



2025 Report
under
the Fighting Against Forced Labour
and Child Labour in Supply Chains Act

Prepared by Zochem ULC

Zochem



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Zochem



1. Introduction

- 1.1 Reporting entity's legal name**
Zochem ULC
- 1.2 Financial reporting year**
Jan. 1, 2025 to Dec. 31, 2025
- 1.3 Identification of a revised report**
Not applicable (this is an initial report)
- 1.4 Business number(s), if applicable**
BC1135880
- 1.5 Identification of a joint report**
Not applicable (there are no other companies required to report under Bill S-211)
- 1.6 Identification of reporting obligations in other jurisdictions**
Not applicable
- 1.7 Entity categorization according to the Act**
Private corporation with revenue >Cd\$40M and assets >Cd\$25M
- 1.8 Sector/industry**
Manufacturing
- 1.9 Location**
Brampton, ON

2. Steps taken to prevent and reduce risks of forced labour and child labour

Zochem is firmly committed to upholding strong corporate governance standards and has instituted designated roles tasked with overseeing the prevention and mitigation of forced labour and child labour across our operations and supply chain.

In 2025, Zochem enrolled in Ecovadis, a global sustainability rating platform, to understand our strengths and opportunities within the four key pillars including 'Labour & Human Rights' and 'Ethics'. Zochem-earned a Silver medal for its current procedures and practices and utilized the benchmarking tool to address existing gaps including forced labour and/or child labour.



Zochem continues to maintain and improve a number of policies and practices including Policy to Prevent Human Rights Violations, vendor onboarding and ongoing vendor evaluation processes (on-site and/or self-audit questionnaire) in order to prevent and reduce risks of forced labour and/or child labour in our operations.

While Policy to Prevent Human Rights Violations was implemented in 2024, steps taken to prevent and reduce risks of forced labour and/or child labour has not undergone any other significant changes in 2025. In 2025, Zochem shared this policy with its supply chain segments representing at least 80% of the total value of goods and services who confirmed that they are in compliance with the policy.

Zochem has undertaken an initial risk assessment to identify potential instances of forced labour and child labour within its supply chain. The assessment encompassed supply chain segments representing over 80% of the total value of goods and services.

Zochem's Supplier Sustainable Code of Conduct established the standard baseline conduct for all suppliers of goods and service contractors engaged with or on behalf of Zochem. This policy explicitly prohibits the use of forced labour, human trafficking, or any form of modern slavery. Additionally, as elaborated below, it outlines supplier responsibilities in addressing identified forced labour risks. In 2025, Zochem rolled out the Supplier Sustainable Code of Conduct to the supply chain segments representing at least 80% of the total value of goods and services.

Previously, in 2024 Zochem had also implemented a number of supporting policies, the details of which are in the Due Diligence section below all of which remained applicable in 2025. During the employee onboarding process, employees are made aware of and trained on the Employee Handbook and the Whistle Blower Policy, both of which provide mechanisms to report issues including but not limited to forced labour and child labour. Training was provided to relevant positions on Policy to Prevent Human Rights Violations, Supplier Sustainable Code of Conduct and all other newly developed policies.

3. Structure, Activities, Supply Chain

3.1 Structure

Zochem is a 100% privately owned company located in Brampton, ON and incorporated in British Columbia. It is a subsidiary of Zinc Blocker, LP incorporated in Delaware, USA.

The reporting year covered by this report is 2025. It is the third Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act and has been exclusively prepared for Zochem. It is not a joint report.

Zochem satisfies the definition of an 'Entity' required to fulfill this report requirement as defined in the Act and meets the following thresholds in the 2025 financial year:

- C\$20 million in assets and
- (b) C\$40 million in revenue

3.2 Activities



Zochem manufactures various grades of French Process zinc oxide and sells them globally. Zinc oxide is manufactured using special high grade (SHG) zinc metal and oxygen from ambient air. The process we use to convert Zinc to Zinc Oxide is known as the Indirect Process or French Process and consists of a muffle furnace that is used for melting and vaporizing zinc without directly contacting the heat source to the material and igniting the zinc vapor in presence of oxygen from ambient air to form zinc oxide. The muffle furnace technology used by Zochem is the safest and most environmentally friendly equipment for such product manufacturing globally.

As per the North American Industry Classification System (NAICS) Canada 2017 Version 3.0, the NAICS code of Zochem is '325189 - All other basic inorganic chemical manufacturing'.

3.3 Supply chains

The manufacturing of zinc oxide requires the purchase of only one raw material, i.e. special high grade (SHG) zinc metal. In 2025, zinc represented > 95% by dollar spend of all purchases. Over 80% of the zinc purchased was from two suppliers located in Canada while the remainder was purchased from manufacturers based in the US, Australia and South Korea. In the same year, packaging materials represented <2% of the total.

As per the Walk Free Index and the U.S. Department of Labour 2022 List of Goods Produced by Child Labour and/or Forced Labour, zinc metal is associated with high risk. Zochem does not purchase zinc metal from any of the known countries or regions which are flagged in this report. Packing materials which primarily include paper bags and (polypropylene) bulk bags, are also not flagged goods in the same report.

Packaging materials are either sourced directly from the manufacturers or indirectly through suppliers. Majority of the manufacturers are located in Canada, USA, Mexico, India.

4. Due Diligence

4.1 Policies and its due diligence processes in relation to forced labour and child labour

100% of the SHG zinc purchased is from London Metal Exchange (LME) listed suppliers that have to meet strict regulatory requirements including ensuring compliance to **LME's responsible sourcing requirements** @ <https://www.lme.com/en/about/responsibility/responsible-sourcing>.

Note: The LME Responsible Sourcing Requirements apply to all current and future LME-registered brands, i.e., companies trading their products on LME's platforms. It sets out requirements to implement OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas; maintain ISO 14001; and maintain ISO 45001. Compliance with all aspects of the requirements will be 31 Dec 2023.

Written Agreements are in place with zinc metal vendors which include a "compliance with applicable laws section" which can and may result in the termination for not complying with local or national regulations, laws, Acts etc.

During vendor onboarding process, a Raw Material Questionnaire (also known as a Self-Audit Questionnaire) is provided to the vendor for completion and return to Zochem. It covers areas including quality, health & safety,



environment, conflict mineral, business continuity, business structure (organizational chart) etc. As a best practice, once every three years Zochem sends the Raw Material Questionnaire to its vendors.

As mentioned above in section 2 - Steps Taken and as part of our due diligence process, we have implemented Policy to Prevent Human Rights Violations. A copy of this policy was forwarded to our key suppliers whom have since acknowledged receipt of the policy and confirmed their compliance to it.

Additionally, Zochem has also implemented the following supporting policies:

Sustainable Procurement Policy aligns with the objectives of Bill S-211, emphasizing responsible sourcing and supplier compliance. Although this policy does not explicitly address child labour and forced labour, it establishes a foundation for sustainable procurement that aligns with endeavors to combat these issues. It is primarily a supplier-related policy while the remaining policies are internal to Zochem.

Supplier Sustainable Code of Conduct sets Zochem's expectations with respect to its suppliers in the areas of Legal Compliance, Ethical Business Practices, Labour & Human Rights, Environmental Responsibility, Supply Chain Responsibility and Continuous Improvement among others.

Export Controls & Economic Sanctions Policy and Supplemental Guidelines to Export Controls & Economic Sanctions Policy contributes to the prevention of any unethical labour practices within our supply chains. Includes clear reporting of non-conformity to compliance@zochem.com which sends direct communication to HR and C-Suite.

Whistleblower Policy provides a confidential platform for reporting any concerns related to forced labour or child labour, enabling swift action and resolution. During training, it is communicated that calls can be made to the Chairman of the Board if a concern arises with or related to the President & C.E.O.

Anti-Corruption Policy outlines Zochem's position against corrupt practices and provides guidelines for employees on how to recognize, prevent, and report instances of corruption within the organization. Corruption weakens the endeavors to combat child labour and forced labour, while tackling corruption aids in the fight against child labour and forced labour.

Anit-violence and Harassment Policy outlines Zochem's commitment to providing a workplace free from violence, harassment, sexual harassment, discrimination, or any affront to human dignity. Additionally, it outlines management's commitment to taking all complaints seriously and responding in a fair and timely manner, respecting the privacy of all concerned as much as possible.

Employee Handbook serves as guide for employees including workplace expectations, codes of conduct, discipline policy, conflict of interest, time off, benefits etc.

In 2024, initial training was provided on all of the above-mentioned policies with the exception of the Whistle Blower Policy and Anti-violence and Harassment Policy which have been in place for a number of years.

Unless otherwise required, all policies undergo a review once every three years.



5. Forced Labour and Child Labour Risk, Remediation and Loss of Income, and Training/Awareness

5.1 Parts of its business and supply chains that carry a risk of forced labour or child labour being used and the steps it has taken to assess and manage that risk

Since no risk of forced labour or child labour was known or identified within Zochem or its supply chains, there were no steps taken to manage any risk.

According to both the Walk Free Index and the U.S. Department of Labour's 2022 List of Goods Produced by Child Labour or Forced Labour, zinc metal is categorized as high risk. However, Zochem does not procure zinc metal from any of the countries or regions identified as high risk in these reports. Additionally, the primary packing materials used, such as paper bags and polypropylene bulk bags, which accounted of <2% of total value of purchase, are not flagged as problematic goods in the same report.

5.2 Measures taken to remediate any forced labour or child labour

There were no measures required or taken to remediate any forced labour or child labour within Zochem or its supply chains.

In the event there is an incident, we will use our existing incident investigation procedure, which includes violation of federal or provincial and municipal legislation and therefore not limited to Zochem internal policy.

5.3 Measures taken to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

Through the investigation process as mentioned in sec. 5.2, measures would be taken to remediate loss of income and measures to eliminate the use of forced labour or child labour, specifically putting the onus on the party responsible within the supply chain including Zochem.

5.4 Training provided to employees on forced labour and child labour

Beyond the initial training on the policies mentioned in section 4. Due Diligence, no additional training was needed or provided. Policies that are currently in place include:

1. [Anti-Corruption Policy](#)
2. [Anti-violence and Harassment Policy](#)
3. [Employee Handbook](#)
4. [Export Controls & Economic Sanctions Policy](#) and [Supplemental Guidelines](#)
5. [Policy to Prevent Human Rights Violations](#)
6. [Supplier Sustainable Code of Conduct](#)
7. [Sustainable Procurement Policy](#)



8. Whistleblower Policy

All the policies mentioned above are compulsory for the relevant positions at Zochem. Additional specific external training modules on forced labour and child labour are being researched for the head of Supply Chain to participate in and receive a record of completion or certification form for improved confidence in subject matter understanding.

6. Assessing Effectiveness

6.1 How the entity assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and supply chains

Internal Processes:

While Policy to Prevent Human Rights Violations, directly addresses child labour and forced labour, the supplemental policies listed below enhance awareness of child labour and forced labour as well as set the framework to adequately fight against it.

1. Zochem's employees, Anti-Corruption Policy
2. Anti-violence and Harassment Policy
3. Employee Handbook
4. Export Controls & Economic Sanctions Policy and Supplemental Guidelines
5. Supplier Sustainable Code of Conduct
6. Whistleblower Policy

Supplier-related processes:

Current practices to assess effectiveness include due diligence during vendor onboarding process, ongoing vendor evaluation process via on-site and/or self-audit questionnaire, document reviews, and interviews with workers. Additional measures to assess effectiveness include ensuring the training and awareness programs for employees and suppliers on labour rights, ethical sourcing, and the consequences of engaging in forced labour or child labour are clearly understood and well implemented.

Starting 2024, Zochem has begun a benchmarking process against business partners as well as sharing best practices with them with respect to programs to fight forced labour and child labour. Utilizing the existing management systems framework, we continuously review and improve policies, procedures, and practices related to labour standards and forced labour and child labour laws.

As mentioned above, there have been no known cases of forced labour and child labour within Zochem or its supply chain. In 2024, Zochem developed tools to increase the awareness and assess the effectiveness that forced labour and child labour are not being used in its business and supply chains. In 2025, it continued to visit more vendors to verify the effectiveness of compliance with Bill S-211. The organization intends to begin adding clauses on forced and child labour to its Quality Agreements with key vendors in 2026.



7. Supplementary information

7.1 If applicable (Policies and Procedures referenced in this report)

- a. Anti-Corruption Policy
- b. Anti-violence and Harassment Policy
- c. *Collective Bargaining Agreement (CBA) with Unifor local 591-G-805 and Zochem
- d. Employee Handbook
- e. Export Controls & Economic Sanctions Policy and Supplemental Guidelines
- f. Incident, Accident Investigation Procedure
- g. Policy to Prevent Human Rights Violations
- h. Supplier Sustainable Code of Conduct
- i. Sustainable Procurement Policy
- j. Whistleblower Policy

*CBA contains section on no discrimination and harassment.

8. Approval and attestations

8.1 Approval and attestation has been included in the report

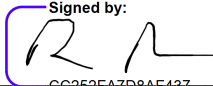
“In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above.

Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.”

Full name: Russ Robinson

Title: Chairman of the Board of Directors

Date: March 9, 2026

Signature:  Signed by:
CC252FA7D8AF437...
I have the authority to bind Zochem ULC.