

• Plans for Green and Renewable Energy Sources

The net zero movement has become the world's most important issue today, and all leading businesses with strong sustainability awareness are starting to adopt green energy as the first step. The 744.51 kW commercial rooftop photovoltaic system installed at Kaori's Kaohsiung Benzhou Plant began production in September 2022. It is expected to reduce 9,390 tonnes of CO2 emissions, which is 23 times the CO2 absorption capacity of Da'an Park. In 2023, the total electricity generated by this system was 653,101.3 kWh. Meanwhile, Zhongli Plant 3 and Ziqiang Plant have been assessed in the fourth quarter of 2023, and it is estimated that a 431.73KW commercial rooftop solar photovoltaic system can be built to increase the proportion of renewable energy in the plant's power consumption.



Air Pollution Management

Kaori did not emit any nitrogen oxide (NOx), sulfur oxide (SOx), or other legally regulated hazardous gases.

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 2022 and 2023, 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	<ul style="list-style-type: none"> Affect production capacity, increase in operating costs, and decrease in revenue Unscheduled or interrupted delivery 	<ul style="list-style-type: none"> 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	2022		2023	
		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)	26.97	0	32.67	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)	26.97	0	32.67	0

Water Discharge

Unit: million liters

Category	Year/Region	2022		2023	
		All locations	Locations prone to water stress	All locations	Locations prone to water stress
Water discharge by destination	Surface water	20.88	0	23.22	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 volume)	20.88	0	23.22	0
Water discharge by fresh water and others	Fresh water (total dissolved solids ≤1,000 mg/L)	20.88	0	23.22	0
	Other water sources (Total dissolved solids >1,000 mg/L)	0	0	0	0
Water discharge by level of treatment	Untreated	20.88	0	23.22	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	2022		2023	
	All locations	Locations prone to water stress	All locations	Locations prone to water stress
Total water consumption	6.095	N/A	9.449	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.

6.6 Waste management

Kaori observes the ISO 14001 standard and has created a dedicated unit to track the sources and volumes of waste. Adhering to the principles of maximizing resource use and minimizing waste generation, the Company promotes "Waste Management Measures." All departments are committed to minimizing waste volumes from production activities, increasing the life cycles of raw materials used, and promoting the circulation and reuse of resources and waste for total waste reduction. Kaori engages qualified service providers to dispose of waste and uses appropriate forms to audit waste handlers, thereby ensuring the appropriateness of waste treatment and that the waste generated does not pose a significant impact on the nearby environment.

Requirements for suppliers

Reusable packaging containers and non-reusable containers must be recyclable and reusable materials. Waste generated during the supply process must also be recyclable or declared as reusable waste items.

Production requirements

In the plant's production processes, materials are controlled at the source to avoid using raw materials and equipment materials that current environmental technologies cannot manage. Additionally, raw materials/waste from the production process are reviewed for potential recycling and reuse. Reduce the waste of necessary resources and increase recycling.

Requirements for employees

Environmental safety and health education and training are held for employees on their first day of employment to teach them how to classify waste, improve their environmental safety and health concepts and literacy, and enable them to independently classify recyclable waste. Each area maintains at least five categories of waste sorting categories, contributing to the planet's environmental sustainability and social responsibility.

Recycling requirements for waste disposal

Review the suitability of waste disposal channels every year and select waste disposal contractors with more environmentally friendly treatment methods, especially the legal disposal of hazardous waste, to avoid causing environmental impact. There were no violations of waste treatment laws in 2023.

Waste Reduction Measures

Kaori reduces the volume of waste by recycling waste iron, carton boxes, and waste glass and reusing waste pallets. Waste pallets are handed over to qualified service providers for reuse, thereby minimizing environmental impact. Upholding the principle of responsibility, Kaori duly reports how waste generated from plant sites is handled and retains complete documents to ensure that waste is properly treated.

- Establishment of employee cafeterias and use of environment-friendly tableware
- Total recycling of paper containers
- Use of kitchen waste recycling bins
- No hazardous waste; domestic wastes are disposed of in accordance with the law