

# BUFAB

## Bufab Taiwan Supplier Day Sustainability and Decarbonization Goals Need to be Achieved Together with Suppliers



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Bufab Supplier Day 2023 was held at the InterContinental Kaohsiung on May 8. In the opening speech, Bufab said they remained strong throughout the financial crisis and the pandemic, continuing to reduce lead time, costs and risks, focusing on decarbonization, hazardous material reduction, conflict minerals and ESG, making themselves a solid and trusted partner for Taiwan suppliers. They have significantly increased the number of suppliers to 7,000 since 2014, and these suppliers have been very helpful to the Group's overall operation. Despite many challenges in the path of Bufab's growth, suppliers are welcome to work together to create business opportunities. In the meeting, Bufab touched on three points of focus.

**In procurement, Bufab plans to streamline the number of suppliers and focus business on genuine partners, including the suppliers who were present at this meeting.**

**In terms of supplier quality, Bufab asks suppliers to follow "legal regulations" and "customer regulations". Bufab classifies suppliers through risk management, namely the levels of control plan and suppliers. If a supplier fails to meet quality requirements, Bufab will make contact to find out the reasons, discuss the processes that go wrong, and visit the supplier's factory to make improvements.**

**The most important aspect is sustainability. Bufab plans to cut internal carbon emissions from 1% to 0% by 2030 and external carbon emissions to 55% by 2031. With 49% of carbon footprint originating from manufacturers and transportation and 50% from steel, Bufab—a participant of SBTi (Science-Based Targets Initiative)—needs the suppliers to cooperate and use green steel and adopt carbon reduction measures.**

Jannus Lin, General Manager of Bufab Taiwan, said the importance of SBTi and sustainability cannot be overstated. It's not just a requirement on any single supplier, but the biggest challenge for the whole industry. The EU carbon tax will be on a test run in October, and customers' requirement on sustainability will get tougher. The responsibility of Bufab and suppliers is to take away quality concerns from customers when they purchase. To that end, the quality level of Taiwan suppliers can provide a strong support for Bufab. ■

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