

China Development Forum 2024

The Continuous Development of China

Thematic Seminar on Carbon Neutrality and Global Climate Governance (Panel Discussion II)

The China Development Forum (CDF) 2024, hosted by the Development Research Centre of the State Council (DRC) and organized by the China Development Research Foundation (CDRF), was held at Diaoyutai State Guesthouse in Beijing from March 24 to 25. On the afternoon of March 24, the Symposium on Carbon Neutrality and Global Climate Governance was held, presided over by Gao Shiji, Director-General of the Institute for Resources and Environmental Policy, DRC. There were five panelists in Panel Discussion II, namely Duncan Wanblad, Chief Executive, Anglo American plc; ZHANG Jianqiu, CEO, Inner Mongolia Yili Industrial Group Co., Ltd.; Jeremy Weir, CEO & Executive Chairman, Trafigura Group; Levin ZHU, Former President and CEO, CICC and Visiting Professor of Management Practice, Tsinghua University; and Catherine ZHANG, President of Rockcheck Group, Chairwoman of Rockcheck Steel Group.

Duncan Wanblad noted that no organization, country or region can achieve global carbon neutrality alone, and therefore we should work

together and consider how to transform the value chain system and network. Everyone should play a role in this process. Anglo American PLC has established partnerships with energy suppliers, technology developers and others in order to achieve its carbon reduction goal. In particular, Wanblad pointed out the importance of cooperation with China to achieve a 50% reduction in Scope 3 emissions by 2040, believing that China has made remarkable progress in achieving climate goals, playing a very significant role in many metal value chains. He also mentioned Anglo American's investment and promotion of hydrogen fuel cell technologies, as well as its plan to deploy these technologies in China. Meanwhile, he looked forward to the opportunities to reduce greenhouse gas emissions in agriculture, and introduced the company's innovative solutions in the agricultural sector. He stressed that global carbon neutrality calls for systematic changes, enterprises should establish partnerships countries in the value chain, and each partner should promise to play its due role. China is fulfilling its commitment to play its part, and Anglo American will continue to fulfill its commitment to decarbonization and work with China and other partners to achieve the common goal.

ZHANG Jianqiu in his speech discussed the efforts and achievements of the Chinese dairy industry in mitigating climate change and achieving the goals of "carbon peaking and carbon neutrality". He emphasized that the dairy industry, which spans the primary, secondary and tertiary industries, all involved in carbon emissions, plays an important role in the implementation of the national "carbon peaking and carbon neutrality" strategy. Zhang shared the practices and achievements of Yili Group in promoting carbon reduction, technological innovation

and digital transformation in the whole industry chain from three aspects: first, realize carbon reduction in the whole chain from scratch through industrial coordination; second, achieve innovative emission reduction technologies guided by scientific and technological innovation; third, achieve better carbon reduction and efficiency enhancement driven by digital transformation. Sustainability demonstrates future leadership of enterprises. Yili will continue to explore solutions for whole-chain climate governance and carbon reduction, and accelerate industrial coordination, technological innovation and digital transformation in an effort to make greater contributions to achieving the goal of “carbon peaking and carbon neutrality” and promoting global climate governance.

Jeremy Weir pointed out that the transition to carbon neutrality is bringing tremendous changes to the ways we produce, distribute and consume energy. This is a global energy transformation, being unprecedentedly difficult and uncertain. This transformation, which will demand a large amount of natural resources and good infrastructure support, is inseparable from the support of bulk commodities, especially metal commodities. However, he held that the supply chain of metal commodities is much more fragile than most people have realised. In terms of supply chain management, in addition to the cost, delivery speed and whether the products can meet their specifications, customers are also concerned with product sources, production methods, carbon footprint and ESG impact. Sanctions, new regulations, wars and climate change have exacerbated the complexity of supply chain management. Despite all kinds of challenges, the direction of energy transformation is definite and the pace of reform must be accelerated. Meanwhile, Weir also pointed out the difficulty of promoting energy transformation and the

necessity of collective action.

Levin ZHU analyzed the history and present situation of climate change, and the technical and economic pathways to mitigate climate change. He pointed out that the present concentration of carbon dioxide is 50% higher than that of 170 years ago, and the temperature is 1.5°C higher than that of 170 years ago. Therefore, something must be done. He suggested using photovoltaic power generation to replace the existing thermal power system, which would not only solve the carbon emission problem, but also bring new economic growth drivers. To systematically carry out photovoltaic investment, China needs an average investment of about 5 to 10 trillion yuan every year, and about 100 trillion to 200 trillion yuan in two decades. As the world's electricity consumption is three times that of China, the world needs a total investment of about 100 trillion US dollars in 20 years to completely replace thermal power with photovoltaic. Weir pointed out that with technological progress and cost reduction, the world will be more capable of solving carbon emission problems; and new technologies will further promote energy revolution, make energy cheaper and bring effects similar to the industrial revolution.

Catherine ZHANG pointed out that the iron and steel industry is a pillar industry in China, and the total carbon emission accounts for 15% in China, making it an important field of global green and low-carbon transformation. In recent years, iron and steel enterprises in China have been striving to become pioneers of “carbon peaking and carbon neutrality”, accelerating the transformation of green and low carbon by tackling key low-carbon technologies and strengthening green supply chain cooperation. In addition, she shared some experiences of Rockcheck Steel Group with three key terms: energy reform, recycling

and technological remodeling. Besides, ZHANG mentioned the importance of energy transformation and stressed the important role of technological innovations such as clean energy application, resource recycling and hydrogen energy smelting in promoting green and low-carbon transformation. She noted that the next step will be to jointly implement a green and low-carbon model around low-carbon manufacturing and industrial chain, and strike a good balance between emission reduction and economic growth, supply and demand, innovation and cost while promoting green manufacturing.

(Written by Du Jun, and reviewed by Cui Keliang, China Development Press)

--Background Information--

Under the mandate 'Engaging with the world for common prosperity', China Development Forum (CDF) serves as an important platform for Chinese government to carry out candid exchanges and discussions with leaders of global businesses and international organizations as well as foreign and Chinese scholars. Initiated in 2000, CDF has made remarkable contributions for the policy exchange and international collaborations between China and the world.

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