

news release

RWE and ArcelorMittal intend to jointly build and operate offshore wind farms and hydrogen facilities, for low-emissions steelmaking

- **New wind farms to cover a large part of growing ArcelorMittal's electricity requirements in Germany, subject to regulatory framework**
- **The "Wind Energy at Sea Act" needs to be amended to enable wind power prices that keep German industry competitive and thus avoid "negative bids" in offshore wind tenders**
- **Development of electrolyser capacity to supply green hydrogen to steel production locations in Eisenhüttenstadt and Bremen, starting with a pilot plant by 2026 (subject to public funding)**
- **Companies investigate use of low-emissions steel in components for renewable electricity infrastructure**

Essen, 22 June 2022 - Energy company RWE and steel producer ArcelorMittal have signed a memorandum of understanding to work together to develop, build and operate offshore wind farms and hydrogen facilities that will supply the renewable energy and green hydrogen required to produce low-emissions steel in Germany. The partnership centres on driving forward the production of carbon-neutral steel, with a plan to replace coal with wind power and green hydrogen as the main source of energy in steel production at ArcelorMittal's steelmaking sites in Germany.

To decarbonise its production sites in Bremen, Hamburg, Eisenhüttenstadt and Duisburg as planned, ArcelorMittal Germany needs renewable energy on a large scale.

RWE and ArcelorMittal are assessing options for joint participation in tenders for offshore wind farm sites in the North Sea. The amendment of the "Wind Energy at Sea Act" (WindSeeG) currently under way is crucial for success, as it will permanently shape the cost structure in the German offshore wind sector. If the law were to establish "negative bids" in offshore wind tenders, financing wind farms would be more challenging and send the wrong pricing signals to the market by making wind power unnecessarily expensive. Competitive

electricity prices are absolutely necessary, if energy-intensive industries such as the steel industry, which operates in a competitive global environment, are to have a future in Germany. RWE and ArcelorMittal strongly believe that with the right steer, green steel from Germany can become a benchmark worldwide for low-carbon emissions steel production.

RWE and ArcelorMittal also want to work together on the development of green hydrogen, by jointly looking for areas where electrolysis plants can be built to supply the steel production sites in Bremen and Eisenhüttenstadt, starting with a 70 MW pilot plant by 2026 with the clear intention to increase to Gigawatt-scale projects in the long term - subject to approval of public funding.

With the combination of RWE's expertise in offshore wind farms and electrolyzers, and ArcelorMittal as a guaranteed buyer of the green electricity and hydrogen, the two companies believe they have excellent opportunities for a viable partnership arrangement. RWE and ArcelorMittal intend to conclude long-term purchase agreements for both wind power and green hydrogen.

Sven Utermöhlen, CEO Offshore Wind, RWE Renewables: "Electricity from renewable energies and green hydrogen must become the hallmark of industrial production in Germany. Industry needs both in large quantities as soon as possible in order to achieve its climate targets. That is why we are planning one of the most ambitious expansion projects for offshore wind farms and electrolyzers in Germany, together with ArcelorMittal. If the regulatory framework is right, we want to be successful together in the bidding for offshore areas. ArcelorMittal is an excellent partner to expand our industry cooperation and thus give real impetus to decarbonisation projects in Germany."

Reiner Blaschek, CEO ArcelorMittal Germany, comments: "ArcelorMittal Germany is embarking on a radical transition to ensure we reach our CO2 emissions reduction targets, meaning that the energy used to make steel will need to be clean energy. The partnership we have announced with RWE today is significant for a number of reasons: it will provide us with the renewable, affordable electricity and green hydrogen that we need to produce low-emissions steel while remaining competitive in a global market. It also offers vital security in the supply chain, by integrating the supply of energy and hydrogen into our business. We are looking forward to working with RWE on this highly important project and benefiting from their experience and know-how, as we continue to lead the industry in the decarbonisation of steelmaking in Germany and beyond."

As the world's leading steel producer, ArcelorMittal has ambitious climate action goals, including a target to reduce CO2 emissions by 35% by 2030 in Europe, and a group-wide target to be carbon neutral by 2050. By 2030, ArcelorMittal is aiming to exceed this target in Germany, by moving away from coal-intensive blast furnace technology to electric arc furnaces (EAFs) and direct reduction (DRI) plants. They also plan to gradually replace

natural gas with green hydrogen as the fuel for these facilities, once it is cost-competitive at scale.

In addition to the partnership on renewable electricity and green hydrogen, the companies want to investigate possible uses for ArcelorMittal's low-emissions steel in components for RWE's renewable electricity plants. RWE wants to be climate-neutral by 2040. To achieve this goal, the energy company needs to decarbonise its supply chain, and the use of low-emissions steel will make an important contribution to this.

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RWE

RWE is leading the way to a green energy world. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 gigawatts internationally by 2030. RWE is investing €50 billion gross for this purpose in this decade. The portfolio is based on offshore and onshore wind, solar, hydrogen, batteries, biomass and gas. RWE Supply & Trading provides tailored energy solutions for large customers. RWE has locations in the attractive markets of Europe, North America and the Asia-Pacific region. The company is responsibly phasing out nuclear energy and coal. Government-mandated phaseout roadmaps have been defined for both of these energy sources. RWE employs around 19,000 people worldwide and has a clear target: to get to net zero by 2040. On its way there, the company has set itself ambitious targets for all activities that cause greenhouse gas emissions. The Science Based Targets initiative has confirmed that these emission reduction targets are in line with the Paris Agreement. Very much in the spirit of the company's purpose: Our energy for a sustainable life.

ArcelorMittal Germany

With a production volume of around 8 million tons of crude steel, ArcelorMittal is one of the largest steel producers in Germany. Automotive, construction and packaging industries belong to the customer base as much as the household appliances sector. The group operates four large production sites in Germany. These include two integrated flat carbon production sites in Bremen and Eisenhüttenstadt as well as two long carbon production sites in Hamburg and Duisburg. In addition, the group maintains ArcelorMittal Construction in Sandersdorf / Brehna, a production site for sandwich panels and profiling systems for cassette, trapezoidal, supporting, design and corrugated profiles. The group also runs a strong distribution network in Germany with four steel service centers and ten distribution centers. ArcelorMittal runs a production site for tubular products in Altensteig. The group employs around 8,500 people in Germany. For more information visit <https://germany.arcelormittal.com>

ArcelorMittal Worldwide

ArcelorMittal is the world's leading steel and mining company, with a presence in 60 countries and primary steelmaking facilities in 16 countries. In 2021, ArcelorMittal had revenues of \$76.6 billion and crude steel production of 69.1 million metric tonnes, while iron ore production reached 50.9 million metric tonnes. Our purpose is to produce ever smarter steels that have a positive benefit for people and planet. Steels made using innovative processes which use less energy, emit significantly less carbon and reduce costs. Steels that are cleaner, stronger and reusable. Steels for electric vehicles and renewable energy infrastructure that will support societies as they transform through this century. With steel at our core, our inventive people and an entrepreneurial culture at heart, we will support the world in making that change. This is what we believe it takes to be the steel company of the future. ArcelorMittal is listed on the stock exchanges of New York (MT), Amsterdam (MT), Paris (MT), Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS). For more information about ArcelorMittal please visit: <https://corporate.arcelormittal.com/>

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