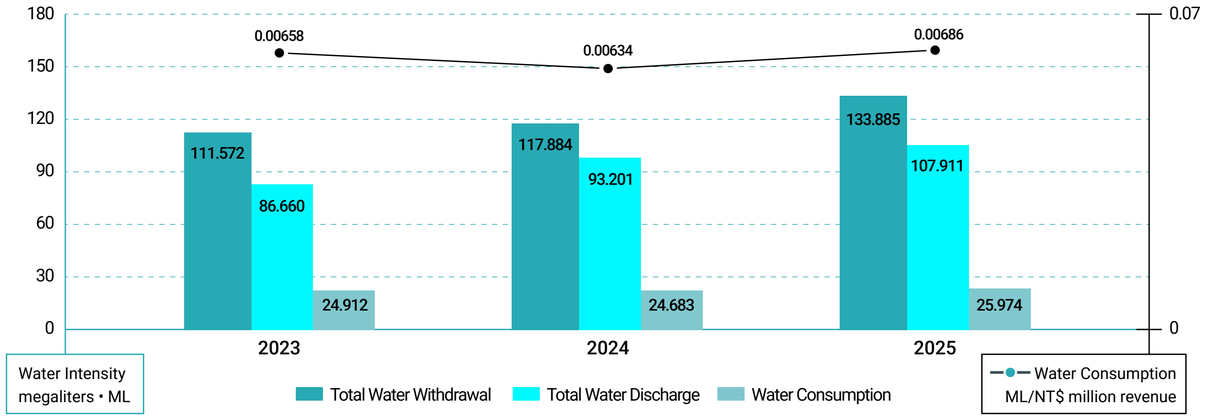
5.5 Water Management

Water resources are an important operational resource in Lotus' business processes. Based on the assessment conducted, all sites are located in areas with low water resource risk, and water is primarily sourced from municipal water supplies and groundwater. In 2025, the total water withdrawal of the Taiwan and Korea sites was 133.885 million liters, of which 91.70% was sourced from municipal water and 8.30% from groundwater. Water intensity in 2025 increased by 8.20% compared with 2024, mainly due to increased production capacity and higher manufacturing activities, which led to greater overall water demand. Lotus will continue to promote water conservation management and improve water use efficiency to reduce the impact of its operations on water resources.

Total Water Withdrawal in Taiwan and Korea for the Past 3 Years (Unit: megaliters)



Notes:
1. The statistical range included Nantou Plant in Taiwan and Gongju Plant and Hyangnam Plant in Korea.
2. Total Water Consumption = Total Water Withdrawal + Reused Water Volume. Figures are based on monthly water utility bills and groundwater meter readings. As there is no reused water volume, total water withdrawal equals total water use.
3. Water Consumption = Total Water Withdrawal - Total Water Discharge
4. Restatement of Information: Water intensity was recalculated based on revenue, and the related 2023 and 2024 data were restated accordingly. Water withdrawal, discharge, and consumption data were not affected.
5. Water Intensity = Total Annual Water Withdrawal (million liters) / Annual Revenue (2023: 16,958; 2024: 18,584; 2025: 19,515 NT$ million. The 2025 water 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.

Wastewater Discharge Management

During operations, the Company follows established water resource and waste management procedures to monitor water usage across all sites. Process wastewater from the Nantou plant in Taiwan and the Korea plants (Gongju and Hyangnam) is treated through dedicated treatment systems to ensure compliance with local industrial park requirements and environmental regulations.

In 2025, regular water quality testing was conducted at all major sites. The Nantou plant in Taiwan completed testing in November, with results meeting the discharge standards of the Nangang Industrial Park. The Korea plants conducted annual testing in accordance with local Class V wastewater discharge regulations. All results were below regulatory limits, demonstrating the Company's ongoing efforts in wastewater management and environmental protection.

Water Quality Inspection Results at Major Operating Sites in 2025

Site	Taiwan (Nantou Plant)	Korea Plants
Testing Item	pH value, water temperature, biochemical oxygen demand (BOD), chemical oxygen demand (COD), suspended solids (SS), ammonia nitrogen, true color, free residual chlorine.	• Hyangnam Plant : pH , biochemical oxygen demand (BOD), suspended solids (SS), total organic carbon (TOC) • Gongju Plant : pH , biochemical oxygen demand (BOD), total organic carbon (TOC)
Discharge Standard	Wastewater Discharge Standards for Users of the Nangang Industrial Park Sewerage System.	Wastewater discharge complies with applicable Class V wastewater discharge standards in Korea.
Testing Frequency	Semi-annually	Yearly
Results	Compliant	Compliant

Note: Testing was conducted by Eurofins Sun Dream Environmental Technical Corporation; results sourced from the wastewater discharge testing report.