



# Corporate Book

ESG Performance



## Our ESG Commitments

At Hi-Q Marine Biotech, we recognize the profound impacts businesses can create on the world, and we firmly believe in the power of responsible and sustainable practices. Businesses, big or small, all play a pivotal role in shaping a better, more equitable future.

ESG stands for “Environmental, Social, and Governance” and is not merely a contemporary buzzword – it is a commitment to ethical conduct, social impact, and environmental sustainability. Fortunately for us, ESG is deeply rooted in our DNA, as we continue to gain better understanding and quantify our corporate footprint, societal responsibilities, and environmental stewardship. As our chairman always says, giving back to society and achieving a virtuous cycle for the genuine well-being of all—nature, health, and happiness—has always been the ongoing pursuit and practice of our company.

### ESG Performance

#### Environmental



##### Blue Economy

- Sustainable utilization of seaweed from small farmers.

##### Eco-friendly Design

- Green packaging design with refill and recyclability
- Patented energy and water saving fish farm system

##### Responsible Sourcing

- Sourcing with biodiversity conservation in mind
- FSC packaging
- RSPO ingredients, whenever possible

##### Resource Optimization

- Upcycling extraction waste to make fish feed
- Resource-conscious product design to maximize value, eg. Hi-Q fish is prepared and used entirely from skin to bone

#### Social



##### CSR - Philanthropy

- Financial support, supplement giveaway and travel subsidy for impoverished cancer patients and other vulnerable groups.
- “One-For-One” Donation of fish for underprivileged children
- “Special Need” afternoon platform for kids with special need to get connected with society

##### CSR - Fair Trade

- Collaborative and fair procurement partnership with local small farmers
- Hi-Q soaps produced by disability groups

##### Employee Benefits

- Annual Health check-up
- Flexible working hours
- Employee equality and diversity
- Inclusive and welcoming workplace

#### Governance



##### Ethical Business Conduct

- Code of ethics implementation
- Fair pricing practices

##### Board Diversity

##### Regulatory Compliance

- Regular compliance audits
- Monthly employee training & collective activities

##### Supplier Management

- Strict selection of suppliers in compliance with quality and ESG standards

# HI-Q CORPORATE PROFILE

## 2023 ESG Highlights

| SEQUENCE | ITEM  | DESCRIPTION  | OUTCOME   | SDGS   |
|----------|---|--|---|--|
| 1        | Sustainable Growth                                  | We are committed to promoting the Blue Economy and ensuring the sustainable utilization of seaweed resources. We are driving holistic sustainability practices to support the environment and foster responsible resource use through the implementation of eco-friendly packaging, introduction of our Blue Beauty ORN skincare product line, and the upcycling of our extraction waste into animal feed. | <b>50% of the product lines</b> are designed with eco-friendly packing.   | <div>2 ZERO HUNGER</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div>        |
| 2        | Social and Community Impact                         | We actively champion social responsibility by supporting and subsidizing impoverished cancer patients, kids with special needs and vulnerable groups. Through donations of fish and supplements, travel subsidy to "Special Need" afternoon platform, we aim to create a positive and lasting impact on communities.   | Regularly provide consistent supports to people in need <b>every month</b> . Executed 12 "Special Need" Afternoon Activities  | <div>2 ZERO HUNGER</div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div> |
| 3        | Employee Well-being and Diversity                   | We prioritize our employees' welfare through enhanced benefits, comprehensive labor policies, and improved working conditions. Upholding diversity is not just a goal; it's a commitment to fostering an inclusive workplace that values and celebrates the unique contributions of each team member.  | <b>4 new</b> employee welfare policy in 2023  | <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>10 REDUCED INEQUALITIES</div>  |
| 4        | Fair Trade and Ethical Business                     | We actively foster fair trade commitments by procuring from smallholder farmers, ensuring a transparent and equitable supply chain. Through the implementation of a robust Code of Ethics and fair pricing practices, we strive to conduct business that not only meets legal requirements but exceeds ethical expectations.   | <b>Each month</b> , regularly review and maintain fair pricing practices and transparency across all platforms and suppliers. | <div>2 ZERO HUNGER</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>                       |
| 5        | Ensure Compliance, Education and Supplier Relations | We are dedicated to ensuring regulatory compliance through regular audits and ongoing employee training. By educating our workforce and suppliers on ethical practices, we are cultivating a culture of responsibility and sustainability. Our commitment to transparent and ethical business practices extends beyond our operations, reaching every corner of our supply chain.                          | Start signing suppliers code of conduct this year, target is <b>70% signed</b> next year.                                     | <div>4 QUALITY EDUCATION</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>                 |

## Sustainable Business Practices



Ensure sustainable consumption and production patterns.



### Upcycling Extraction Waste

The extraction residues from our raw materials are ingeniously repurposed into high-quality fish feed, embodying our commitment to sustainable practices. Additionally, we embrace a zero-waste philosophy by utilizing leftover meat and bones from our culinary processes to craft nourishing soups. This ethos of resourcefulness not only minimizes waste but also maximizes the potential of every ingredient. Looking ahead, we are dedicated to expanding these upcycling initiatives across more product lines, ensuring a broader impact on waste reduction and sustainable production.



### Eco-friendly Packaging, Skincare Product Line

In our beauty line, the foundation of all series is environmental friendliness. Our beauty products proudly feature FSC-certified paper packaging, single-material bottles for efficient recycling, soy ink printing, refillable bottle concepts, and packaging materials made from recycled content. Moreover, our entire product range adheres to an ocean-friendly formulation. As we progress, our commitment extends to transitioning all our products to incorporate recycled plastic and implementing carbon reduction measures in logistics—a significant step forward in our ongoing journey towards sustainability.



### Supplier Management

We have introduced a comprehensive Code of Conduct, which all our suppliers are encouraged to sign. This Code of Conduct serves as a guiding framework, ensuring that our suppliers operate with integrity, honesty, and a strong commitment to sustainable procurement practices. Our goal is not only to foster transparency and ethical behavior but also to encourage suppliers to create diverse and inclusive work environments. Additionally, we prioritize selecting suppliers who actively engage in addressing environmental and social issues, further aligning with our commitment to responsible business practices.

## Sustainable Business Practices



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



### Blue Economy – Sustainable Utilization of Seaweed

Our reliance on seaweed in all product lines is grounded in its environmentally favorable growth conditions. Seaweed cultivation thrives without the need for freshwater or terrestrial resources, eliminating the necessity for fertilizers and pesticides. Moreover, this growth process operates as a carbon-negative endeavor. Seaweed not only regenerates efficiently but also absorbs dissolved nitrogen, phosphorus, and carbon dioxide from the ocean during its growth. This unique aspect positions seaweed as a sustainable ingredient, contributing to a carbon-negative food production process.



End hunger, achieve food security and improve nutrition and promote sustainable agriculture.



### Fair Trade – Smallholder Farmer Procurement

Some of our Hi-Q cuisine products are ethically sourced through fair trade agreements with smallholder farmers. This ensures that our supply chain promotes fair economic practices, contributing to poverty reduction and sustainable agriculture.



### CSR – Donation of fish and supplements

We actively engage in periodic donations of supplements to individuals in need. Additionally, to address hunger more directly, our "Buy One, Donate One" model focuses on fish products, ensuring that for every fish product purchased, a corresponding donation of fish is made to communities facing food insecurity. This multi-pronged approach underscores our dedication to both nutritional support and sustainable food solutions, contributing to the broader goal of eliminating hunger.





## Sustainable Business Practices



Ensure healthy lives and promote well-being for all at all ages.



CSR-Support and subsidies for children with cancer and vulnerable groups

We are dedicated to providing companionship and support for children who lack care and face academic challenges. Together with parents, teachers, and volunteers, we create a community-driven environment where companionship is not limited to professional educators. Through our longstanding collaboration with the 1919 Reading Companionship Program, we accompany over 300,000 economically disadvantaged children in Taiwan. This initiative offers them free access to academic tutoring, character education, artistic courses, and family support. Our goal is to nurture their physical, mental, and emotional well-being while providing a sense of security for parents with limited financial means. This, in turn, enables parents to work with peace of mind, contributing to the improvement of family economic conditions and overall quality of life.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



CSR-Job opportunities

We create job opportunities as part of our Corporate Social Responsibility (CSR) initiatives. Each holiday, we invite individuals with disabilities to showcase their talents through musical performances at our restaurant. Additionally, our handmade soap products in the beauty line are crafted in collaboration with the nonprofit organization, Little Shell Sheltered Workshop.



Employee Benefits

Upholding labor regulations, our company prioritizes fair labor practices and provides reasonable benefits and working conditions. We offer flexible working hours, remote work options, and continually enhance our educational training programs. Furthermore, employees benefit from travel subsidies, promoting a holistic approach to employee well-being.



Ethical Business Conduct - Fair Pricing Practices

We prioritize transparency in our pricing practices with suppliers. Every transaction is conducted with openness and fairness, ensuring that our suppliers are well-informed and treated equitably in all negotiations. This approach aligns with our dedication to fostering ethical relationships throughout the supply chain.



## Sustainable Business Practices



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



### Ethical Business Conduct

Our commitment to ethical business conduct is underscored by the thorough implementation of a Code of Ethics. This code serves as a foundational framework, guiding our employees and stakeholders in making principled decisions. It encompasses fair business practices, transparency, and integrity in all our operations. Regular training sessions are conducted to ensure understanding and adherence to the code, fostering a corporate culture built on ethical principles.



### Regulatory Compliance-Regular Compliance Audits

Regular compliance audits are conducted across various facets of our business operations to ensure alignment with local and international regulations. These audits serve as a proactive measure, identifying areas for improvement and mitigating potential risks.



### ESG Awards



2021 Anti Additive (A.A.)  
Clean Label



銀髮友善食品  
**Eatender**

2022 Eatender Award-  
Senior-Friendly Food



2022 4th Golden Ship  
Brand Awards - ESG  
Award



2022 Taiwan Sustainable  
Action Awards (TSAA)



2023 Global Views-ESG  
Sustainability Awards



2023 Grains Research  
Institute's Dual  
Cleanliness Certification

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## Supplier Code of Conduct

To achieve our mission of nourishing the world in a safe, responsible and sustainable way, we require our suppliers to adhere to the following principles:

### **1. Comply with the law**

We expect our suppliers to know and comply with all laws that apply to their business, to treat statutory requirements as minimum standards, and to promptly report any significant issues related to the goods and services they provide, in particular health and safety issues.

### **2. Operate with integrity**

We expect our suppliers to compete fairly and honestly, never offer or accept bribes, kickbacks, inappropriate gifts or entertainment, or other improper incentives, and avoid any benefits related to our employees that may be considered improper conflict.

### **3. Maintain accurate and honest records**

We expect suppliers to maintain accurate, honest and timely records of all transactions, implement appropriate quality audit and compliance processes, and provide disclosure of facility locations and material sources when necessary.

### **4. Fulfill business obligations**

We expect our suppliers to join us in committing to honest and transparent business and to proactively, promptly and openly respond to unanticipated events in relation to their business obligations.

### **5. Respect human dignity and respect**

We expect our suppliers to provide safe and healthy working conditions in all locations where we operate and never use or tolerate human trafficking, forced labor or child labor as defined by the International Labor Organization (ILO).

### **6. Protect our information, assets and interests**

We expect our suppliers to protect all access to our confidential information, including intellectual property, trade secrets or financial information, and to protect our property under their control from any possible harm to us, adversely affecting business interests or reputation.

### **7. Be a responsible global citizen**

We expect our suppliers to maintain standards that promote product, food and feed safety, strive to reduce environmental impact, and work with us to implement sustainable processes, solve problems, and drive continuous improvement and social value.

### **8. Pursue sustainable procurement**

We encourage suppliers to comply with sustainable procurement principles of raw materials as much as possible to ensure that the environmental and social impacts of goods and services are minimized. For example: palm oil, beef, coffee, cocoa, soybeans, printing paper...etc.

### **9. Emphasis on gender equality, diversity and inclusion**

We expect suppliers to take actions to emphasize gender equality, promote personnel diversity and inclusion, and create a fair and equal working environment.



## Sustainable Procurement Policy

We are committed to fully integrating the concept of sustainable development into our operating strategies. During the procurement process, we not only consider economic benefits, but also pay attention to the impact on the environment and society. We are committed to identifying, selecting and purchasing products and services that have a low environmental impact and have a positive impact on society. Through the Sustainable Procurement Policy and Supplier Code of Conduct, we demonstrate our firm determination to achieve environmental and social well-being in our procurement activities. We encourage suppliers and agents of all types to work together to improve sustainability practice standards and create a better future together.

We encourage all business units and support functions to follow the guidance of this policy where feasible and to adopt the following guidelines consistent with the nature of their business and operational needs.

### Sustainable Procurement Principles

1. Comply with applicable laws and regulations.
2. Operate business with the highest standards of business ethics.
3. Apply sustainability concepts to the procurement process.
4. Consider the environmental impact of product and service life cycles.
5. Ensure social interests are taken into consideration and encourage suppliers to adopt socially responsible measures.
6. Work with business partners and suppliers to promote their sustainability performance.

Where feasible, business units and support functions should consider the following factors throughout the procurement process, from specification development, supplier selection, contract award, and monitoring of supplier performance.

### Environmental Sustainability

1. Use resources efficiently and save energy and water.
2. Consider protecting biodiversity and reducing or eliminating the use of materials harmful to ecosystems and human health.
3. Avoid disposable items and choose durable and reusable products.
4. Emphasizing the principles of circular economy, product design needs to consider reuse, recycling and the use of recyclable or biodegradable materials.
5. Reduce the use of packaging materials.
6. Prioritize products with environmental labels or certificates.
7. Seek innovative sustainable solutions and encourage suppliers to propose new environmentally friendly products or services.
8. Prioritize locally produced products to reduce carbon emissions from transport.

### Social Responsibility

Work with suppliers to promote the adoption of socially responsible measures, including but not limited to:

1. Conduct business in accordance with ethical, professional and legal standards.
2. Respect human rights and prohibit any form of humiliating behavior.
3. Respect diversity and inclusion and create a fair and equal working environment.
4. Comply with fair labor regulations and standards, pay wages that comply with legal standards, ensure that weekly working hours do not exceed the legal limit, respect employees' freedom of association, and protect employees' health.
5. Protect personal information and privacy, comply with relevant data protection regulations, and ensure that the collection, processing and storage of all personal data comply with the principles of lawfulness, fairness and transparency.
6. Provide a safe and hygienic working environment to ensure the safety and health of employees.
7. All forms of corruption, including extortion and bribery, are prohibited.
8. Do not use child labor and do not accept the use of child labor by any suppliers or agents.
9. Support small, minority or women-owned businesses.
10. Comply with animal welfare standards and prioritize and gradually use raw materials that comply with national animal welfare and humane breeding. Or if animal experiments cannot be avoided, the performing unit is required to comply with the 3R principles (replacement, reduction, refinement).
11. We will provide employees with sustainable procurement training to enhance their knowledge and capabilities in sustainable development.
12. Include environmental and social performance as one of the criteria for selecting suppliers, such as relevant certifications or certificates.
13. Comply with the Supplier Code of Conduct and other environmental and social regulations and laws.
14. Regularly assess the sustainability performance of existing suppliers.

We will regularly review and update this policy to ensure its effectiveness and continuous improvement.

