COMPANY FOCUS



Best 10 Performer of Tainan SBIR

Hu Pao's "Waste Oil Recycling Trough" Lowers Carbon Emission in Nut Manufacturing

Hu Pao Industries, a professional nut manufacturer in Taiwan active in introducing the concepts of ESG sustainability and net-zero transformation and aiming to achieve carbon neutrality and become a low-carbon solution provider, has recently participated in the SBIR program promoted by Tainan City Government to encourage SMEs to carry out research on industrial technology and product innovation and has been awarded one of the Best 10 performers among the 55 grant receivers in 2024. Hu Pao General Manager Bill Wang attended the awarding ceremony on Nov./25/2024 at WinWin Innovation & Incubation Base in Xinying (Tainan) and presented to Tainan City Mayor Wei-Che Huang the award-winning "Carbon Reduction Savior- Waste Oil Recycling Trough".



Reducing the pressure of new product development, promoting technological innovation, expanding markets, establishing alliances, enhancing corporate image and brand value, and strengthening growth potential are the ultimate goals of Hu Pao's participation in the program. In order to obtain the max. grant of NT\$1 million per case, Hu Pao actively attended the briefing sessions and drew up the plan, prepared required documents and integrated internal resources to submit for review, strengthened the external cooperation, and continuously improved and adjusted the plan during the implementation to make it pass the verification in the end.

Carbon Reduction Savior-Waste Oil Recycling Trough Realizes Resource Recycling

Waste oil generated from production lines will have a great impact on the environment if it is not properly treated. The Waste Oil Recycling Trough introduced in Hu Pao's production lines converts waste oil into reusable low carbon emission lubricant through innovative technology, effectively reducing the impact of waste oil and carbon emission on the environment, lowering raw material costs, and realizing the purpose of recycling and reusing resources.

"We've seamlessly integrated the Waste Oil Recycling Trough into the production lines to streamline operations and improve resource efficiency. We also monitor the equipment data in real time through the Internet, which is then sent to the ERP system for the management to make accurate decisions. In addition, staff training has been strengthened to familiarize them with equipment operation and make them understand the environmental benefits. In this way, not only will our carbon emissions meet int'l standards to enhance competitiveness, but we will also be able to respond to possible policy changes after the implementation of CBAM. This is also an important step for us to continuously attract sustainability partners to create long term economic benefits," says Hu Pao G.M. Wang.

Taking the Lead and Encouraging the Industry to Lower Carbon Emission Together

Hu Pao winning the award is exemplary for other small and resource-constrained enterprises, and will surely have a positive effect on encouraging carbon reduction in the industry. It is worthwhile for the industry to learn from Hu Pao in terms of how to effectively conduct carbon inventory and data management, improve resource efficiency and reduce operating costs, respond to CBAM reporting and environmental regulations, the exchange of experience and cooperation in cross-sector alliances and platforms, and how to enhance its image and attract customers through carbon reduction measures.

As the only fastener enterprise in Tainan in 2024 to receive the award, G.M. Wang noted, "The establishment of a carbon inventory mechanism and calculation, upgrading to high-efficiency and low-energyconsumption equipment & manufacturing, shortening transportation distances from suppliers, switching to renewable energy, reporting in accordance with CBAM, strengthening technology and material R&D, and reinforcing employee training and carbon awareness are definitely the future directions Taiwan fastener industry should focus on."

Besides SBIR, Hu Pao has also received grants from the "Low Carbon and Smart Upgrade and Transformation Counseling Program for Large and Small Manufacturers", the "Low-Carbon Counseling Program for Small and Medium Manufacturers", the "Industrial Energy Saving Counseling & Efficiency Improvement Program", and the "Smart Carbon Reduction Subsidy Program".



ESG Sustainability & Net Zero by 2050

Under the principle of sustainability, Hu Pao has set for itself a carbon reduction target of 60% by 2032, 80% by 2042, and net zero by 2050. It has also introduced the ISO50001 energy management system, purchased low-carbon materials, used reusable resources, developed green energy concepts, emphasized on environmental protection and social responsibility, provided free veggie lunches for employees, and joined "Zero⁺ College".

It has been responding to CBAM with proactive strategies and forward-thinking. In addition to obtaining the ISO 14064-1:2018, it has continued to monitor carbon emissions data, increase employee participation in carbon reduction, invest in new technologies/equipment, strengthen cooperation among industry, government, and academia, and participate in int'l exhibitions, so as to let customers know its efforts in carbon reduction.

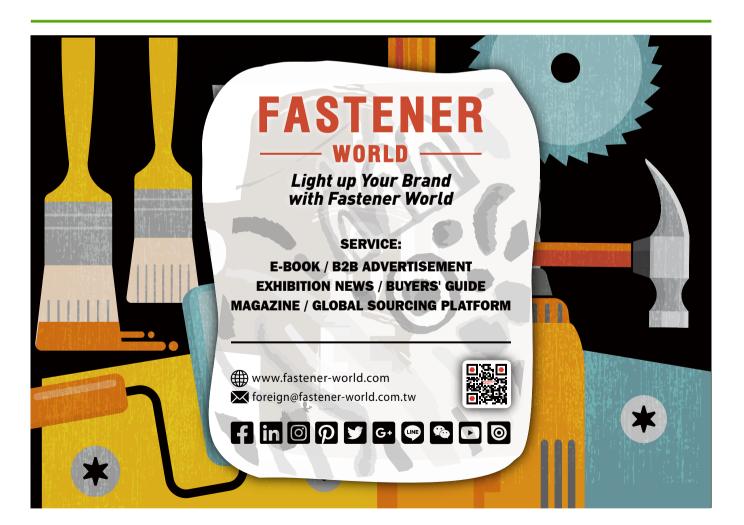
"Taiwanese companies need to be more proactive in responding to geopolitical risks, global economic uncertainties, environmental policy requirements, and the need for technological innovation. Only by adjusting



supply chain strategies, strengthening technology R&D, and enhancing the added value of products can they remain competitive in the fierce int'l market," says G. M. Wang.

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