

Dear valued supplier,

In a constantly changing world with global sourcing, companies face a variety of challenges, ranging from decarbonisation objectives to supply chain risk management and product traceability. To overcome these challenges and continue offering peace of mind and value to customers, Bufab has the vision to become a Sustainable leader for C-parts. We are committed to promoting sustainable practices throughout our supply chain based on environmental, social, and governance (ESG) principles.

In our effort to address current environmental challenges, in **2021** we committed to the Science-based target initiative (SBTi) to account and reduce Greenhouse Gas (GHG) emissions. In **2022** we launched our Sustainable Supplier Engagement Program (SSEP) to support our suppliers with their Sustainability journey.

Starting January 2024, we expect that you as a valued member of our supply chain, commit and take the necessary steps towards meeting the following requirements. These requirements complement Supplier Code of Conduct and compliance to local and national standards for Health and Safety.

Corporate emissions

- Account greenhouse gas emissions for Scope 1, 2 and 3 using GHG Protocol or equivalent standard.
- Keep track of your Scope 1, 2 and 3 emissions over time and report them annually to Bufab. Baseline year 2021; alternatively, 2022 or 2023 if data from 2021 is not available.
- Set ambitious emission reduction targets in line with SBTi for Scope 1, 2 and 3. Target year 2031 or sooner.
- Improve resource efficiency by working according to ISO 14001 or equivalent.
- Provide evidence of renewable or low-carbon energy sources for your operations with specific Power Purchasing Agreements (PPAs), Guarantees of Origin, RECs, and I-RECs or equivalent.

Product Emissions

- Provide the necessary data for carbon footprint calculations or provide ISO 14067 certification or equivalent for products sold to Bufab.
- Carry out life cycle assessments (LCA) or provide Environmental Product Declarations (EPDs) for selected products sold to Bufab based on the ISO 14040/14044 and ISO 14025 standards or equivalent.
- Provide Bufab with alternatives of products that meet all customer specifications based on total recycled content.

Chemical and material compliance

- Provide the necessary data and certificates for chemical compliance, e.g., REACH and RoHS.
- Be compliant with any local and national chemical reporting requirements and regulations.
- Be compliant with conflict minerals reporting requirements and regulations, e.g., CMRT and EMRT.

Traceability

- Provide accurate data for full traceability of all products sold to Bufab from cradle-to-gate. This may include but is not limited to material certificates, country of origin, and batch numbers with the purpose of complying with customer requirements, relevant EU measures and regulations, e.g., Carbon Border Adjustment Mechanism (CBAM).
- **For relevant products under CBAM scope, this requirement is retroactive from 1st October 2023.**

Transparency

- Provide data on total annual net sales and/or product net weight sold by your organisation and specifically to Bufab for emission allocation purposes.
- Be transparent on carbon emissions. This includes disclosure of methodologies, emission factors sources and any carbon price or tariff paid in the country of origin.

Sustainable Development Goals (SDGs) and Supply Chain Due Diligence

- Prioritize and integrate relevant SDGs in your organisation following United Nations (UN) Global Compact guidance.
- Provide annual updates to Bufab on SDGs initiatives.
- Prepare for future regulations by following risk-based Supply Chain Due Diligence as per OECD guidelines.

In 2024 carbon emissions and emission reduction targets will become part of our Purchasing Agreement (PuA).

If you have any questions, please address them to your Bufab contact (lead buyer). We believe that these requirements will help us work together and find sustainable solutions.

Sincerely,



Carina Lööf

Global Sourcing and Sustainability Director

Reference documentation

Our companies



CBAM guidance

- [Carbon Border Adjustment Mechanism \(europa.eu\)](https://europa.eu)

Conflict minerals regulation explained

- [Conflict Minerals Regulation: The regulation explained \(europa.eu\)](https://europa.eu)

Corporate Sustainability Due Diligence

- [Corporate sustainability due diligence \(europa.eu\)](https://europa.eu)

GHG Protocol Standards:

- [Corporate Standard | GHG Protocol](https://ghgprotocol.org)
- [Corporate Value Chain \(Scope 3\) Standard | GHG Protocol](https://ghgprotocol.org)

Guidance on SDGs for business

- [The SDGs Explained for Business | UN Global Compact](https://www.un.org/sustainabledevelopment/business/)

OECD guidelines

- [MNE Guidelines - Organisation for Economic Co-operation and Development \(oecd.org\)](https://www.oecd.org/mne/)

REACH regulation and RoHS directive

- [REACH Regulation \(europa.eu\)](https://europa.eu)
- [RoHS Directive \(europa.eu\)](https://europa.eu)

SBTi committed organisations

- [Companies taking action - Science Based Targets](https://sciencebasedtargets.com)