



## PRESS AND INVESTOR ANNOUNCEMENT

### Befesa expands its recycling services into China

Luxembourg, 24 September 2018 – Befesa S.A. (“Befesa”), the European market leader for steel dust and aluminium salt slags recycling services, announced today that it has signed an agreement with the Jiangsu Changzhou Economic Zone to develop its steel dust recycling services business in China. Under the agreement, Befesa will acquire a land use right in the Chinese city of Changzhou to build Befesa’s first electric arc furnace (EAF) dust recycling plant in the country.

With this step, Befesa confirms its entry into the Chinese market. The plant in development is designed to recycle 110,000 tons of EAF dust per year and will represent Befesa’s seventh EAF steel dust recycling site globally, along with the existing sites in Europe, Turkey and South Korea. The ramp-up of the operations is expected for the second half of 2020.

*Javier Molina, CEO of Befesa, said: “With our Beijing office, Befesa has been present in China for the past eight years and has developed a network with key industry stakeholders. China’s increased focus on environmental protection has created the right conditions to support the development of our first steel dust recycling services plant in the country. This is an important milestone for Befesa. We are excited about the opportunity to play a key role in the development of this important industry and to have a positive impact on the environment in China.”*

China is the largest steel producer in the world, with more than 800 million tons of crude steel per year, representing around 50% of global production. By 2030, China is expected to produce more than 200 million tons of EAF steel. In addition, environmental protection has become a key priority for the Chinese Government. Steel dust was officially classified as a hazardous waste material in 2016.

Changzhou is located northwest of Shanghai along the eastern coast of China in the province of Jiangsu and is one of the most important industrial regions, with a population of around 80 million people and a GDP of USD 1.27 trillion. In recent years, Jiangsu has become a focal point for economic development, being regarded as one of China's most developed provinces, measured by its Human Development Index score (HDI).

#### **About Befesa**

Befesa is a leading international provider of critical environmental regulated services to the steel and aluminium industries with facilities located in Germany, Spain, Sweden, France and the UK, as well as in Turkey and South Korea. Through its two business units, Steel Dust and Aluminium Salt Slags recycling services, Befesa manages and recycles more than 1,300kt of residues annually, with a production of more than 600kt of new materials, which Befesa reintroduces in the market, reducing the consumption of natural resources. Further information can be found on the company’s website: [www.befesa.com](http://www.befesa.com)

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Javier Molina, CEO of Befesa, and Feng Shujiang, deputy director of Jiangsu Changzhou Economic Zone, during the signature of the agreement on 24 September 2018.

