

Nearly half of global companies are ready to pay a premium for lower emission steel and concrete

NEW YORK, NY, UNITED STATES, September 24, 2024 /EINPresswire.com/ -- A new report released today by Climate Group and Ramboll at Climate Week NYC reveals close to 50% of global businesses that were surveyed for the research are prepared to pay a premium for lower emission steel and concrete, signaling a powerful and growing demand for more sustainable materials. With steel and concrete emissions responsible for 15% of global emissions, their urgent decarbonization is critical to meeting the goals outlined in the Paris Agreement.

The report, "The Steel and Concrete Transformation: 2024 market outlook on lower emission steel and concrete," comes after over 250 companies globally from 42 countries and 21 industries were surveyed on their current readiness to use and willingness to pay for lower emission steel and concrete. It aims to evaluate business readiness to incorporate lower emission steel and concrete in their operations, their willingness to pay a premium for these materials, and the existing key barriers preventing wider adoption.

The research indicates growing momentum, with 45% of respondents saying they would be willing to pay a premium for emissions reductions of 25% or higher for steel, while 57% would be willing to do so for reductions exceeding 50%. For concrete, these numbers were 40% and 49% respectively. While the ability to pay varies across sectors and geographies, 52% of respondents had a higher willingness to do so when compared to their stance one year ago, while 34% reported no change in opinion.

The report highlights that businesses expect the transition towards lower emission materials to be inevitable. Driven by both regulatory pressures and market demand, 78% of respondents answered they expect lower emission steel and concrete will be standard materials for new products or projects within the next decade.

While the outlook is broadly positive, the report also focused on the barriers and solutions to this widescale adoption and transition. Businesses said while progress is accelerating, the greatest barriers to adoption remain cost (84%), industry conservatism (37%), and lack of knowledge (33%).

In terms of solutions, businesses were clear that governments have a significant role to play in supporting them. Financial levers such as tax incentives, credits, and subsidies (69%), carbon

pricing (50%) as well as minimum product standards or embodied carbon limits (43%) were identified as crucial policies for governments to prioritize. Without them, the world is unlikely to see the rapid scaling of lower emission steel and concrete in time. Clear and robust policies must be implemented at all levels of government, now.

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Jen Carson, □Head of Industry at Climate Group, says: □

“Business leaders are not only calling for change – they’re enacting it. This report is a real temperature check of the market. It's hugely encouraging to see the appetite is here, now, for organisations to pay a premium for lower emission steel and concrete. Actors across the value chain - suppliers, governments, and investors - should take note.

But there’s deep work to be done to speed up progress. It’s critical that businesses can make the right choices for their operations, and the planet, and switch to lower emission steel and concrete. Governments must listen to their concerns, support their ambition, and act quickly to remove barriers. This way we can unlock corporate demand to drive real sector transformation.”

Michael Simmelsgaard, Chief Operating Officer at Ramboll, says:

"The fact that more companies are now willing to pay a premium for lower emission steel and concrete sends a strong signal to the market. To accelerate progress, all actors now need to come together - from policymakers and investors to off-takers of steel and concrete, as well as end users who will need to accept a price premium until the market matures. Let's build on the momentum we have to drive a rapid and lasting decarbonization of heavy industries on the path to global net zero."

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About Climate Group □□□□

Climate Group □drives climate action. Fast. Our goal is a world of net zero carbon emissions by 2050, with greater prosperity for all. □We focus on systems with the highest emissions and where our networks have the greatest opportunity to drive change. We do this by building large and influential networks and holding organisations accountable, turning their commitments into action. We share what we achieve together to show more organisations what they could do. We are an international non-profit organisation, founded in 2004, with offices in London, New Delhi □and New York. We are proud to be part of the □We Mean Business coalition. □Follow us on X □@ClimateGroup. □□□□

About SteelZero □

SteelZero is a global initiative that brings together leading organisations to speed up the transition to a net zero steel industry. Our growing group of over 40 businesses globally are creating a market for net zero steel by making the public commitment to use 50% low emission steel by 2030, which sets a clear pathway to 100% net zero steel by 2050, latest. Our members include well-known businesses including Volvo Cars, Orsted, Maersk, and Lendlease. Find out more here: <https://www.theclimategroup.org/steelzero>

About Ramboll

Ramboll is a global architecture, engineering and consultancy company founded in Denmark in 1945. Ramboll's more than 18,000 employees create sustainable solutions across Buildings, Transport, Architecture & Landscape, Water, Environment & Health, Energy, and Management Consulting. Across the world, Ramboll combines local experience with a global knowledge base to create sustainable cities and societies. We combine insights with the power to drive positive change to our clients, in the form of ideas that can be realised and implemented. We call it: Bright ideas. Sustainable change. Read more on ramboll.com and follow us on LinkedIn and X.

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