



**HYDROGEN
INVESTMENTS BV**

Partner for Industrial Decarbonisation

JULY 2026 EDITION

HI MARKET UPDATE

COP31 UPDATE

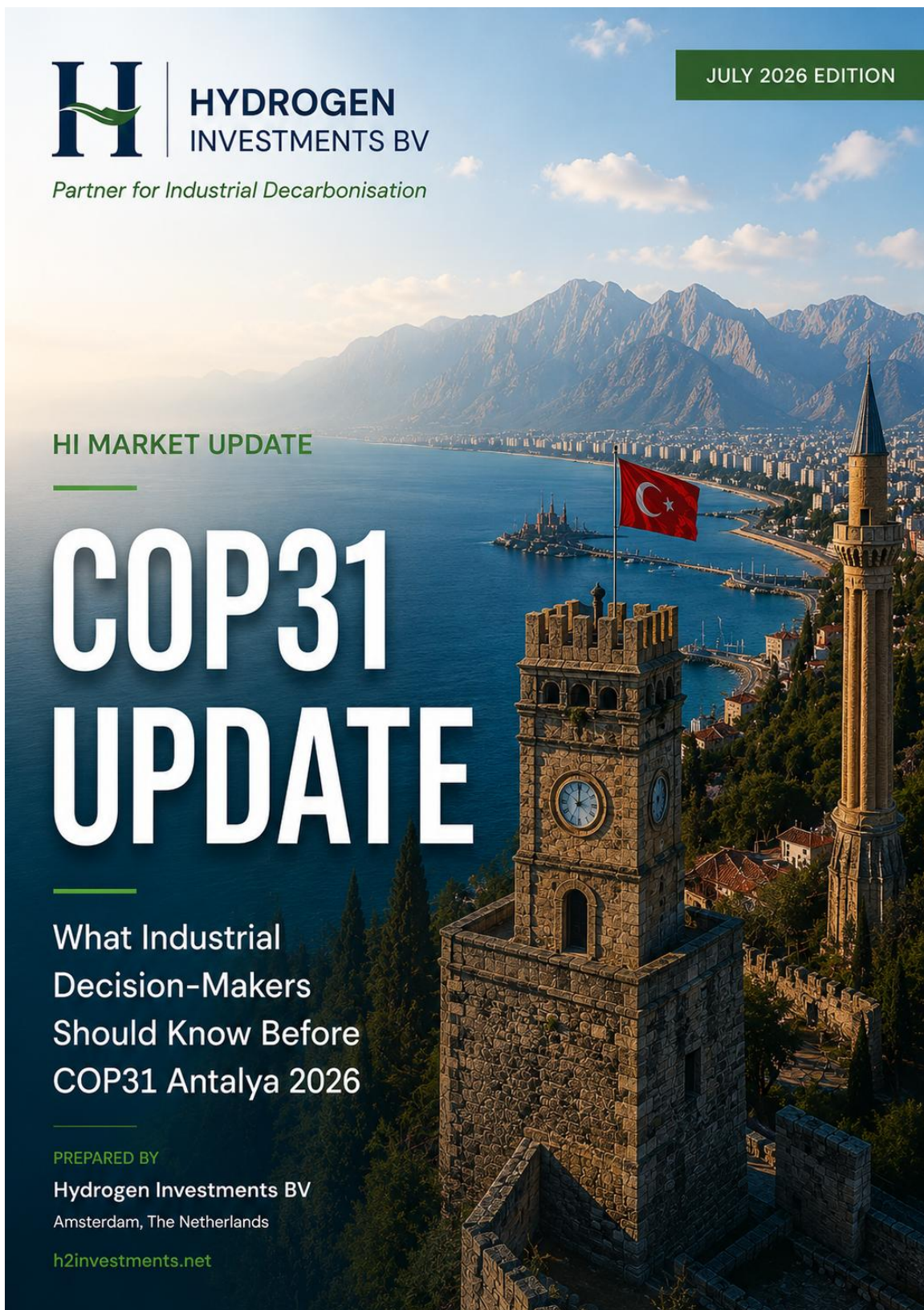
What Industrial
Decision-Makers
Should Know Before
COP31 Antalya 2026

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Publication Information

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The publication reflects our independent interpretation of publicly available information available at the date of publication. It is intended to provide strategic insight for industrial decision-makers and should not be interpreted as policy guidance or legal advice.

About Hydrogen Investments BV

Hydrogen Investments BV is an independent advisory company supporting industrial decarbonisation through commercial representation, business development, investment advisory and legal & commercial structuring. The company works with carefully selected technology partners to help industrial users evaluate, develop and implement hydrogen and carbon management projects.

Publication

Hydrogen Investments BV Market Update

July 2026

COP31 Update – *What Industrial Decision-Makers Should Know Before COP31 Antalya 2026*

Executive Brief

What Industrial Decision-Makers Should Know Before COP31 Antalya 2026.

Development

The COP31 Presidency has proposed a new global objective to increase the share of final energy demand supplied by electricity from just over 20% today to 35% by 2035. Together with targets on waste reduction and implementation support, the initiative represents another step in accelerating the global energy transition.

Why it matters

Electrification is becoming a central pillar of industrial decarbonisation.

Industries relying on fossil fuels will increasingly be encouraged to electrify processes wherever technically feasible while using zero-carbon hydrogen where direct electrification is not practical.

Key takeaway

Companies planning industrial investments today should ensure that new facilities are compatible with a progressively more electrified energy system.

1. What is New at COP31?

The road to **COP31**, to be hosted in **Antalya, Türkiye**, in November 2026, is taking shape with a stronger emphasis on implementation rather than new commitments. Building on the outcomes of previous Conferences of the Parties, the COP31 Presidency has signaled its intention to accelerate practical actions that can support the global energy transition while maintaining economic growth and industrial competitiveness.

One of the most significant proposals announced to date is a global objective to increase the share of **electricity in final energy consumption from just over 20% today to 35% by 2035**. Achieving this target would require substantial investment in renewable electricity generation, power transmission infrastructure, energy storage and industrial electrification.

Alongside electrification, the Presidency has also introduced a **Global Zero Waste Goal**, recognising that material efficiency, circular economy principles and waste reduction must complement decarbonisation efforts. This reflects an increasingly integrated approach to climate policy, where emissions reduction is pursued not only through cleaner energy but also through more efficient use of resources across industrial value chains.

To support implementation, the **International Energy Agency (IEA)** has been invited to develop practical pathways that can assist governments and industries in translating high-level climate ambitions into achievable projects. This represents a notable shift from setting long-term objectives towards defining actionable roadmaps supported by technology deployment, investment planning and measurable progress.

For industry, these developments reinforce a broader trend that has been emerging over recent years: **electrification will become the foundation of future industrial energy systems**, while zero-carbon hydrogen will play an increasingly important role in applications where direct electrification is technically difficult or economically impractical. Rather than viewing electricity and hydrogen as competing solutions, the emerging policy direction positions them as complementary technologies within an integrated industrial decarbonisation strategy.

Key Announcements at a Glance

Initiative	Why It Matters
35% Electrification Target by 2035	Accelerates investment in renewable electricity, grid infrastructure and industrial electrification.
Global Zero Waste Goal	Encourages circular economy practices, resource efficiency and lower industrial emissions.
IEA Implementation Pathways	Focuses on converting climate commitments into practical and investable projects.
Implementation-Oriented Presidency	Places greater emphasis on delivery, technology deployment and measurable progress rather than additional pledges.

Hydrogen Investments BV Observation

While many climate conferences focus on announcing new ambitions, the early direction of COP31 suggests a stronger emphasis on **implementation**. For industrial companies, this is particularly significant. Investment decisions made today—especially for assets with operational lifetimes of 20 to 30 years—should increasingly consider compatibility with an electrified energy system, renewable power integration and future hydrogen deployment.

These themes are expected to influence industrial investment strategies well beyond the conference itself.

2. What Does This Mean for Industrial Companies?

The announcements made in the lead-up to COP31 do not create immediate legal obligations for industrial companies. However, they provide a clear indication of the direction in which energy policy, industrial investment and climate finance are moving.

The increasing emphasis on electrification and implementation suggests that future industrial competitiveness will depend on how effectively companies integrate renewable electricity, improve energy efficiency and adopt low-carbon technologies where they create operational and commercial value.

Hydrogen is expected to play a particularly important role in industrial applications where direct electrification is technically challenging or economically impractical. Rather than replacing electricity, hydrogen is increasingly viewed as a complementary energy carrier within a broader industrial decarbonisation strategy.

Sector Implications

Cement

Cement production remains one of the most difficult industrial processes to decarbonise due to its process-related CO₂ emissions.

As electrification progresses, hydrogen is expected to become an increasingly important alternative fuel for kiln operations where direct electrification is not technically feasible. Companies investing in burner upgrades, alternative fuels and future carbon capture systems should also consider how hydrogen can be integrated into their long-term decarbonisation roadmap.

Steel

Steel producers face growing pressure to reduce emissions from ironmaking while maintaining international competitiveness.

Although electrification will continue to expand across steel manufacturing, hydrogen is expected to play a strategic role in direct reduction processes and other applications requiring reducing gases. Companies planning new investments should evaluate hydrogen compatibility alongside renewable electricity supply and future carbon pricing.

Aluminium

The continued global focus on electrification reinforces the importance of securing reliable, low-carbon electricity supplies while improving operational efficiency. For aluminium producers considering fuel switching in thermal processes, hydrogen may become an additional option for reducing emissions where technically appropriate.

Refineries and Chemicals

Hydrogen is already an essential industrial feedstock in refining and many chemical processes.

As climate policies increasingly favour zero-carbon hydrogen production, refineries may gradually transition from conventional hydrogen sources toward electrolytic hydrogen where commercially viable. This transition is likely to be driven by a combination of regulatory developments, customer expectations and corporate decarbonisation strategies.

Power Generation

The proposed increase in electricity demand will require significant expansion of renewable generation capacity, transmission infrastructure and energy storage.

Hydrogen is expected to complement this transition by providing long-duration energy storage, supporting grid flexibility and serving as a low-carbon fuel in applications where renewable electricity alone cannot meet operational requirements.

Key Considerations for Industrial Decision-Makers

Companies planning new industrial investments should begin evaluating projects against future energy system requirements rather than current operating conditions alone.

Priority considerations include:

- Designing facilities that can integrate renewable electricity and future hydrogen systems.
 - Evaluating investment decisions based on lifecycle economics rather than initial capital cost.
 - Increasing operational flexibility to adapt to evolving energy markets and regulations.
 - Considering hydrogen readiness in equipment selection and long-term plant design.
 - Monitoring climate finance mechanisms and incentive programmes that may improve project economics.
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The companies that begin preparing today will be better positioned to adapt as policy, technology and market conditions continue to evolve.

Hydrogen Investments BV Observation

COP31 reinforces a long-term shift toward industrial electrification, while confirming that low-carbon hydrogen will remain a critical solution for sectors where direct electrification is not technically feasible.

3. Hydrogen Investments BV Perspective

The developments emerging ahead of COP31 suggest that the global decarbonisation agenda is entering a new phase. Rather than introducing entirely new climate ambitions, the emphasis is shifting towards implementation, industrial deployment and measurable progress. This transition is particularly relevant for capital-intensive industries, where investment decisions made today will shape operational performance for decades.

From our perspective, the proposed increase in global electrification is more than an energy policy objective. It reinforces a structural trend that industrial companies have already begun to experience. Future production facilities will increasingly rely on renewable electricity as their primary energy source, while zero-carbon hydrogen will become an essential complement for applications where direct electrification is technically impractical or economically inefficient.

For many industrial users, hydrogen should therefore not be viewed as a standalone investment, but as part of a broader energy transition strategy. The key challenge is no longer deciding whether hydrogen has a role to play, but determining where it creates the greatest technical and economic value within an industrial process.

At Hydrogen Investments BV, we believe successful industrial decarbonisation begins with understanding the operational needs of each facility before selecting technologies. Every industrial process is different, and every hydrogen project should therefore be evaluated according to its own technical, commercial and financial requirements.

The role of advisory companies is becoming increasingly important as industrial projects become more complex. Beyond selecting equipment, companies must evaluate system integration, long-term operating costs, contractual structures and investment risks. Independent technical and commercial guidance helps ensure that decarbonisation investments deliver lasting operational and financial value.

Key Takeaways

We believe the developments leading up to COP31 reinforce five important messages for industrial decision-makers:

- **Electrification will increasingly become the foundation of industrial energy systems.**

- **Hydrogen will complement electrification in applications where electricity alone cannot meet process requirements.**
 - **Future competitiveness will depend on integrating low-carbon technologies into long-term investment planning.**
 - **Industrial decarbonisation should be evaluated through lifecycle economics rather than initial investment costs.**
 - **Successful projects begin with understanding the industrial process—not by selecting technology first.**
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Need support evaluating industrial hydrogen opportunities?

Hydrogen Investments BV supports industrial companies through:

- ✓ Investment Advisory
- ✓ Technology Selection
- ✓ Business Development
- ✓ Commercial Representation
- ✓ Legal & Commercial Structuring

Learn more at

h2investments.net

The logo features a large, dark blue capital letter 'H'. A stylized, wavy blue line, resembling a hydrogen molecule or a wave, is positioned horizontally across the middle of the 'H'.

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