

**Press Release**  
29 April 2025

## NKT signs EUR 1 billion supply agreement with Hydro for low-carbon aluminium wire rod through to 2033

**The agreement will ensure security of supply of a critical raw material from a European partner, support NKT's decarbonisation journey and enhance the sustainability of medium- and high-voltage power cable solutions.**

NKT has signed a landmark supply agreement with Hydro to secure a long-term supply of low-carbon aluminium wire rod through to 2033, with an estimated contract value of approximately EUR 1 billion, depending on the quantity, duration options and future metal prices. This agreement plays a crucial role in NKT's ongoing decarbonisation efforts, enabling the company to deliver power cable solutions with a significantly lower carbon footprint to its customers.

- This long-term supply agreement with Hydro not only guarantees a long-term, European supply of low-carbon aluminium, it also reinforces our position as a sustainability leader in the power cable industry. It supports our strategy to continuously improve the carbon intensity of our power cables thereby supporting both our own short and long-term targets and our customers' decarbonisation ambitions. Given the current geopolitical landscape, securing reliable, local supply chains is increasingly important, says Claes Westerlind, CEO and President of NKT.

Both NKT and Hydro recognise the importance of decarbonising the aluminium and power cable supply chains in order to ensure a sustainable future. With this agreement, NKT is well-positioned to meet the robust market demand for its medium- and high-voltage power cable solutions, while strengthening Europe's ability to build out a clean and secure power grid through a locally sourced supply chain.

- It is with a sense of urgency that Europe is now mobilising to reduce the dependency on fossil fuel imports, introduce more homegrown, renewable power, and ensure security of supply of critical raw materials. Together with NKT, we are building a supply chain to provide responsibly sourced aluminium for the infrastructure makeover that Europe needs to bring down energy prices, accelerate the energy transition, and boost European competitiveness, says Eivind Kallevik, President and CEO of Hydro.

### **Reliable, low-carbon supply chain for the future**

The agreement ensures that NKT will have access to Hydro's REDUXA 4.0<sup>1</sup>, the world's lowest-carbon EC grade aluminium wire rod. Hydro aims to reduce the carbon footprint by a further 25% by 2030, with NKT having first rights to Hydro's REDUXA 3.0 aluminium.

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<sup>1</sup> REDUXA 4.0 has a carbon footprint below 4.0 kg CO<sub>2</sub>e per kg aluminum, which is one-fourth the global average

Aluminium is a critical component in medium- and high-voltage power cables, which are essential for Europe's ongoing energy transition. As society continues to electrify and renewable energy sources become more prevalent, power grids across Europe are undergoing significant upgrades.

To meet NKT's growing demand, Hydro recently announced a EUR 140 million investment in a new, state-of-the-art casthouse. This investment ensures a reliable, local, and sustainable supply chain, while also mitigating risks associated with regulatory and geopolitical shifts.

**Key facts:**

- Contract duration: 2025-2033
- Contract value: Estimated contract value of approximately EUR 1 billion depending on quantity, duration options and future metal prices
- Product impact: The majority of the low-carbon aluminium will go to medium-voltage sites in Falun, Sweden, and Asnaes, Denmark.
- Several high-voltage cable system projects, including 525 kV XLPE HVDC power cables, produced in Karlskrona, Sweden, will also receive low-carbon aluminium from Hydro under the supply agreement.
- The contract includes a joint decarbonisation roadmap
- NKT and Hydro have been partners for more than 40 years

**About NKT**

NKT connects a greener world with high-quality power cable technology and takes centre stage as the world moves towards green energy. NKT designs, manufactures and installs low-, medium- and high-voltage power cable solutions enabling sustainable energy transmission. Since 1891, NKT has innovated the power cable technology building the infrastructure for the first light bulbs to the megawatts created by renewable energy today. NKT is headquartered in Denmark and employs 6,000 people. NKT is listed on Nasdaq Copenhagen and realised a revenue of EUR 3.3 billion in 2024. NKT - We connect a greener world. [www.NKT.com](http://www.NKT.com).

**About Hydro**

Hydro is a leading aluminium and energy company committed to a sustainable future. Hydro's purpose is to create more viable societies by developing natural resources into products and solutions in innovative and efficient ways. Since 1905, Hydro has turned natural resources into valuable products for people and businesses, creating a safe and secure workplace for 32,000 employees in more than 140 locations and 40 countries.

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