Press Release



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First fully decarbonised cement plant in Germany: EU Innovation Fund backs Heidelberg Materials' GeZero project with €191 million

- Heidelberg Materials and the EU Innovation Fund successfully concluded the Grant Agreement on funding for Heidelberg Materials' flagship project at the Geseke cement plant in Northern Germany.
- GeZero aims to deploy an entire CCS value chain for the inland location, capturing 700,000 tonnes of CO₂ annually from 2029.
- Complementing substantial investments by the company, the Innovation Fund will provide a total of €191 million in financing to Heidelberg Materials to realise the project.

The EU Innovation Fund, one of the world's largest funding programmes for innovative low-carbon technologies, will support Heidelberg Materials with €191 million to develop a unique CCS value chain at the German Geseke cement plant. The funding complements substantial investments by the company. Following the successful conclusion of the Grant Agreement, the project will officially be launched on 1 January 2024. Geseke is set to become the first German cement plant that will produce carbon captured net-zero cement and clinker.

"The successful Grant Agreement demonstrates the relevance of GeZero for the decarbonisation of our sector, and the trust that European authorities place in our approach," says Dr Nicola Kimm, Chief Sustainability Officer and Member of the Managing Board of Heidelberg Materials. "We just recently introduced our evoZero brand, the world's first carbon captured net-zero cement on the market. The product will initially be offered through our Brevik CCS project in Norway. Once other capture projects such as GeZero start operations, these plants will also be able to deliver net-zero cement and clinker to customers, significantly speeding up the decarbonisation of our industry."

Mona Neubaur, Minister for Economic Affairs, Industry, Climate Action and Energy and Deputy Prime Minister of the State of North Rhine-Westphalia: "About one third of the German cement production is located in North Rhine-Westphalia. We are therefore delighted that the first carbon-free cement plant in Geseke in the district of Soest is a flagship project for a sustainable and climate-neutral future in the cement industry. GeZero shows how climate protection through new technologies and processes can also be achieved in energy-intensive industries. The project represents a decisive step

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towards a future-proof cement production and the transition to a net-zero industry in North Rhine-Westphalia, Germany and beyond."

In addition to the construction of the capture facility and a new oxyfuel kiln, GeZero's unique approach includes a CO₂ transport solution via train to bridge the gap until the necessary pipeline infrastructure will be available and is scaled to capture around 700,000 tonnes of CO₂ annually. The CO₂ will be transported to Wintershall Dea's CO₂ hub to be safely stored in the North Sea. Construction of the facility will start in 2026, and commissioning is planned for 2029.

"Together with our partners, we walk the talk and pave the way for CCUS in Germany," says Christian Knell, General Manager Germany of Heidelberg Materials. "GeZero will complement our global project portfolio with a truly unique approach. We are developing a promising novel solution for inland cement sites, with the intention to inspire industry peers and other emission-intensive sectors to follow."

The EU Innovation Fund focuses on flagship projects with European value added that can bring significant emission reductions. In response to its third call for large-scale projects, the European Commission had received 239 applications. 37 were selected for funding and have signed the Grant Agreement. Heidelberg Materials' ANRAV projects in Bulgaria received backing by the EU Innovation Fund already last year. The project aims to establish the first full-chain CCUS facility in Eastern Europe, with a capture capacity of about 800,000 t CO₂ per year starting from 2028.



Caption

Image 1,2: Heidelberg Materials' cement plant in Geseke, Germany (copyright: Steffen Höft for Heidelberg Materials) Image 3: 3D visualisation of the completed GeZero installation at the Geseke plant (copyright: Heidelberg Materials)

About Heidelberg Materials

Heidelberg Materials is one of the world's largest integrated manufacturers of building materials and solutions with leading market positions in cement, aggregates, and ready-mixed concrete. We are represented in more than 50 countries with around 51,000 employees at almost 3,000 locations. At the centre of our actions lies the responsibility for the environment. As the front runner on the path to carbon neutrality and circular economy in the building materials industry, we are working on sustainable building materials and solutions for the future. We enable new opportunities for our customers through digitalisation.

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