

5.4 Water Resource Management

During operations, the Company strictly follows water resource management and waste disposal procedures to effectively monitor water usage. Wastewater generated from production processes is treated and reported in compliance with relevant environmental regulations and national standards. Our dedicated wastewater treatment system processes the effluent before it is discharged to the Nangang Industrial Zone sewage treatment facility, ensuring that discharge quality meets all applicable standards.

We prioritize the prevention and control of wastewater pollution, the reduction of environmental impact, and the assurance of environmental safety as fundamental principles in our production and R&D activities. For Lotus, water is a critical resource essential for raw material cultivation, manufacturing processes, and research experiments.

Based on our assessment, all Lotus factories are situated in low water stress areas with no immediate risk of water shortages. Water supply is sourced solely from local municipal water plants, with no use of groundwater and no adverse impact on local water resources. Additionally, our wastewater discharge meets local effluent standards.



[2024 Highlight Project] Assessment of Post-treatment Active Pharmaceutical Ingredient (API) in Wastewater Management

The proper treatment of wastewater generated during the manufacturing process of the pharmaceutical industry is essential to environmental protection, especially as wastewater may contain chemicals with significant environmental hazards. However, no definite discharge standards have been established to regulate active pharmaceutical ingredients (APIs) in Taiwan. Therefore, enterprises have to proactively conduct self-monitoring and risk assessments to ensure that wastewater discharge does not harm the environment. To this end, Lotus has analyzed lenalidomide contained in the wastewater treated by the in-house sewage treatment plant to assess its potential environmental impact, thereby assuring responsible wastewater management and compliance with sustainable development goals.

- **Wastewater analysis results:** The potential toxicity of lenalidomide to aquatic organisms was assessed mainly in accordance with the classification standards in the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). The result indicated that the concentration of lenalidomide from wastewater was significantly lower than the Predicted No-Effect Concentration (PNEC), showing an extremely low impact on the living environment of aquatic organisms.
- **Conclusion:** This analysis shows that active monitoring and strict management can effectively control the potential risks of APIs on ecology and promote more responsible sustainable development of water resources.

▼ Total Water Withdrawal from all Areas in Megaliters in the past 3 years (Unit: megaliters)

	2022	2023	2024
Total water withdrawal	58.122	111.572	117.884
Total water discharge	30.822	86.66	93.201
Water consumption	27.300	24.912	24.683
Water consumption per capita (Million Liters/person)	0.055	0.099	0.097

Notes: 1. The statistical range included Nantou Plant in Taiwan and Kongju Plant and Hsiangnan Plant in South Korea.

2. The water consumption is based on the monthly water bill of the water company.

3. Water Consumption = Total Water Withdrawal - Total Water Discharge

4. Water Intensity = Total annual water withdrawal (Million Liters) / Number of employee. Total of employees: 1,315 people in 2022; 1,406 people in 2023; 1,609 people in 2024.

5. Restatements of information – The denominator for the water intensity in 2022 and 2023 is revised to reflect the number of employees within the scope of the inventory.

