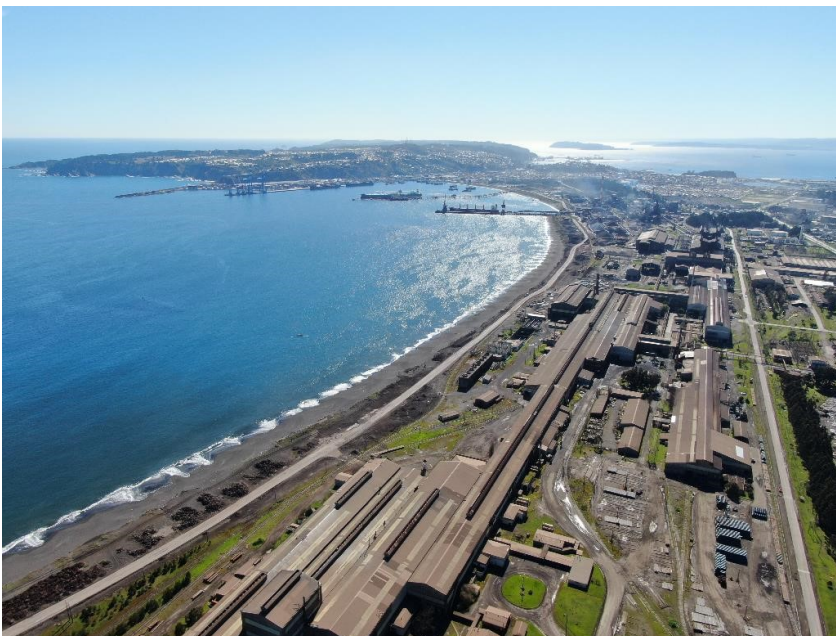


## PRESS RELEASE

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Luxembourg, March 16, 2021

# **CAP and Paul Wurth / SMS group join forces to decarbonise iron ore mining and steelmaking operations in Chile**



Compañía Siderúrgica Huachipato (CSH) facilities in Chile.

Compañía Siderúrgica Huachipato S.A. (CSH) and Paul Wurth Italia S.p.A., a company of SMS group, have signed a Technological Cooperation Agreement to explore the viability for transitioning CAP steelmaking operations towards the production of low carbon steel in Chile along the complete value chain.

This partnership joins Chile's leading mining and steelmaking companies affiliated to the CAP Group and Paul Wurth, a global leader in low carbon technologies for the steelmaking industry. The parties undertake to jointly conduct a feasibility study for a technological roadmap towards low carbon steel feedstock. The transition plan aims at setting up immediate measures to reduce the CO<sub>2</sub> footprint of CSH's operations by introducing the use of renewable energy and hydrogen combined with highly efficient technologies. This transformation process will thus lead to a product portfolio for green steel grades.

Thomas Hansmann, Chief Technology and Operations Officer of Paul Wurth says: "Chile is likely to offer perfect conditions for the use of renewable energy and hydrogen to be introduced into the value chain of both mining and steelmaking operations. With the combined expertise of our groups in operations and technology, I am convinced we will develop highly efficient solutions for carbon-neutral operations".

Rodrigo Briceño, Chief Executive Officer of CSH says: "As CSH, following CAP Group's strategy, we are continuously pursuing many innovative adaptations in our company's business model, with the aim of setting up a sustainable growth strategy where de-carbonisation, safety, operational excellence and social development are our milestones. From this perspective, CSH will foster initiatives to produce green steel using renewable energies and hydrogen throughout its production value chain".

## **About CSH**

Compañía Siderúrgica Huachipato (CSH), is the largest steel complex in Chile. Located in the region of Biobío, supplies mining, industry, metal mechanics and construction sectors with high quality long steel products. Throughout its 70-year history, CSH has contributed to Chile's development being a key player in the mining, metal-mechanical and construction industries in the country. Nowadays CSH has also an important position in the South American market, exporting 25% of its production.

## About CAP

CAP Group is the leading producer of iron ore and pellets on the America Pacific coast, the largest steel producer in Chile, the most important steel processor, and the third largest port operator in the country. It has various operations distributed throughout Chile, as well as in Peru and Argentina. It is the only company in Chile present throughout the entire iron value chain, that operates iron mines, produces high carbon steel and develops steel solutions to meet the needs of its domestic and foreign customers. With its 14000 people and almost 75 years of history, CAP has been one of the leading companies in the country, being recognised for its contribution to the communities where it develops its activities.

## About Paul Wurth

Headquartered in Luxembourg since its creation in 1870, the Paul Wurth Group can look back on 150 years of excellence, during which the firm has developed into an international engineering company and an established technology provider for the global ironmaking industry. As a company of SMS group, Paul Wurth is a leading market player for the design and construction of complete blast furnace and coke oven plants. Direct reduction plants, environmental protection solutions and recycling technologies complete Paul Wurth's product portfolio. Presently, the company is focusing on the development of innovative solutions for leading the transformation of the steel industry towards carbon-free steel production. With more than 1500 employees, Paul Wurth is active in the main iron and steelmaking regions of the world.

*SMS group is a group of companies internationally active in plant construction and mechanical engineering for the steel and nonferrous metals industry. It has some 14,000 employees who generate worldwide sales of more than EUR 2.9 billion. The sole owner of the holding company SMS GmbH is the Familie Weiss Foundation.*