment plans in Brazil?



-  Increase investments
-  Maintain same level as today
-  Reduce investments

### Is your company planning to increase the workforce in Brazil?



-  Increase our workforce
-  Maintain the current workforce levels
-  Reduce our workforce

## Optimizing Production in Ultra Deepwater Fields

Aker Solutions - São José dos Pinhais

Brazilian operations remains a high priority for Norwegian companies in the energy sector, and large investments are directed to diversify the portfolio across a variety of sources, optimization of operations and building the path towards net zero targets.

Norwegian company *Aker Solutions* remains a vital supplier for important energy projects, providing highly specialized equipment. The Brazilian operations of *Aker Solutions* are key to the company, serving not only the local market, but also exporting production to other countries like Norway.

### High Technology for Petrobras Fields

The Petrobras Mero-4 subsea production project, one of the largest oil discoveries in Brazil's pre-salt area, will count on a number of systems delivered by *Aker Solutions*.

The company was contracted in 2021 to deliver a subsea production system consisting of up to 13 vertical subsea trees purpose-built for Brazil's pre-salt. Installation is expected in the period between 2023 and 2025, and *Aker Solution's* units in Brazil will execute the majority of the work.

*Aker Solutions* was also awarded two other contracts. The first one, comprises a full range of

subsea lifecycle services and has been effective since 2021. This framework agreement covers several Brazilian offshore fields operated by Petrobras for 3 years plus extension options.

The second agreement related to the delivery of production systems and lifecycle services was signed in 2022. It features the company's latest generation of subsea controls, as well as an order for an estimated 33 subsea trees over the following 5 years.

These new deliveries will add to the 240 subsea trees already installed by *Aker Solutions* at Brazilian offshore fields operated by Petrobras over the past 25 years.

### Engineering Infrastructure for New Development

Meanwhile, *Subsea 7* increased its footprint in Brazil during this period. The company was awarded an EPCI contract for the development of Petrobras' Búzios 8 and Mero-3 fields, including pipelines, umbilical and associated infrastructure contracts. The projects also involve the installation of Floating Production Storage and Offloading (FPSO) mooring lines and hook-ups.



# Improved Results in Highly Efficient Operations

Equinor - Peregrino C

Minimizing carbon emissions is an effort that has branched across several aspects of *Equinor's* offshore operation in Brazil.

## Peregrino Phase 2

*Equinor* celebrated two decades in Brazil by reaching several important milestones in the period, which were the result of massive investments here.

One of the greatest achievements is the very first oil produced at Peregrino C, a project that was scheduled to start in 2020 but was critically delayed due to the impact of the COVID-19 pandemic.

The Peregrino C oil production represents the start of Peregrino Phase 2 which will extend the life of the Peregrino field to 2040.

It is estimated that this phase will add 250-300 million barrels of oil, while halving expected CO<sub>2</sub> emissions per barrel produced. The new platform is expected to employ 350 people.

## Improved Oil Recovery

*Equinor's* knowledge and experience were instrumental as the two first improved oil recovery (IOR) wells in the Roncador field reached production 5 months ahead of schedule.

The partnership will drill 18 wells, which are expected to provide additional recoverable resources of 160 million barrels.

Developed with Petrobras, which holds 75% of the equity, this mature field is Brazil's fifth largest producing asset. This project allows extraction of further value from the field while reducing carbon intensity.

## Hybrid Vessels Initiative

*Equinor* announced the use of hybrid vessels in its Brazilian operations starting in 2023. This represents a reduction of up to 40% of carbon emissions in comparison to a fully diesel-powered vehicle.

## Development of Maromba Discovery

The BW Group has also made significant investments in Brazilian oilfields. *BW Energy* decided to move ahead with the development project for the Maromba discovery located in the Campos Basin, and signed an agreement to purchase the FPSO Polvo.

In addition to Maromba, purchases of the entire Golfinho field, Camarupim, Canapu and a 65%

stake in the block BM-ES-23 by *BW Energy* were approved by the Brazilian Antitrust Authority (Cade).

In June 2022, *BW Energy* signed an agreement to acquire the FPSO Cidade de Vitória from Saipem for US\$ 73 million to further support their activities. The FPSO is currently producing in the Golfinho field.

## Leading Expertise in 4D for Petrobras

The geophysical data survey provider *PGS* was awarded a significant contract by Petrobras for 4D production over the Barracuda-Caratinga field in the Campos basin. The work is set to begin in Q2 2023 and be completed in 2024.

## Greenfield projects

By the end of 2022 *Equinor* started phase 1 of the Bacalhau field. This greenfield project, whose first oil production is expected by 2024, received investments of approximately US\$ 8 billion and has *Equinor* as the operator.

The project is expected to attract US\$ 9 billion in investments, and generate up to 50,000 jobs.

When it comes on stream, the capacity of the block will represent 15% of Brazilian gas demand.

Comprising an area covered by two licenses, BM-S-8 and Norte de Carcará, the development consists of 19 subsea wells connected back to the FPSO.

*Equinor* has also submitted the declarations of commerciability and development plans for block BM-C-33, namely Raia Manta and Raia Pintada.

The block is being developed with Repsol Sinopec Brasil and Petrobras, and is one of the main natural gas projects under development.



Bacalhau FPSO

## High Volumes of New Contracts for the Maritime Sector

A large portion of the specialised fleet supporting the offshore energy sector in Brazilian waters is composed of vessels owned by Norwegian companies.

This extensive and solid cooperation has been further strengthened in 2021 and 2022 as new contracts and extensions of already existing deals were confirmed.

### Providing Specialised Vessels

The offshore service company *Solstad* was awarded several new charter agreements in Brazil, which will be reflected in their activities in the country for years to come. The most important contracts in the period are:

- AHTS Turquesa for 3 years, CSV Normand Valiant for 2+2 years, and CSV Normand Flower for 3 years for Petrobras
- PSV Sea Brasil for 2 years and PSV Far Scotsman for 2 year for Equinor
- PSV Normand Swift for a medium term contract and PSV Normand Starling for 2 years for Shell Brasil
- AHTS Normand Topazio for 300 days and AHTS Normand Turmalina for 18 months for Enauta Energia

*Solstad* also confirmed agreements for OCV Normand Cutter, CSV Normand Pioneer and PSV Normand Titus by multiple companies operating in Brazil.

### Supporting Petrobras Activities

Having a strong position in the Brazilian offshore industry, *DOF* secured a significant number of charter contracts announced by Petrobras during the period.

Some of the most important charter contracts that were confirmed in 2021 and 2022 are:

- Extensions for Skandi Chieftain, Skandi Olympia and Skandi Commander for 3 years
- AHTS vessels and ROVs Skandi Angra, Skandi Paraty, Skandi Urca and Skandi Fluminense were contracted 2+2 years
- AHTS Skandi Iguazu for 3+2 years
- AHTS Skandi Botafoogo for 3 years
- Extensions for Skandi Achiever and Skandi Amazonas

### Prominent Agreements

Another Norwegian company that will continue to support Petrobras operations is *Prosafe*, which was awarded contracts for Safe Zephyrus, Safe Eurus and Safe Notos.

The Brazilian petroleum company also granted long-term contracts to *Subsea 7* for pipe-laying support vessels *Seven Waves*, *Seven Rio* and *Seven Sun*. These agreements, signed in October 2021, are for 3+1 years starting in 2022.

In 2022, Petrobras also ordered a new shuttle tanker Suezmax Dynamic Positioning (DP2) from *Knutsen NYK Offshore Tankers*. The vessel, currently being built at Cosco Shipping, is due to be delivered in 2025 for a 15-year charter.

## More than 1,000 MW in New Renewable Developments

Synergies among Norwegian companies in Brazil continue to drive progress towards cleaner energy generation and a more sustainable use of natural resources.

### Large-Scale Solar Power

Mendubim, a joint venture formed by *Scatec*, *Hydro Rein* and *Equinor*, is set to become one of the largest solar power developments to date in Brazil, with 531 MW installed. Located in the state of Rio Grande do Norte, the plant will receive investments of US\$ 430 million, and construction work began in 2022.

Once completed, Mendubim will be operated and maintained by *Equinor* and *Scatec*. All partners in the project share engineering responsibilities and they all hold equal equity stakes.

A 20-year power purchase agreement was signed with Alunorte, which will acquire 60% of the power generated. The remainder will be sold on the Brazilian open market.

### Responsible Development

Mendubim construction will take measures to reduce the social and environmental impacts, considering not only aspects related to the fauna and flora, but also promoting the use of a more inclusive workforce.

When operating at its full capacity, the power plant will generate enough electricity to power the equivalent of 620,000 Brazilian households.



### Green Hydrogen and Ammonia

*Statkraft* and *Aker Clean Hydrogen*, an Aker Horizons affiliated company, signed an agreement to cooperate in opportunities for production of green hydrogen and green ammonia in Brazil.

The initiative, with the participation of *Sowitec*, will leverage the development of power-to-X projects in Bahia.

The first prospect explored by this initiative is a large-scale hybrid project, combining renewable power generation with green hydrogen and green ammonia production to support the local fertilizer industry.

The state of Bahia was strategically chosen due to the favourable conditions for generating renewable energy and for the potential to replace imported grey – fuel-based fertilizers – with green ammonia, produced in Brazil. Operations are scheduled to commence in 2027.

*Stolthaven Terminals*, part of the Stolt-Nielsen Group, is also preparing for the green hydrogen era. The company signed a MoU with the Pecém Port and Industrial Complex, located in the Ceará state, for the study of a new storage terminal for green hydrogen and associated products.





Scatec Solar Project in Brazil

**Securing Clean Energy for Operations**

Hydro's dedicated efforts to make sustainability a top priority within their Brazilian activities has accelerated over the past years.

In 2021, the company established the aforementioned *Hydro Rein*, a provider of renewable power solutions for industrial applications for projects in Brazil and the Nordics.

The company established a pipeline of projects for the long-term supply of low-carbon energy in Brazil, which includes not only Mendubim, but also the Boa Sorte solar power project.

**Boa Sorte Solar Plant**

*Hydro Rein* is involved in the Boa Sorte solar power project located in Paracatu, Minas Gerais, in a joint venture with Atlas Renewable Energy and Albras. This is a large project, with a planned capacity of 438 MW.

The construction of Boa Sorte started in October 2022, calling for an investment of US\$ 320 million.

The production will be directed to Albras, which signed a US dollar-denominated power purchase agreement, in the period from 2025 to 2044.

**Hybrid Solar and Wind Project**

*Hydro Rein* has also established a joint venture with Macquarie Asset Management's Green Investment Group (GIG) to develop Feijão, a 586 MW combined hybrid wind and solar generation project in the states of Piauí and Pernambuco. Hybrid sources are more likely to bring resilience and stability to the production of electricity.

The Feijão project comprises 80 turbines with a combined capacity of 456 MW, with the option to develop up to 130 MW of solar power production. The total investment for the wind farm is estimated at US\$ 700 million.

*Hydro's* bauxite mine at Paragominas and the Alunorte refinery will be the sole offtakers, after the parties signed long-term power purchase agreements.

“Brazil is a strategic partner for Norwegian companies in their pathway to accelerate energy transition.”

Mette Tangen  
Consul General

**Investment Fund Participation**

The prospect for photovoltaic power opportunities has also attracted investment funds like Norfund from Norway and Finnfund from Finland, which along with *Norsk Solar* are investing in the construction of six solar plants with a capacity of 18 MW via the Nordic Impact Cooperation.

The plant is part of a 37 MW development agreement between *Norsk Solar* and purchaser Órigo Energia.

**Establishing a LNG supply in Pará**

Another project that is key for the company to migrate from fossil fuels is taking place at the Alunorte alumina refinery.

*Hydro* signed a 15-year agreement for the supply of Liquefied Natural Gas (LNG) to the plant, while enabling the establishment of a LNG supply in Pará, thereby promoting local development.

The project is part of *Hydro's* commitment to reduce its greenhouse gas emissions by 30% by 2030. The change of energy source will reduce the refinery's annual CO<sub>2</sub> emissions by 700,000 tonnes.

**New Wind Projects**

*Statkraft* continue to invest in projects to advance their position as developer and operator of hydro, wind and solar power in Brazil.

Constructions of the Morro do Cruzeiro wind project started in mid-2022 in the state of Bahia, and comprises two wind farms, 14 turbines and a total installed capacity of 80 MW. Due to the location that favors wind power generation, the Morro do Cruzeiro plant is expected to yield 386 GWh of renewable energy per year.

Wind power projects are central for *Statkraft's* expansion in Brazil. The Morro do Cruzeiro and Ventos de Santa Eugenia wind projects will more than double the company's installed capacity to 1050 MW.

**Offshore Wind**

The investment in wind power generation is a priority for other Norwegian companies that have a strong position in other sources of energy. *Equinor* is among the companies that have been closely monitoring the framework conditions applicable to offshore wind projects together with major Brazilian stakeholders.



Workers at Hydro Paragominas

# Results-Driven Research and Development

Acting as catalyser, Norwegian companies and institutions have grown closer to Brazil in an effort to nurture new projects and promote innovation that will benefit both countries.

In 2021, *Hydro* signed a BRL 2.2 million agreement with the University of São Paulo to explore the use of bauxite waste in the production of cement and to develop a new product that can be produced locally.

## Açaí Seeds Converted to Electricity

*Hydro* is also financing a project to transform açai seeds into energy to fire boilers at the Alunorte alumina refinery in Barcarena.

Pará state produces 1 million tonnes of açai pulp per year, and the seeds are discarded during the production process. Eleven researchers are working together with the Federal University of Pará (UFPA) to analyse the viability of the project, which could generate 160 MW of electricity per year.

## Seeking Local Solutions

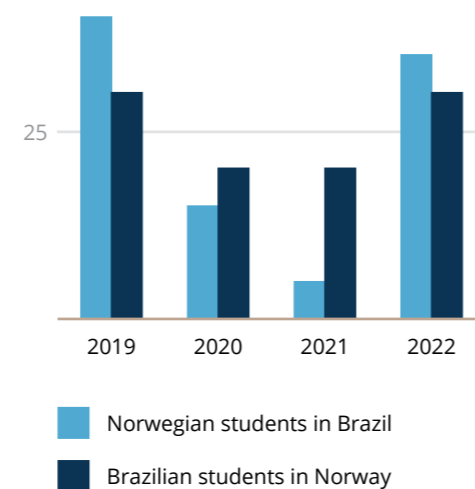
The *Equinor* Bridge Program is the first open innovation initiative in Brazil, and was launched in 2021 to search for solutions for day-by-day challenges faced by the company.

The first edition had 143 registrations, and 8 Brazilian companies and startups were selected to develop pilot projects for the company.

By 2022, *Equinor* announced that the program resulted in an increase of up to five-fold in efficiency in some of the projects, and new editions of Bridge are already planned.

## Exchange Students

The number of student exchanges between the two countries is on rise again after suffering the effects of Covid-19 on academic life.



## Brazil, a key cooperation partner

Brazil has been a part of the Norwegian strategy for cooperation on research and higher education since 2016 via the programmes UTFORSK and INTPART. Due to the solidity of the framework, this commitment was further extended until 2027.

As a follow up to this strategy, the Research Council of Norway, RCN, allocated NOK 10 million for development of long-term international institutional cooperations in a few key countries, including Brazil.

RCN has been fundamental to foster the development of new technologies. In 2021, RCN announced a joint call for proposals in partnership with the Brazilian Innovation Agency (Finep) for new technologies and services targeting offshore petroleum activities.

RCN provided funds for up to NOK 15 million, while Finep covered parts of the Brazilian partner's costs.



## Close Cooperation with Brazilian Universities

The value of academic cooperation is undeniable for the development of opportunities between Norway and Brazil. In 2021 and 2022, there were numerous successful initiatives involving a variety of institutions.

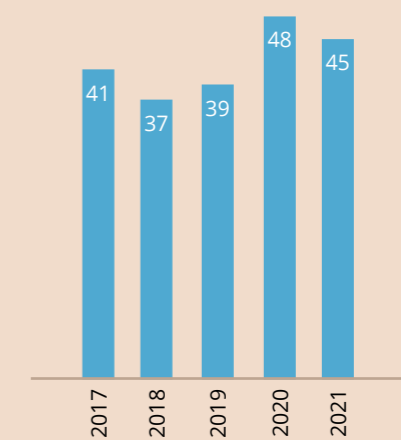
The Field Course in Tropical Rainforest Ecology and Biodiversity, which was resumed in 2022, is one of the flagships of the cooperation.

Also in 2022, the Federal University of Pará and *Hydro* graduated the first class in the Specialization Course in Geotechnical Engineering, composed of 16 students. This is the first time UFPA has run a graduate course along with a company in the aluminium sector.

The UTFORSK program SENOBR, focused on software engineering, made a significant contribution to integrate the IT sector in both countries.

SENOBR promoted mobility trips for students and professors to Trondheim and Curitiba. A new edition is already scheduled for 2023.

The number of active research projects involving partnerships between Norwegian and Brazilian researchers has hit an all time high in recent years.



Active Norwegian-Brazilian research projects



# Ready for Future Challenges in Food Supply

One of the sectors that is most vulnerable to the impacts caused by climate changes, the agribusiness, is seeking approaches to mitigate carbon emissions caused by their operations.

*Yara*, the global leader in nitrate-based fertilizers and present in Brazil for decades, is making steady progress towards the production of less polluting fertilizers in Brazil. In 2021, the company announced a partnership with Raízen for the daily acquisition of 20,000 m<sup>3</sup> of biomethane.

The renewable natural gas will be supplied to the Cubatão plant, starting in 2023. The company will gradually replace the use of natural gas, reducing emissions by 80% in comparison to fossil fuel.

### Agoro Carbon Alliance

Decarbonisation goals were directly incorporated into the group's new business. *Yara* founded Agoro Carbon in 2021, with teams in several countries, including Brazil. Agoro will support farmers with carbon credit incentives, agronomic expertise and technology to sequester carbon in the soil.

### Green Fertilizer

The prospect for green fertilizers in Brazil is promising, as alternatives for decarbonisation of the agribusiness chain is an increasing concern in the country.

Cooxupé, the world's largest coffee cooperative signed a MoU with *Yara* to explore opportunities for supplying the low-carbon fertilizer.

### Breeding and Genetics Centre

A brand new tilapia breeding centre, which took two years to build, was inaugurated late 2022 by *GenoMar*.

Located in Monte do Carmo in Tocantins, the facility is *GenoMar's* second tilapia nucleus. The centre will support breeding programs and produce parent stock for distribution among customers in Brazil and the rest of the world.

### Zero Carbon Nitrogen Fertilizer Plant

*Atlas Agro* has announced an investment of BRL 5 billion in Uberaba, Minas Gerais, where they plan to establish a zero carbon nitrogen fertilizer plant.

*Atlas Agro* is looking to lead the transition in this sector by using the latest technology to produce urea-free fertilizer.

The production process will only use renewable energy to power the water-based green hydrogen production facility, which is later converted to green ammonia.

## Creating Opportunities through Education, Inclusion and Respect

Incorporating environmental, social and governance policies and concrete points of action to support a more responsible business conduct have become widespread amongst Norwegian companies.

### Social-Environmental Projects

*Hydro* leads important social and environmental projects in the North of Brazil. By the end of 2022, the company had already invested in 25 projects via the Hydro Sustainability Fund.

In the Northeast region, more specifically in the state of Bahia, *Statkraft* launched a social and environmental program called Ventos da Gente in June 2021. Upon conclusion, Ventos da Gente mobilized 500 people and had implemented 16 projects in the social-environmental, educational and economic development segments.

The program came in addition to the 2<sup>nd</sup> and 3<sup>rd</sup> calls for the Edital de Sustentabilidade, in 2021 and 2022 respectively.

### Diversity via Education and Inclusion

Initiatives to ensure equality and inclusion are standard practice for Norwegian companies operating in Brazil.

*Aker Solutions*, which operates in a traditional male-dominated industry, reached a significant milestone with women representing 35% of new hires in 2022.

The company is still looking to expand team diversity by jointly developing new education programmes with SENAI Paraná and Macaé's Firjan SENAI. The programmes will enable dozens of women to receive education in the industrial sector, and subsequently, opportunities in the company.

*Yara* also maintains close ties with SENAI to provide education to their employees through the Programa Qualificar. Aside from this program, the company promotes free technical education to women in a number of locations.

Having received over 7,000 submissions, the program Viva o seu Talento 2022 by *Hydro* is another example of success in bringing diversity. Designed exclusively for women, the programme selected 34 candidates to work in all areas of the company.



### The Norwegian Transparency Act

The Norwegian Transparency Act, which came into force on 1<sup>st</sup> July 2022, has raised further awareness about the company's accountability for preventing human rights and labor related violations.

Providing public access to information regarding the companies' impacts on these aforementioned questions are also contemplated by this instrument.

The Act applies to companies resident in Norway, but it extends to the companies' entire business, including operations abroad.

The supply chain is also expected to follow certain standards and provide their employees with proper working conditions.

# Methodology, Definitions and Data for the Investment Report

The methodology and historical data presented in this report follow mapping exercises commissioned by Innovation Norway, the Norwegian Consulate General in Rio de Janeiro and the Embassy of Norway in Brasilia in 2017, 2019 and 2021.

Companies featured in this report are either among the top Norwegian investors in Brazil or have made announcements in 2021 or 2022 that will affect Norwegian investments in Brazil in the sector they represent in the years ahead.

The overview of Norwegian investments in Brazil only includes active investments made in 2021 and 2022. Investments made through financial instruments, bilateral aid, and passive equity investments where not included.

Detailed information about the companies are sourced exclusively from public information.

## Company Survey

Norwegian companies with activities in Brazil were invited to participate in a quantitative survey between May and September 2023. The majority of consolidated quantitative data in this report was collected from the Norwegian companies surveyed.

Estimates from desk research constitutes less than 5% of the Norwegian investment and about 30% of the direct jobs. Indirect jobs were calculated estimates based on the job generation model of the Brazilian Development Bank, BNDES.

## Definition of Norwegian Investments

To be considered a Norwegian investor, the individual must be a Norwegian citizen, the

company must be listed on the Oslo Stock Exchange (OSE) or the company must have their operational headquarters in Norway and be registered with the Norwegian company registry.

Once a company qualifies as a Norwegian investor, the country of origin of the capital invested in Brazil is irrelevant.

Capital transfers and reinvestment of profit are the only two investment types that are considered for the purpose of this report.

Accumulated investments and reinvested profits have been collected in their current form since 2015. Data from 2009 to 2014 was also collected in a similar form, while data prior to 2009 are estimates provided by Norwegian companies that had activities in Brazil as of 2013.

## Data Distribution

The investment data collected and estimated is related to the period from 2021 to 2022. For consistency with the previous years, the presentation of the investment data was equally distributed between the years covered in this report.

For the employment data, we assume a linear development of the figures on a year-over-year basis.

## Sector Grouping

The criteria used for grouping the companies into these categories is to maintain the confidentiality of the company data as some of the companies have a strong leadership position in their specific sector.

## Tax Payments to Brazil

We have collected information from the Norwegian companies regarding their tax contribution in Brazil. The Norwegian companies were asked to provide information about their tax contribution to Brazil, excluding payroll taxes and mandatory employment-related contributions.

Estimates were based on the extrapolation of the survey data to the other Norwegian companies within the same sector and adjusted for the size of the company.

## Reinvested Profits

Reinvested profits are based on survey responses by Norwegian companies. In addition to capital injections and reinvested profits, Norwegian companies also transfer offshore assets to Brazil. For the purpose of this report, asset transfers are not considered a part of Norwegian investments into Brazil.

## Induced and Affected Jobs

In previous editions, indirect and induced jobs figures were combined and presented

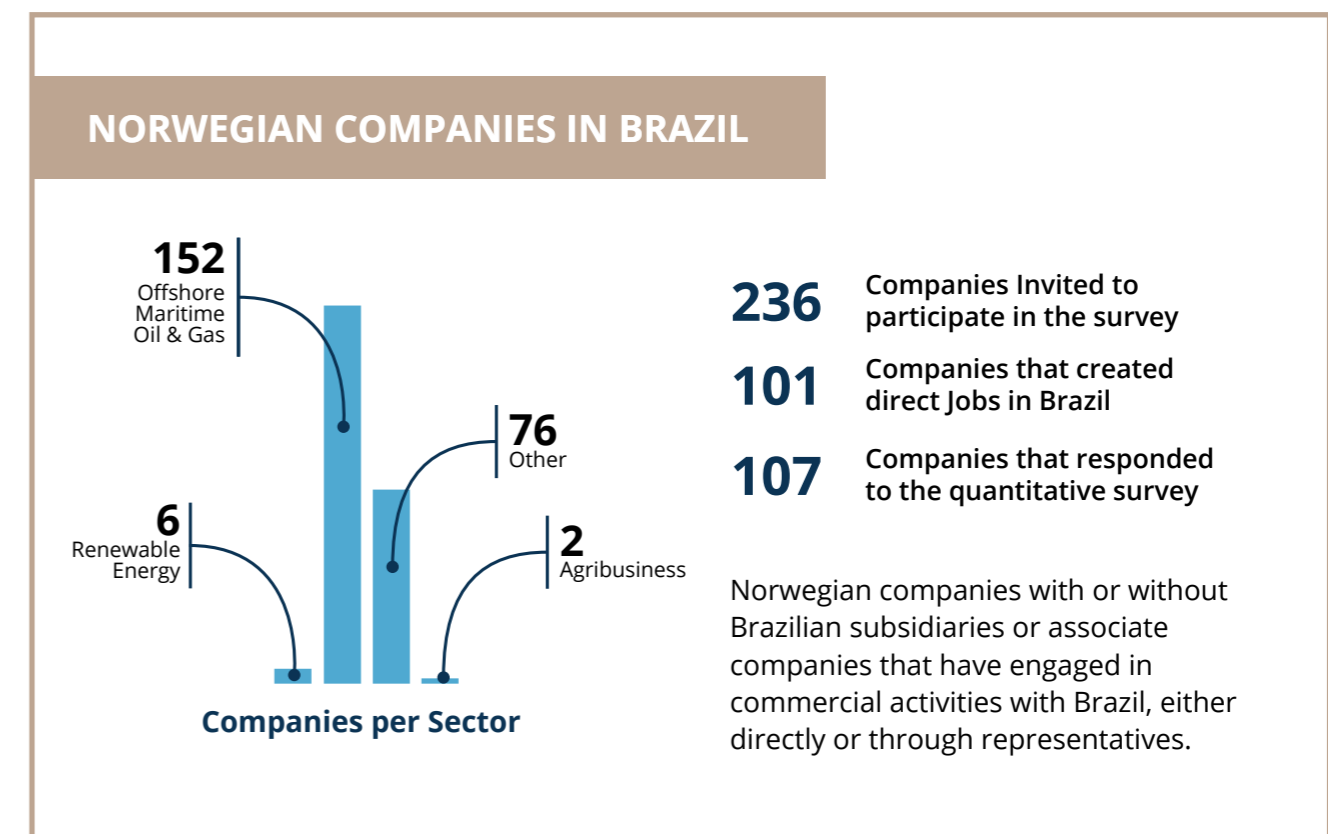
as affected jobs. From this report onwards, we will use the indirect jobs figure to simplify comprehension.

## Business Environment Barometer

An anonymous qualitative survey was conducted among Norwegian companies with activities in Brazil to get a better understanding of how they allocate their investments in the country and the outlook for the companies' operations in Brazil.

Forty-three Norwegian companies with activities in Brazil chose to participate in the qualitative survey conducted in the course of August and September 2023.

The survey shows that 98% of the respondents plan to either maintain or increase investments in Brazil. The optimistic outlook for the future was also identified in regards to maintaining or expanding their workforce. Nearly half of the respondents allocated capital to invest in organic growth of the company in the period of 2021 and 2022.



# Locations Where Norwegian Companies Operate in Brazil

2021 - 2022



## Published by



Norwegian Consulate General  
Rio de Janeiro



Rua Lauro Müller 116 - Torre Rio Sul - Botafogo  
Rio de Janeiro - RJ - 22.290-160

## Photo Credits

Cover and Pages 12 and 13	Ole Jørgen Bratland, Rodrigo A. O Santos, Roberto A. Kattan / © Equinor
Cover and Page 11	Aker Solutions
Cover and Page 15	Scatec
Cover and Page 17	Norsk Hydro ASA
Cover and Page 20	Yara
Cover	Statkraft
Cover	Alan Jamieson via Flickr
Page 3	Luciana Sposito
Page 18	Tiago Silveira / MTUR

## Developed by

*Fujikawa*

Av. Ipiranga 200  
São Paulo - SP - 01046-010  
<https://fujikawa.com.br/>