

## Media release

# Heavy industry's net-zero transition effort boosted by \$2m ARENA grant and partnership with Rio, HSBC

An effort to transition 'hard-to-abate' sectors to net-zero emissions by 2050, including iron and steel, aluminium and chemical supply chains has been boosted by both a \$2 million grant from the Australian Renewable Energy Agency (ARENA) and major players Rio Tinto and HSBC joining the initiative, along with research provider BloombergNEF.

The Australian Industry Energy Transitions Initiative (Australian Industry ETI) brings together key industry and finance companies to accelerate action towards achieving net-zero emissions in supply chains by 2050 across critical sectors known as 'hard-to-abate' given their high emissions and relatively higher abatement costs.

With Rio Tinto and HSBC joining 14 other major companies already part of Australian Industry ETI, initiative partners now represent approximately 24 per cent of the ASX100 market value. Other partners include BHP, Woodside, BlueScope Steel, BP Australia, Fortescue Metals Group, Orica, APA Group, Australian Gas Infrastructure Group, Wesfarmers Chemicals, Energy and Fertilisers, Aurecon, AustralianSuper, Cbus, National Australia Bank and Schneider Electric.

The Australian Industry ETI focuses on reducing supply chain emissions across five sectors: iron and steel; aluminium; LNG; other metals, including copper, nickel, lithium; and chemicals, such as fertilisers and explosives.

It aims to support Australian industry to realise the opportunities of a decarbonised global economy, through identifying the timing, scale and sequencing of actions required across manufacturers and energy generators to begin transitioning to net-zero emissions supply chains.

The initiative is run by independent not-for-profits ClimateWorks and Climate-KIC, in collaboration with the global Energy Transitions Commission. BloombergNEF has joined as a knowledge partner, alongside CSIRO and Rocky Mountain Institute. It is funded by philanthropy, company contributions and the Australian Government through the Australian Renewable Energy Agency's (ARENA) Advancing Renewables Program.

The \$2 million funding boost from ARENA will enable the initiative to develop credible pathways for these sectors to transition to net-zero emissions and pilot emissions reductions projects across different supply chains.

The initiative's initial research and analysis work focused on mapping technologies and key actors across the supply chains. Early findings reveal existing and emerging technology solutions can address almost all emissions in the supply chains, and that Australian industry has much to gain from being leaders in the net-zero transition.

For example, investment in green steel, green hydrogen, and carbon capture, utilisation and storage (CCUS) will be important to reducing emissions in some of these hard-to-abate sectors. Industry partners will pursue these opportunities and other solutions in early action projects through the next phase of the initiative.

The Australian Industry ETI has also identified a 'hub' approach for supplying energy for manufacturing in existing industrial precincts as a key opportunity, and has secured industry partners with operations in major centres including the Pilbara and Kwinana in WA, the Hunter Valley and Port Kembla in NSW and Gladstone in Queensland.

The Australian Industry ETI highlights and technical reports were published on Monday 28 June 2021 and are available online at [www.energytransitionsinitiative.org](http://www.energytransitionsinitiative.org).

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**Attributable quotes:**

**Anna Skarbek, CEO of ClimateWorks:**

“The Australian Industry ETI is working to set Australian industry up to take up the opportunities in a decarbonised global economy.

“Getting to net-zero in the complex supply chains within these hard-to-abate sectors involves transformational solutions that are more than a single organisation can achieve alone as it requires simultaneous shifts of finance, investment and service providers.

“The Australian Industry ETI recognises getting to net-zero requires collective action. With Rio Tinto and HSBC Australia signing on, its partners now make up approximately a quarter of the total value of the Australian stock market.”

**Kellie Parker, Chief Executive, Australia at Rio Tinto:**

“To decarbonise our operations and supply chains, and meet our climate goals, we will need to continue to partner with a wide range of stakeholders, including industry, finance and government.

“With large operations on both sides of the country, we support the aims of the Australian Industry ETI and hope the collaboration and sharing of ideas can help accelerate the reduction of industry emissions.”

**Hamish Kelly, Head of Global Banking, Australia at HSBC:**

“For years, HSBC has played an active role in helping our corporate customers achieve their sustainability goals. And with our partnership with the Australian Industry ETI we now have an even stronger platform to progressively decarbonise heavy-emitting industries and help build a more sustainable, resilient, and prosperous future.

“As a leading international bank in Australia, we have an important role to play in financing the low carbon transition and accelerating the pace at which more sustainable solutions are developed.”

**Chris Lee, CEO of Climate-KIC Australia:**

"Initiatives like the Australian Industry ETI show the value in forming collaborative, cross-sectoral partnerships to set into motion transformational climate action. The Australian ETI partners recognise the opportunities, both economic and in terms of reducing emissions, that emerge when coordinated, systemic action is taken rather than ad-hoc single-point interventions."

**Kobad Bhavnagri, Global Head of Industrial Decarbonization at BloombergNEF:**

"Decarbonising heavy industry is one of the great challenges of the energy transition. Australian industry can prosper in a net-zero world, and it is our mission to support companies and governments navigate change and generate opportunities. So we are thrilled to join the Australian Industry ETI as a research partner and contribute our global expertise to this important initiative."