

5.6 Waste Management

The manufacturing of the Company's drugs involves multiple processes, including raw material extraction, drug packaging, and product disposal after use. There are risks of waste accumulation and environmental pollution during the process. To effectively manage the Company's waste, we examine the different stages of waste production, and removal, treatment, recycling, and incineration from the perspective of product lifecycles, review detailed processes, and manage them with systematic policies. The quantity and composition of classified waste are regularly reviewed through monthly inspections and spot checks, and the waste management mechanism is continuously refined based on review results.

The 2025 internal audit procedures have incorporated the audit of hazardous industrial waste management at the Nantou Plant in Taiwan. This ensures that the generation, storage, and outsourced disposal processes of hazardous industrial waste comply with local regulations. The company conducts internal audits in accordance with the annual audit plan approved by the Board of Directors, with the on-site inspections completed by the internal audit team in May 2025. Regarding the 2 improvement recommendations identified during the audit, all relevant units have tracked and closed these items, implementing rolling adjustments to ensure the effectiveness and compliance of the management system. In addition, starting from 2025, the Company has conducted external assurance for waste data covering the most recent 3 years (2023–2025) for 2 consecutive years, enhancing the transparency and credibility of environmental information disclosure.

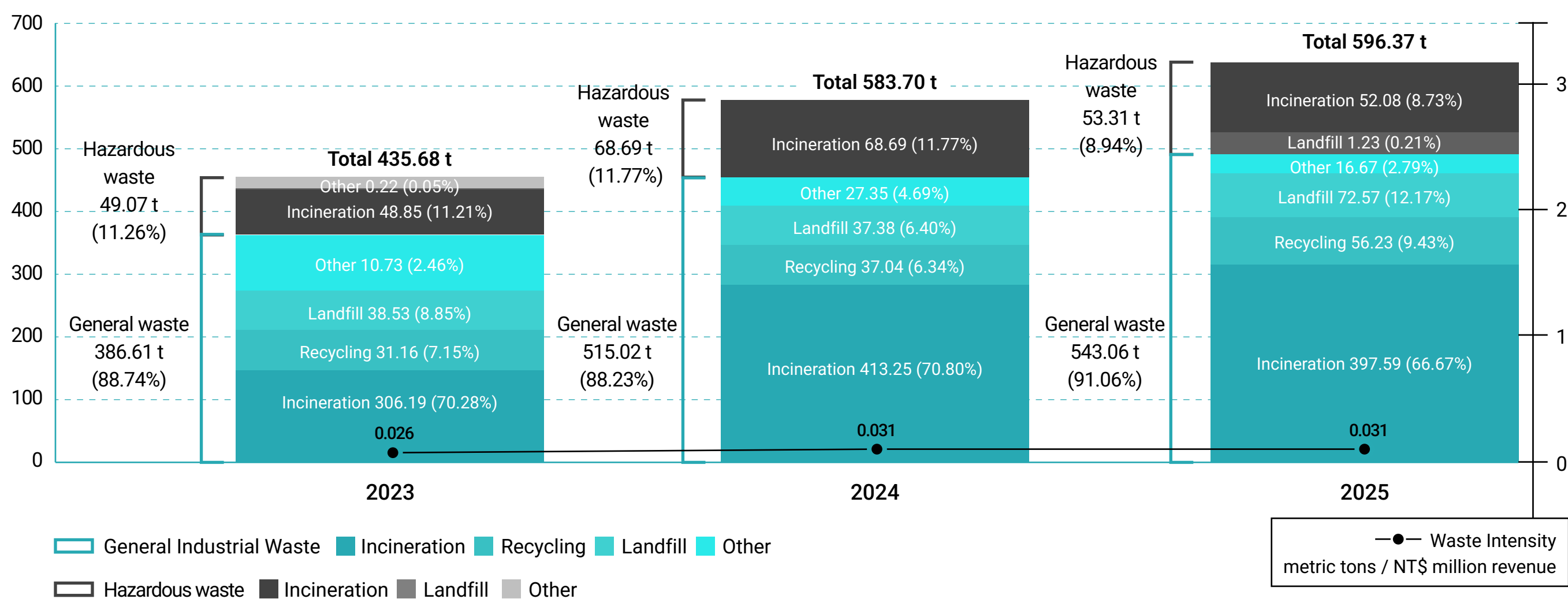
Inputs and Outputs

During pharmaceutical manufacturing, quality control (QC), and R&D activities, Lotus generates both general and hazardous industrial waste, including laboratory chemical waste and materials with potential infectious risks. The Company implements waste management measures and regularly tracks waste volumes and categories to support continuous improvement and waste reduction initiatives.

Inputs and Outputs

Waste is classified as general or hazardous based on its characteristics and is handled by licensed contractors for recycling, incineration, or final disposal. Traceability is ensured through standardized procedures and a triplicate manifest system, with contractors required to provide photographic records of each treatment stage for verification. Waste classification, quantities, and contents are reviewed monthly through both routine and random checks. Management measures are continuously refined to strengthen oversight, reduce environmental risks, and ensure compliance with applicable regulations.

Lotus Waste Treatment for the Past 3 Years (Unit: t)



Notes:

- The statistical scope includes Taiwan Nantou Plant, Korea Gongju Plant, Korea Hyangnam Plant.
- In Taiwan, hazardous industrial waste and general industrial waste are classified in accordance with the Waste Disposal Act and the Standards for Defining Hazardous Industrial Waste. In Korea, waste is classified in accordance with the Waste Classification System and Classification Method (2023) issued by the National Institute of Environmental Research.
- Waste Intensity = Total Waste / Annual Revenue (2023: 16,958; 2024: 18,584; 2025: 19,515 NT\$ million). The 2025 waste intensity calculation excludes NT\$994 million in revenue from the U.S. subsidiary consolidated since December 2025. This ensures consistency with the inventory boundary covering Taiwan, Korea, and Asia.

Recycling Campaign in Korea

