

Media information

Schmiedewerke Gröditz GmbH Unveils State-of-the-Art Forging Furnace: A Milestone Towards Carbon Neutrality

Gröditz, August 22, 2024 – In a significant step towards achieving climate-neutral steel production by 2039, Schmiedewerke Gröditz GmbH has officially commissioned a new state-of-the-art forging furnace, designed for future operation with green hydrogen. The inauguration was marked by a symbolic press of the “green button” by Minister President of Saxony, Michael Kretschmer, alongside Dr. Alexander Becker, CEO of GMH Gruppe, Dr. Anne-Marie Großmann, CDO of GMH Gruppe, Dr. Jens Overrath, COO of GMH Gruppe, and Hanka Snatkin, Plant Director of Schmiedewerke Gröditz GmbH.

The €3.95 million investment in the new furnace represents not only more efficient operations, but also make Gröditz’s oven ready for the anticipated switch from natural gas to green hydrogen, underscoring the company’s proactive approach to sustainable innovation.

Roadmap to Climate Neutrality

“We have a clear roadmap to climate neutrality,” emphasized Dr. Jens Overrath, COO of GMH Gruppe. “Currently, Schmiedewerke Gröditz emits approximately 132,000 tons of CO₂ annually. Our plan is to reduce this to zero by 2039 through the substitution of fossil fuels with hydrogen and increased electrification of our processes. In its final stage, this transition will save 65,000 tons of CO₂ annually, with an additional 64,000 tons reduced by utilizing green electricity from renewable sources. Moreover, the replacement of coal and coke with biogenic coal will save another 3,000 tons of CO₂.”

Minister President Kretschmer emphasized the importance of such initiatives: *“With its new hydrogen furnace, Schmiedewerke Gröditz impressively demonstrates that innovative spirit is the key to low-emission steel production. Saxony is a steel state and should remain so in the future. The right framework conditions are needed for an industry that is both climate-friendly and internationally competitive. In an energy-intensive sector such as the steel industry, affordable electricity prices have absolute priority. This must also apply to steel production using hydrogen. The Free State of Saxony is committed to ensuring that medium-sized companies from Saxony also benefit from the expansion of the hydrogen core network.”*

Call for Government Support on Green Hydrogen Infrastructure

Dr. Overrath emphasized the need for political support to build the necessary infrastructure for green hydrogen. *“The availability of green electricity and hydrogen at competitive prices is crucial for our transformation. We are investing in our own electricity generation, including a photovoltaic system, and plan to connect to the H₂ grid by the end of 2027, provided the necessary political framework is established.”*

Dr. Alexander Becker, CEO of GMH Gruppe, further emphasized the need for government action on energy pricing: *“We are investing approximately €45 million at the Gröditz site over the next few years. These investments put Schmiedewerke Gröditz in a strong technical position for international competition and lay the foundation for further CO₂ reductions. However, our ability to remain competitive hinges on energy costs being aligned with those across Europe. Currently, this is not the case, and a bridge electricity price is essential.”*



About Schmiedewerke Gröditz GmbH

Schmiedewerke Gröditz GmbH, based in Gröditz, Saxony, produces open-die forgings, forged steel bars, tool steel and seamless rolled rings. The company is part of GMH Gruppe and supplies numerous industries worldwide with mechanically pre-machined or finished products according to customer specifications. These are used in particular in mechanical and plant engineering, power generation, rail technology and the consumer goods and food industries. The steel for this is produced by the company's own electric arc furnace on the basis of 100 % scrap. Already, Schmiedewerke Gröditz GmbH is one of the most climate-friendly steel companies in Germany. With its comparatively low-CO₂ value chain, which consists of melting scrap in the electric arc furnace and recycling it into new steel, the company is a pioneer in sustainable steel production, making an important contribution to the circular economy.

About GMH Gruppe

GMH Gruppe is a full-range supplier of steel as a primary material, melted from scrap, through to ready-to-assemble components. It is one of the largest privately owned metal processing companies in Europe. The group includes more than 15 medium-sized production companies in the steel, forging and casting industries, which are represented in over 50 countries. With around 6,000 employees, GMH Gruppe generates an annual turnover of around two billion euros.

GMH Gruppe is a pioneer in sustainable steel production and has been accepted into the "Association of Climate Protection Companies". Based on the recycling of scrap metal, the company produces green steel and thus makes an important contribution to the circular economy. The use of electric arc furnaces at four sites reduces CO₂ emissions by a factor of five compared to conventional blast furnaces. This also reduces the CO₂ footprint of the customers supplied by GMH. These include companies worldwide from the automotive industry, mechanical and plant engineering, railway technology, power generation, transport logistics, aerospace, agriculture and construction machinery sectors. GMH Gruppe has set itself the goal of being completely climate-neutral by 2039. Further information can be found at www.gmh.de.

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