



Lotus Pharmaceutical Co., Ltd.

Sustainability Information Management Procedures

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I. Objective

To ensure that the management of sustainable information complies with relevant regulations and standards, is trustworthy, and can be provided to stakeholders as references in a timely and accurate manner. At the same time, to ensure that all sustainable data is properly managed and securely stored to maintain the integrity, accuracy, and reliability of the information.

II. Scope

1. Applicable Units: This applies to the sustainable information management activities conducted by the company and its subsidiaries, including all departments and relevant employees involved in sustainable information.

2. Scope of Application

- (1) Includes the management of data related to Environmental, Social, and Governance (ESG).
- (2) According to internal regulations and external legal requirements, sustainable information needs to be disclosed in annual reports, sustainability reports, company websites, and public platforms designated by regulatory authorities.
- (3) If sustainable information requires third-party assurance or verification under current laws, it should be conducted by qualified third-party organizations.

III. Reference Information

1. Internal Regulations

- (1) Greenhouse Gas Inventory Management Procedure
- (2) Procedures for Preparation and Assurance of the Sustainability Report
- (3) IT Processing Cycles
- (4) Human Resources Cycles
- (5) Procedures for Handling Material Inside Information and Prevention from Insider Trading

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2. External Laws:

- (1) Climate Change Response Act
- (2) Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- (3) Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies
- (4) List concerning what information Publicly-held companies should announce to the public or report to the FSC
- (5) Applicable standards and guidelines, including but not limited to IFRS Sustainability Disclosure Standards, GRI, TCFD, SASB, ISO 14064, etc.

IV. Terminology

1. **Sustainable Business Activities:** Refers to transactions and activities undertaken by the company to achieve sustainable management and long-term development goals, aiming to create and enhance corporate value, while considering the expectations of all stakeholders involved.
2. **Sustainable Information:** Refers to data or information reflecting the organization's sustainable activities and transactions, usually can be divided into three categories: Environment (E), Social (S), and Governance (G). This includes but is not limited to sustainability-related disclosures in annual reports and information in sustainability reports, as well as sustainability-related information disclosed on the company's website.
3. **Sustainable Reporting:** Refers to the process of preparing and disclosing sustainable information, including the collection, recording, processing, preparation, adjustment, approval, and publication of sustainable information.

V. Operations Procedure

1. Sustainable Management Goals

When setting overall objectives, the company should align them with sustainable management goals, including referencing and selecting applicable frameworks, general standards, industry standards, and material

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sustainability issues of interest to stakeholders, to ensure that the relevant information disclosed appropriately reflects the company's sustainable activities.

2. Organization and Responsibilities

(1) The company should establish a governance framework and reporting system for sustainable information, in accordance with applicable regulations and standards for information disclosure, while simultaneously promoting relevant internal controls.

(2) A review of sustainable activities and reporting should be conducted, with the establishment of responsible management units and appropriate control to ensure the integrity, reliability, and effectiveness of the information processing, as well as implement authority controls.

(3) Governance framework and reporting system for sustainable information:

Process	Members	
(1) Data Collection	Sustainable Information Preparation team :	
	Subject	Responsible Department
	Environmental Sustainability (Including greenhouse gases, waste, water, and energy conservation and carbon reduction actions, etc.)	Plant Operations & Supply Chain
	Pharmaceutical Quality and Safety	Quality
	Access to Medicines	Regulatory Affair
Drug Research and Development and Patent and Trademark Layout	Research & Development	

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Process	Members	
	Product and Service	Sales and Marketing
	Doctor-Patient Relationship and Social Care	Sales and Marketing, Corporate Governance
	Human Resources Development	Human Resources
	Occupational Safety and Health	Plant Operations & Supply Chain
	Corporate Governance and ethical management	Corporate Governance, Legal & Compliance
	Regulatory Compliance	Legal & Compliance
	Operational Performance	Financial and Accounting
	Cybersecurity and Privacy Protection	Information Technology, Research & Development, and Human Resources
	Corporate Governance	Corporate Governance
	Supply Chain Management	Plant Operations & Supply Chain
	Climate-related risk assessments should be performed by each department based on the risks involved, and results should be compiled by the Corporate Governance department.	
(2) Preparation	Corporate Governance	
(3) Review	Sustainable Information Preparation team	
(4) Preliminary Review	Review by the heads of the departments responsible for each sustainable subject	
(5) Final Review	Corporate Governance Officer	

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Process		Members	
(6) Approval and Publication		Board of Directors' approval	

3. Management of Sustainable Reporting Information

(1) Information Collection, Recording, and Storage

- 1-1. Documents and communications generated from various sustainable activities should be managed by designated personnel responsible for receiving, inspecting, verifying, or distributing them to appropriate individuals for processing or storage, minimizing errors during data transmission, conversion, merging, and calculation.
- 1-2. Each department responsible for sustainable information must verify all data sources and document detailed information for each source, including data origin, format, collection frequency, acquisition method, storage location, and responsible unit, while setting retention periods for sustainable information to ensure data traceability (refer to Form "Sustainability Information Disclosure List" for organization).
- 1-3. Sustainable information must not be distributed to unauthorized personnel, and the list of authorized personnel should be reviewed and updated regularly.
- 1-4. When data from the sustainable information preparation team needs to be referenced or used as a basis for other sustainable information, the units responsible must provide data that has been appropriately reviewed.
- 1-5. Timeline for Collecting Sustainable Information:
 - 1.5.1 Greenhouse Gas Inventory: The EHS department must provide the previous year's greenhouse gas emission data to the Corporate Governance department by the end of March of the current year.
 - 1.5.2 Annual Report: Responsible units must submit the previous

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year's sustainable information to the Corporate Governance department in accordance with the annual report preparation timeline.

1.5.3 Sustainability Report: Responsible units must submit the previous year's sustainable information to the Corporate Governance department according to the sustainability report preparation timeline.

1.5.4 Market Observation Post System: The Corporate Governance department must disclose the previous year's sustainable information on the ESG digital platform within the timeline set by current regulations.

1.5.5 Company Website: Sustainable information required to be disclosed by regulatory authorities should be updated in real-time on the company website.

(2) Information Processing and Preparation

2-1. The personnel responsible for sustainable information in each unit must process the reporting information according to applicable laws, standards, frameworks, company procedures and formats, and reporting deadlines. They should document the compliance of this information with relevant laws and standards, which must be reviewed and approved by the respective departmental supervisors. The preparation of the sustainability report should follow the company's "Procedures for Preparation and Assurance of the Sustainability Report".

2-2. The sustainability report should reference the GRI standards regarding the applicability of the aforementioned laws and standards, ensuring that the industry-specific sustainability indicators align with the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and consider the SASB industry indicators. Climate-related information disclosure should refer to the TCFD

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framework and the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" as well as the "Regulations Governing Information to be Published in Annual Reports of Public Companies, Appendix 2-2-3."

2-3. Materiality Judgment Principles

2-3.1. Judgment of Material Topics in the Sustainability Report: This should refer to the GRI 3 identification process for material topics, which includes understanding organizational context, identifying actual and potential impacts, assessing the significance of these impacts, and prioritizing topics based on their significance to determine which topics to report.

2-4. Reasonableness of Estimates or Assumptions

If the preparation of sustainable information involves estimates or assumptions, relevant contexts and sources of the assumptions, operational scope covered and detailed information about the assumptions and estimation basis should be recorded to confirm the reasonableness of the estimates and assumptions process.

2-5. Change Management

Changes related to the organizational structure concerning sustainability, trends in domestic and international sustainability issues, changes in estimation and assumption methods, and changes in technology systems must be assessed for their reasonableness and appropriateness, with relevant records retained.

2-6. Reporting Timelines and Compliance Control

The units responsible for sustainable reporting should establish a work plan, set deadlines, and regularly review them during the preparation period to ensure that the company's sustainable activities are fully reflected and comply with legal reporting deadlines.

2-7. While using computer systems for data processing, the process should comply with the company's "IT Processing Cycles" regulation, ensuring

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that access controls are operating effectively to maintain the confidentiality, integrity, and availability of information, preventing data leakage.

- 2-8. To ensure the completeness, accuracy, validity, and effectiveness of relevant access controls of the information and indicators disclosed in the sustainability report, the nature of the reporting information should be assessed to establish detailed control measures.

(3) Information Assurance and Verification

Sustainable information or reports requiring third-party assurance or verification must be selected and commissioned by the department responsible according to the company's procurement regulations. The selection process should include an assessment of the third party's qualifications, which must meet the criteria outlined in the "Directions for the Implementation of Assurance Institutions for the Sustainability Report of TWSE/TPEX Listed Companies" and receive approval from the supervisor responsible.

(4) Information Transmission and Provision

4-1. Relevant information, reports, or documents may be provided to management as needed upon approval from the responsible department head, to review operational performance and make timely decisions.

4-2. Access to sustainability reporting information files is restricted to authorized personnel. Significant and confidential information should avoid being contacted and delivered to unauthorized personnel during the approval process.

4-3. If sustainable information is managed through an information system, department heads should regularly review the appropriateness of access permissions. Any changes must be approved by the responsible department supervisor before submission to the IT department for assistance in setting.

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(5) Information Storage and Retrieval

5-1. All sustainable information, including data, reports, drafts, documents, and forms, must be properly stored and managed by designated personnel in the unit responsible.

5-2. For the retrieval of non-public information, applicants must provide a reason for the request and obtain approval from the responsible supervisor.

5-3. Information should generally be retained for at least five years, or as required by applicable regulations or authorities.

5-4. The handling and storage of sensitive and confidential information must comply with the company's relevant management regulations, and personnel involved have a duty of confidentiality.

(6) Information Transfer

6-1. In the event of change of employee position or resignation, the transfer process should be completed in accordance with the "Human Resources Cycle" procedures, ensuring that electronic or paper documents are accurately completed and confirmed by the transferor and department head for completeness.

6-2. The transfer process must be co-signed by the IT department to assist in deactivating related system permissions and deleting data from their information devices.

(7) Data Destruction

Information or documents that have reached their retention period and are to be destroyed must be requested by each department, approved by the relevant responsible supervisor, and subsequently handled by the general affairs department for destruction.

4. Information Approval and Publication (Information Disclosure)

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(1) Approval of Sustainable Reporting Information

All sustainable reporting information released by the company, including but not limited to annual reports, sustainability reports, and greenhouse gas inventories, must undergo appropriate review and obtain approval from the responsible supervisor before publication or announcement.

(2) Publication of Sustainable Reporting Information

The units responsible for publishing annual reports, sustainability reports, greenhouse gas inventories, and information on the company website must follow the formats and content required by regulatory authorities and complete the relevant announcements and filings within specified deadlines.

5. Effectiveness

These Procedures, and any further amendments, shall be implemented upon approval by the Audit Committee and the Board of Directors.

6. Risk Control Matrix

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Risk	Control Objective	Control Activities	Control Frequency	Responsible Department
Improper management of sustainable information leading to incomplete data, incorrect content, or inconsistencies with publicly available information	<ul style="list-style-type: none"> The boundaries, timeframe, and included items for sustainable information disclosure must be confirmed and approved Sources of information, supporting documents, and working papers must be fully retained 	<ul style="list-style-type: none"> Documents and communication records generated from various sustainable activities should be managed by designated personnel responsible for receiving, inspecting, verifying, or distributing them to appropriate individuals for processing or storage ((3),1,1-1) 	Monthly	Sustainable Information Preparation team
Failure to disclose sustainable information in accordance with applicable standards or guidelines, or misunderstanding the disclosure requirements, leading to non-compliance with	<ul style="list-style-type: none"> Accurately identify the latest standards and regulations Information should be collected and categorized correctly according to the latest standards and regulations 	<ul style="list-style-type: none"> The personnel responsible for sustainable information in each unit must process the reporting information according to applicable laws, standards, frameworks, 	Annually	Sustainable Information Preparation team

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relevant regulations, impacting the accuracy and reliability of the information	<ul style="list-style-type: none"> All statistics, assumptions, and calculations should comply with the latest standards and regulations 	company procedures and formats, and reporting deadlines. They should document the compliance of this information with relevant laws and standards, which must be reviewed and approved by the respective departmental supervisors ((3),2,2-1)		
Unauthorized access to sustainable information may result in improper modifications, deletions, or falsifications of data, thereby affecting its integrity and accuracy	<ul style="list-style-type: none"> If using a computer information system, it is essential to ensure that the system functions are complete and operate effectively Data should be protected to prevent unauthorized modifications and access 	<ul style="list-style-type: none"> Access to sustainability reporting information files is restricted to authorized personnel. Unrelated personnel must be avoided from the signing process for sensitive and confidential information. ((3),4,4-2) 	Quarterly	Sustainable Information Preparation team

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<p>Failure to update sustainable information in a timely manner or delays in disclosure may result in violations of current regulations and disclosure requirements</p>	<ul style="list-style-type: none"> • Understanding the current legal requirements for the timing of sustainability information disclosure to facilitate planning in advance 	<ul style="list-style-type: none"> • The units responsible for sustainable reporting should establish a work plan, set deadlines, and regularly review them during the preparation period to ensure that the company's sustainable activities are fully reflected and comply with legal reporting deadlines. <p>((3),2,2-6)</p>	<p>Annually</p>	<p>Sustainable Information Preparation team</p>
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7. Form used: Sustainability Information Disclosure List