

5.5 Waste Management

Random and monthly inspections of the quantity and content of classified waste and adjustments to the waste management mechanism on a rolling basis.

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. We inspect the quantity and content of classified waste on a monthly basis and randomly, and adjust the waste management mechanism as needed.

Lotus' waste management is broadly categorized into two types: general industrial waste and hazardous industrial waste. Waste is entrusted to licensed waste collection and treatment contractors for proper disposal, including recycling, landfilling, or incineration.

Compared to 2023, Lotus Pharmaceutical's revenue grew by approximately 10%, and production volume increased by about 50% in 2024. Correspondingly, waste generation rose by 34%. In response, the company will continue to actively monitor waste reduction initiatives and management practices to effectively control waste volume.

[Waste reduction target]

Reduce waste generation per capita by 2% annually

▼ Treatment of waste of Lotus in the last 2 years (Unit: Tons CO₂e)

Categories	Year		2023		2024	
	Treatment site	Treatment method	Output (t)	Ratio (%)	Output (t)	Ratio (%)
Hazardous industrial waste	offsite	Incineration	48.85	99.55%	68.69	100%
		Other	0.22	0.45%	N/A	N/A
	Subtotal hazardous industrial waste		49.07	100%	68.69	100%
General industrial waste	offsite	Recycling	31.16	8.06%	37.04	7.19%
		Incineration	306.19	79.20%	413.25	80.24%
		Landfilling	38.53	9.97%	37.38	7.26%
		Other	10.73	2.77%	27.35	5.31%
	Subtotal general industrial waste		386.61	100%	515.02	100%
Total Waste (mt)			435.68	-	583.70	-
Waste generation per capita (ton/person)			0.385		0.478	
Waste generation per unit of revenue (metric tons/Million NTD)			0.026		0.031	

Notes: 1. The statistical scope includes Taiwan Nantou Plant, South Korea Gongju Plant, South Korea Hyangnam Plant.

2. In Taiwan, The classification of hazardous industrial waste and general industrial waste is based on the determination under "Waste Disposal Act" and "Standards for Defining Hazardous Waste" ;

In Korea, it is classified according to the guidelines "Waste Classification System and Classification Method (2023)" issued by National Institute of Environmental Research (National Institute of Environmental Research).

3. Waste generation intensity = Total waste (ton)/Number of employees. Total number of employees in Taiwan and South Korea: 1,131 in 2023; 1,220 in 2024.

4. Unit waste generation per unit of revenue = Total waste/ Revenue. Revenue in 2023 was 16,958 million dollars; Revenue in 2024 was 18,584 million dollars.

5. In 2024, the for compiling waste statistics was revised. To maintain data comparability, the 2023 data was also adjusted accordingly and restated.