

6.5 Water resource management

Kaori has developed an environmental management system along with water resource management practices based on ISO 14001. Through data monitoring, the Company keeps track of water used as well as the water resource management practices adopted at various plant sites on a daily basis. Any abnormal change in water volume is met with appropriate inspection and response. Meanwhile, Kaori organizes campaigns from time to time to promote employees' awareness of the conservation and use of water.

All major operating sites draw water entirely from the municipal water supply system (i.e., tap water). Most of the water drawn is used for employees' living activities and kitchen equipment, and any effluents generated from living activities are either treated using appropriate treatment facilities or discharged into the municipal water treatment system, and therefore should have no significant impact on the local water body. Furthermore, Kaohsiung Benzhou Plant has installed its own water treatment facilities to treat wastewater in a legal manner. No incidents of illegal pollution occurred in 2023 and 2024, and the Company's business activities had no significant impact on water sources.

Risk Type	Category	Potential operational impacts	Adaptation methods
Water Resource Risks	Drought or water shortage Flood risk Discharge of untreated wastewater	- Affect production capacity, increase in operating costs, and decrease in revenue - Unscheduled or interrupted delivery	- Establish and improve water resource regulation - Increase water storage capacity to support 3-5 days (3 days during severe drought) - Water tankers to support plants experiencing water shortages - Inspect process equipment at each plant regularly - Wastewater management policy complies with environmental regulations

Total water withdrawal:

The Company uses tap water without surface water or seawater.

Unit: million liters

Category	Year/Region	2023		2024	
		All locations	Locations prone to water stress	All locations	Locations prone to water stress
Water withdrawal by source	Surface water (total volume)	0	0	0	0
	Fresh water (total dissolved solids ≤ 1,000 mg/L)	0	0	0	0
	Other water sources (Total dissolved solids >1,000 mg/L)	0	0	0	0
	Water from third parties (total volume)	0	0	0	0
	Fresh water (total dissolved solids ≤ 1,000 mg/L)	32.67	0	28.33	0
	Other water sources (Total dissolved solids >1,000 mg/L)	0	0	0	0
Total water drawn	Surface water (total) + groundwater (total) + water from third parties (total)	32.67	0	28.33	0

Water Discharge

Unit: million liters

Category \ Year/Region		2023		2024	
		All locations	Locations prone to water stress	All locations	Locations prone to water stress
Water discharge by destination	Surface water	23.22	0	21.76	0
	Groundwater	0	0	0	0
	Seawater	0	0	0	0
	Water from third parties (total volume)	0	0	0	0
	Water from third parties supplied to other organizations	0	0	0	0
Total water discharge	Surface water + groundwater + seawater + water from third parties (total)	23.22	0	21.76	0
Water discharge by fresh water and others	Fresh water (total dissolved solids $\leq$ 1,000 mg/L)	23.22	0	21.76	0
	Other water sources (Total dissolved solids $>$ 1,000 mg/L)	0	0	0	0
Water discharge by level of treatment	Untreated	23.22	0	21.76	0
	Level 1 treatment	0	0	0	0
	Level 2 treatment	0	0	0	0
	Level 3 treatment	0	0	0	0

Water Consumption

Unit: million liters

Year	2023		2024	
Location	All locations	Locations prone to water stress	All locations	Locations prone to water stress
Total water consumption	9.449	N/A	6.57	N/A
Change in water storage	N/A	N/A	N/A	N/A

Note: The water consumption in the above table is for vacuum furnace cooling.

