



Zochem 2025 Sustainability Report

www.zochem.com

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About This Report



Zochem is proud to present our 2025 Sustainability Report, a testament to our ongoing commitment to environmental, social, and governance (ESG) excellence. This report provides a transparent and comprehensive overview of our sustainability progress across our facilities in Brampton, Ontario, Canada, and Dickson, Tennessee, USA.

As we celebrate 51 years of operations in Canada, we reflect on our journey of growth, innovation, and responsibility. This year, we have achieved significant milestones, including:

- EcoVadis Silver Medal (2025) – placing us among the top 15% (85+ percentile) companies globally for sustainability performance.
- Advancements in GHG Tracking – measuring and managing our Scope 1, 2, and 3 emissions more effectively.
- Materiality Assessment – virtual audit across the key 14 sustainability themes stakeholder expectations.
- Alignment to UN SDGs & SASB Chemical Industry Standards – strengthening our reporting framework.
- Certifications & Compliance – including ISO 14001, ISO 9001:2015, European REACH certified, OSHA safety excellence, and continued focus on responsible procurement.
- Community Engagement & Social Responsibility – collaborating with our employees, customers, suppliers, and partners to drive positive impact.

This report highlights our journey toward continuous improvement, innovation, and sustainable business practices. We invite our stakeholders – including employees, investors, customers, partners, and the broader community – to explore our progress and join us in shaping a more sustainable future.



**Celebrating 51 Years of Excellence
& A Future of Sustainability**

Mohit Sharma
President & C.E.O.
March 31, 2026

Message from the C.E.O

Zochem continues to be the industry leader in product quality and customer service as it has proven to be over the last five decades. We promote and practice our 3 pillars of hiring the right people, being good Samaritans, and taking care of our customers. The sustainability focus that you all have come to experience with Zochem is a direct result of these pillars which are the foundation of supporting our promise that **Certainty Starts Here.**

In 2025, we continued our scientific journey in material sciences to better understand the ability to use different forms of reusable and recyclable materials. Within that journey, a holistic approach was considered to ensure any unintended consequences were properly captured for safety, quality, productivity and cost. We added additional Zinc recycling equipment to reduce the amount of by-product creation is sold downstream.

Our benchmarking activities continued to prove our team's commitment towards a better tomorrow through obtaining an EcoVadis Silver Medal, along with our stated commitment towards SBTi targets for future years. Being compliant and a friend to our communities, Zochem's involvement in both Tennessee, USA and Ontario, Canada has provided hundreds of hours of service, supported by six-figure investments in the children and families of our respective cities.

Our Dream Team continues to stimulate the zinc oxide industry with new and creative methods to accelerate an order from the time of receipt to the time of shipment. That team benefits from each other's expertise, backgrounds, and wellness programs to work in a well-rounded environment. Our strategically located facilities in both the U.S. and Canada aid in the optimization of scope 3 transportation emissions to ensure we are mindful of the entire journey of our product to the valued customer.

Kaizen is what is expected of us at Zochem. We will use 2025 as a jumping off point to continue investigations in secondary metal processing at both facilities, promote exceptional health and wellness, and seek opportunities to reduce our carbon footprint through avenues such as renewable natural gas.

Thank you for continuing your journey in French Process Zinc Oxide along with us.

Our Company: Mission, Vision & Values

For 50+ years, Zochem has been a trusted leader in high-purity, French process zinc oxide manufacturing, serving industries across North America and beyond. With state-of-the-art facilities in Brampton, Ontario, and Dickson, Tennessee, we supply sustainable, high-quality zinc oxide to a diverse range of sectors, including rubber, pharmaceuticals, coatings, agriculture, and more.

Our commitment to safety, sustainability, and innovation drives everything we do. As an EcoVadis Silver company, we prioritize environmental stewardship, responsible sourcing, and operational excellence, aligning with UN SDGs, SASB Chemical Industry Standards, and ISO 14001 certification.

At Zochem, we believe in fostering strong partnerships with our customers, employees, and communities. By continuously investing in cutting-edge technology, emissions reduction, and workforce development, we are shaping a more sustainable future for the zinc oxide industry.



MISSION

At Zochem, our mission is to lead the zinc oxide industry with a commitment to sustainability, safety, and quality. We strive to deliver innovative, responsible, and high-performance solutions while minimizing our environmental footprint and creating lasting value for our employees, customers, and communities.



VISION

To be the trusted global leader in sustainable, French process zinc oxide manufacturing, setting the standard for safety, environmental stewardship, and operational excellence while fostering a workplace that empowers and supports our team members.



VALUES

- **Safety First** – Protecting our people, customers, and communities.
- **Integrity & Ethics** – Operating with transparency, fairness, and accountability.
- **Sustainability** – Reducing our environmental impact through **innovation and efficiency**.
- **Collaboration** – Partnering with employees, suppliers, and stakeholders to drive shared success.
- **Excellence** – Continuously improving our processes, products, and customer experience.

Our Three Pillars of Responsibility

At Zochem, our commitment to sustainability is built on three core pillars: Hiring the Right People, Being Good Samaritans, and Taking Care of Our Customers.



HIRING THE RIGHT PEOPLE

Dream Team: We believe that success starts with a strong, diverse, and dedicated team. By attracting top talent, fostering an inclusive workplace, and providing continuous growth opportunities, we ensure that our people are empowered to drive meaningful change.



BEING GOOD SAMARITANS

As part of our commitment to corporate social responsibility, we actively support and engage with our communities. Through volunteerism, partnerships, and sustainable business practices, we strive to make a positive impact beyond our operations.



TAKING CARE OF OUR CUSTOMERS

We are more than just a supplier - we are solution providers. By understanding our customers' needs, maintaining the highest quality and safety standards, and delivering innovative, sustainable solutions, we build long-lasting relationships based on trust and excellence.

Materiality Assessment

In January 2025, Zochem engaged a third-party consultant to conduct a virtual Materiality Assessment to refine our environmental, social, and governance (ESG) priorities. This assessment incorporated peer benchmarking and industry best practices.

Peer Benchmarking

The third party analyzed industry peers using EcoVadis ratings, sustainability reports, and third-party ESG data. This helped us:

- Identify best practices in emissions reduction, supply chain sustainability, and responsible sourcing.
- Benchmark policies and programs against leading chemical manufacturers.
- Highlight opportunities for improvement in procurement, employee development, and reporting transparency.

Basic Sustainability Assessment Tool (BSAT)

To assess core sustainability issues, the third party applied the BSAT from Sustainability Advantage, identifying priorities in:

- Scope 1, 2, and 3 emissions, procurement, and waste reduction.
- Energy, water, circularity, governance, and social responsibility.
- UN SDG and SASB standards alignment.

Action Plan

Findings from this assessment shaped Zochem's 2025 Sustainability Roadmap, focusing on:

- GHG Reduction – Expanding low-carbon technologies like muffle furnaces and optimizing energy efficiency.
- Supplier Sustainability – Strengthening supplier codes, increasing engagement, and integrating EcoVadis scoring.
- Community & Employee Engagement – Investing in learning, community initiatives, and inclusion.
- ESG Transparency – Improving CDP disclosures, Scope 3 tracking, and sustainability KPIs.



Through this materiality-driven approach, Zochem is advancing sustainable growth while meeting evolving stakeholder expectations.

Environmental KPI Reporting: Impact

Theme	Description	2023	2024	2025	Target	Location
Energy Efficiency	Electricity usage (kWh)	14,950,952	17,209,500	15,520,479	The goal is to keep our kWh usage below 20,000,000 kWh in 2026, from 2023 numbers.	Canada & USA
Energy Efficiency	Electricity Intensity (KWh/MT)	245	256	248	The goal is to keep our Electricity Intensity below 252 (KWh/MT) in 2026.	Canada & USA
Greenhouse Gas Emissions (GHG)	Scope 1 emissions. Greenhouse Gas Emissions (GHG) – MT CO ₂ e	23,783	26,250	23,303	The goal is to reduce our Scope 1 emissions by 5% from 2023 baselines by 2030.	Canada & USA
	Scope 1 Emissions Intensity (MT CO ₂ e / MT ZnO)	0.389	0.391	0.373	The goal is to keep our Scope 1 emissions intensity below 0.382 MT CO ₂ e / MT ZnO in 2026.	Canada & USA
	Natural Gas (NG) (m3) usage	12,125,980	13,367,000	11,866,643	Natural Gas (NG) (m3) usage is a function of ZnO production and so we do not have an absolute target.	Canada & USA
	Scope 2 emissions.(MT)	2,396	2,744	2563	The goal is to reduce our Scope 2 emissions by 5% from 2023 baselines by 2030.	Canada & USA
	Scope 3 emissions.(MT)	60,431	83,098	86,629	Scope 3 emissions is heavily dependent upon the raw material, zinc metal. Based on the supplier mix, availability of raw material, economic factors, raw material purchased in 2025 compared to 2024 had a higher carbon footprint.	Canada & USA

Environmental KPI Reporting: Impact

Theme	Description	2023	2024	2025	Target	Location
Water and Waste Water Management	Measuring water consumption (m3)	1,478	1,266	1,659	The goal is to keep our water consumption below 2,000 m3 in 2025, from 2023 baselines.	Canada & USA
Waste Management	Waste (Hazardous Waste - Litres) Waste	655	200	300	The goal is to keep our waste (hazardous) below 450 Litres in 2026, from 2023 baselines.	Canada
	Waste (Non-Hazardous Waste - Metric Tonnes)	101	131	95.2	Target is to stay below 120 Metric Tonnes in 2026	Canada & USA
	Non-Hazardous Waste Intensity (Metric Tonnes/ employee)	1.53	0.97	1.19	Target is to stay below 1.5 MT/employee in 2026	Canada & USA
Reusable / Recyclable Content in Raw Material	% of Reusable / Recyclable Zinc used to produce ZnO - total sales in all markets - Sales in tire market	NA	NA	70% 100%	In 2026, the target is to: - increase the % Reusable / Recyclable Zinc by 2% in all markets - Stay at 100% in the tire market	USA
Customer Health & Safety	Ensuring strict product safety measures and high-quality standards. Number of Customer complaints.	0	0	0	Goal is by 2026 is maintain 0 reports.	Canada & USA
Air Pollution & Air Quality	Tracking air pollutants (total particulate matter) to minimize environmental impact (Kg).	534kg	563	503	N/A	Canada

Environmental Initiatives

At Zochem, we are committed to minimizing our environmental footprint through continuous improvements in energy efficiency, emissions reduction, and responsible resource management. Our sustainability initiatives align with industry best practices and global standards, demonstrating our leadership in environmental responsibility.

Previously, one of our most significant advancements in 2024 was the installation of a new U.S. furnace and a mini recycle furnace, both designed to enhance energy efficiency and reduce emissions. These innovations, combined with our F6 pipe insulation and SpyroCor installation projects, help lower natural gas consumption and improve overall operational efficiency. Additionally, our LED lighting project has significantly reduced electricity usage across our facilities.

Zochem proudly maintained its ISO 14001 certification, reinforcing our commitment to environmental management. In 2025, we also achieved EcoVadis SILVER, a testament to our sustainability progress. As part of this effort, we conducted a third-party GHG emissions report and carbon audit and offset a portion of our emissions through carbon offset purchases.

We are proactive in managing environmental risks. Our TDG training ensures that employees handle chemicals safely, while our Emergency Preparedness Policy safeguards against environmental incidents. Our water and wastewater control measures help us minimize water use and ensure compliance with local regulations. To further protect air quality, we employ emissions disbursement modeling (ESDM) and air pollution mitigation technologies to reduce particulate matter. Additionally, we conducted an acoustic assessment to minimize noise pollution and improve workplace conditions. The ESDM and acoustic assessment were done in 2022.

Zochem adheres to strict regulatory requirements, including the EU and UK REACH Registration, and EU SDS for zinc in multiple jurisdictions, ensuring compliance with European environmental and safety standards. Our recall process and detailed Safety Data Sheets (SDS) provide customers with critical information about our products and their safe handling.

As Ontario continues its transition to a cleaner energy grid, Zochem benefits from increased access to renewable electricity, further reducing our reliance on fossil fuels. Through ongoing sustainability initiatives, strategic investments, and a commitment to continuous improvement, we strive to lead by example in the zinc industry and beyond.



Human Rights: Health, Safety & Wellness

Theme	Description	2023	2024	2025	Target	Location
Employee Health & Safety	Health & Safety (Lost-Time Injury Frequency)	0	0	0	The goal is 0 Lost-Time Injury Frequency annually in 2025 and beyond.	Canada & USA
	Health & Safety (Days without Lost-Time Injury - Canada)	4442	4807	5175	N/A	Canada
	Health & Safety (Days without Lost-Time Injury - USA)	3477	3842	290	N/A	USA
Diversity, Equity and Inclusion	Belonging and diversity at Zochem	35% Women (salaried), 38% Minority	35% Women (salaried), 38% Minority	33% Women (salaried), 44% Minority	The goal is to maintain 50% women (salaried) at Zochem in 2030.	Canada & USA
Working Conditions	Healthcare Benefits access	Not tracking	In 2024, 100% of our employees have access to paid health benefits and EAP - call in for wellness, mental health services, etc.	In 2025, 100% of our employees have access to paid health benefits and EAP - call in for wellness, mental health services, etc.	The goal is to maintain 100% of our employees with EAP access in 2025 and beyond.	Canada & USA
Career Management and Training	Hours employee training in Health & Safety.	12 hr/year/employee.	12.4 hr/year/employee.	12.4 hr/year/employee.	Min. 12hrs/employee/yr	Canada
Child labour, forced labour, human trafficking	Incidents reported.	0	0	0	The goal is to maintain 0 incidents of child or forced labour in 2025 and beyond.	Canada & USA

Initiatives: Commitment to Labour and Human Rights

At Zochem, we prioritize the well-being, safety, and rights of our employees and stakeholders. Our approach to labour and human rights is guided by global standards and best practices, ensuring a fair, safe, and inclusive workplace.

We uphold our Human Rights Policy, which reinforces our commitment to ethical labour practices, fair treatment, and equal opportunities for all employees. In line with regulatory requirements, we comply with Canada's Bill S-211, which addresses forced labour and child labour in Canadian supply chains. Additionally, we have established a grievance mechanism that allows employees and external stakeholders to report concerns related to child labour, forced labour, or human trafficking, ensuring transparency and accountability.

Employee safety is at the core of our operations. We maintain robust fire safety protocols, first aid training, and personal protective equipment (PPE) requirements, ensuring compliance through our PPE Matrix and gowning instructions. To further enhance workplace safety, we conduct risk assessments and track safety data in a centralized risk assessment database. Employees receive comprehensive training through WebWSIT and our training matrix, equipping them with the knowledge to work safely and efficiently.

We are committed to accessibility and inclusivity. Our Plan on Accessibility for Ontarians with Disabilities Act (AODA) outlines our strategy to create an equitable and barrier-free workplace for employees of all abilities. In addition, we foster a culture of open communication and accountability through our whistleblower mechanism, which allows all stakeholders to report concerns anonymously via email to our CFO and CEO.

At Zochem, employee well-being is a priority. We offer a workplace Employee Assistance Program (EAP) benefit designed to provide confidential support to employees dealing with personal and work-related issues that may affect their performance, health, and well-being, comprehensive benefits through Sunlife, a flexible work environment, and conduct employee satisfaction surveys to continuously improve our workplace culture. Employee growth and development are supported through our AMP performance goal template, which ensures regular performance assessments and professional development opportunities.

By embedding these initiatives into our business operations, Zochem continues to champion ethical labour practices, uphold human rights, and foster a workplace where employees feel safe, valued, and empowered.



Business Ethics: Reporting

Theme	Description	2023	2024	2025	Target	Location
Corruption incidents	Incidents reported.	0	0	0	The goal is to target 0 incidents of corruption in 2026 and annually after.	Canada & USA
IT security breaches	Incidents reported.	0	0	0	The goal is to target 0 incidents of IT security in 2026 and annually after.	Canada & USA
Breaches against export control requirements	Incidents reported.	0	0	0	The goal is to target 0 incidents of export control in 2026 and annually after.	Canada & USA

Initiatives: Upholding Ethical Business Practices

At Zochem, integrity and transparency are at the heart of our business. We are committed to conducting our operations with the highest ethical standards, ensuring compliance with global best practices in corporate governance, anti-corruption, and risk management.

Our Code of Ethics and Anti-Corruption Policy set clear expectations for ethical behavior across all levels of the company. These policies reinforce our zero-tolerance approach to bribery, fraud, and other unethical practices.

Risk management is integral to our corporate strategy. Our Business Continuity and Risk Management framework ensures that we proactively identify, assess, and mitigate potential risks that could impact our operations, employees, and stakeholders. We have established specific approval procedures for sensitive transactions, providing an additional layer of oversight to prevent unethical financial practices.

To promote accountability, we maintain a whistleblower procedure, enabling employees and external stakeholders to report concerns anonymously and without fear of retaliation. These reports are reviewed at the highest levels, ensuring that any ethical concerns are addressed with diligence and transparency. By embedding strong ethical principles into our operations, Zochem fosters a culture of trust, accountability, and corporate responsibility, ensuring that we conduct business with integrity and uphold the highest ethical standards.

Sustainable Procurement: Reporting

Theme	Description	2023	2024	2025	Target	Location
Supplier environmental practices	Supplier Code of Conduct Adherence	0%	0%	75%	By Q2 2026, Zochem plans to confirm adherence to its Supplier Sustainable Code of Conduct for 100% of key suppliers.	Canada & USA
	Supplier Base Details	Not tracking	Less than 10% of raw materials (by cost) are purchased outside the USA and Canada, and supplier contracts are being updated to ensure compliance with ethical practices.	Less than 20% of raw materials (by cost) are purchased outside the USA and Canada, and supplier contracts are being updated to ensure compliance with ethical practices.	The goal is to maintain less than 25% of raw materials (by cost) purchased outside the USA and Canada, and supplier contracts are being updated to ensure compliance with ethical practices in 2026. This includes 0% purchases from conflict zones.	Canada & USA

Initiatives: Sustainable Procurement

At Zochem, we recognize that responsible sourcing plays a critical role in driving sustainability across our supply chain. Our Procurement Policy ensures that we source materials ethically, promote environmental stewardship, and uphold social responsibility in collaboration with our suppliers.

To reinforce these commitments, we conduct training on our Supplier Code of Conduct every two to three years, ensuring that our procurement teams and suppliers understand and adhere to our sustainability expectations. This training emphasizes fair labour practices, environmental responsibility, and ethical business conduct.

We actively assess our suppliers to ensure alignment with our sustainability standards. As part of our supplier assessment process, we administer a raw material questionnaire that evaluates suppliers on their environmental and social practices. These assessments help us identify risks, foster transparency, and encourage continuous improvement among our partners.

Additionally, we conduct audit reports to verify supplier compliance and best practices. For example, SS Pallets has undergone evaluations to ensure alignment with our sustainability and quality expectations. These audits help us maintain high ethical and environmental standards while strengthening responsible sourcing across our supply chain. By embedding sustainability into procurement, Zochem ensures that our supply chain supports our broader environmental, social, and ethical commitments. We remain dedicated to working with responsible suppliers who share our vision for a more sustainable and ethical future.



Community Engagement & Charitable Contributions

At Zochem, we believe that being a responsible corporate citizen extends beyond our operations - it's about making a meaningful impact in the communities where we live and work. Our commitment to giving back, supporting local initiatives, and fostering strong relationships with stakeholders is at the heart of our sustainability strategy.

Annual Community Initiatives & Events

1 CHARITABLE GIVING & EMPLOYEE-DRIVEN PHILANTHROPY

Zochem is deeply committed to **supporting causes that matter**. Through corporate donations and employee-led initiatives, we focus on **education, health, and community well-being with a focus on children**. Some of our key programs include:

- **Children's Holiday Giving Campaign** – Supporting underprivileged children by donating essential items, toys, and financial contributions during the holiday season.
- **Local Food Bank Drives** – Partnering with organizations in **Canada and the U.S.** to provide essential food supplies to families in need.
- **STEM & Education Support** – Encouraging future industry leaders by contributing to **STEM education programs and scholarships**.

2 ANNUAL CHRISTMAS DINNER

One of Zochem's most cherished traditions is our Annual Christmas Dinner, where we gather as a team to celebrate our accomplishments and give back. Each year, employees come together to share a meal, reflect on the past year, and contribute to charitable causes, reinforcing our culture of generosity and togetherness.

Community	2022	2023	2024	2025
Charity donations (USD)	\$100K+	\$100K+	\$200K	\$130

3 LOCAL AND INDUSTRY EVENTS (CANADA & U.S.)

Throughout 2025, Zochem was actively involved in community and industry events in both Canada and the United States, strengthening our relationships with customers, suppliers, and local partners. Some highlights include:

- Participation in Local Sustainability Conferences & Industry Forums
- Employee Volunteer Days for Community Projects such as Food Delivery and Supporting Homeless Locals
- Supplier and Partner Networking Events

As we move forward, Zochem remains committed to expanding our community engagement efforts and finding new ways to make a difference. We will continue to support charitable organizations, engage with local stakeholders, and foster a strong sense of corporate social responsibility. Our success is a reflection of the dedication and generosity of our employees, customers, and partners - thank you for being part of our journey!

Looking to the Future

As Zochem continues its journey toward sustainability, we remain focused on innovation, responsible sourcing, and reducing our environmental impact. Our long-term strategy includes key initiatives that will drive our commitment to continuous improvement and sustainable growth. Our key sustainability goals for 2026 and beyond are:

HEAT TRANSFER FOR ENERGY EFFICIENCY

We plan to implement continuous improvement solutions through trials on heat transfers to enhance energy recovery, improve efficiency, and reduce natural gas consumption in our manufacturing processes. This initiative aligns with our broader carbon reduction strategy and commitment to operational sustainability.

SUPPLIER RISK ANALYSIS FOR SUSTAINABILITY & COMPLIANCE

We are continuing to develop a supplier risk analysis framework to assess and mitigate environmental and social risks in our supply chain. This initiative will enable us to proactively identify high-risk areas and drive sustainability improvements among our key suppliers.

CORRUPTION AND BRIBERY RISK ASSESSMENT

To strengthen compliance, we continue to assess risk for bribery and corruption in 2026 by widening our scope of global products and services purchased. It educates employees on corruption prevention, ethical decision-making, and responsible business conduct - such as asking employees why they chose a certain supplier over another.

COMMITMENT TO SCIENCE-BASED TARGETS INITIATIVE (SBTI) IN 2027

Zochem is committed and planning to submit our SBTi targets by 2027, aligning our emissions reduction goals with the latest climate science. By setting validated science-based targets, we aim to contribute to global efforts to limit temperature rise and achieve long-term carbon neutrality.

Looking ahead, Zochem remains dedicated to advancing sustainability, fostering innovation, and strengthening our partnerships with employees, customers, and suppliers. Through these focused initiatives, we will continue to build a more responsible and resilient future for our business and the communities we serve.



Thank You

At Zochem, we believe that sustainability is a shared responsibility—one that requires collaboration, commitment, and continuous improvement. We extend our sincere gratitude to our employees, customers, suppliers, and community partners for their ongoing support and contributions to our sustainability journey.

As we celebrate 50+ years of excellence in Canada and 10+ years of excellence in the U.S., we remain dedicated to innovation, responsible business practices, and building a more sustainable future for the zinc oxide industry and beyond.

Thank you for taking the time to review our 2025 Sustainability Report. We value your engagement, feedback, and partnership in shaping a better tomorrow. If you have any questions, insights, or suggestions regarding this report, we encourage you to reach out to us. We welcome discussions on how we can work together to drive sustainability forward. Your feedback is invaluable as we continue to grow and improve. Thank you again for being part of the Zochem sustainability journey!



We thank you for your continued support.

Contact

Zochem

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Appendix A: United Nations Sustainable Development Goals (UN SDGS)



United Nations Sustainable Development Goals (UN SDGS)

The Sustainable Development Goals (SDGs), also known as Global Goals, are a set of 17 integrated and interrelated goals to end poverty, protect the planet and ensure that humanity enjoys peace and prosperity by 2030.

Please see Zochem's alignment and progress towards 4 of the 17 UN SDGs on the next page.

Appendix A: United Nations Sustainable Development Goals (UN SDGs)

United Nations Sustainable Development Goal (UN SDG)	ICON	Why Does Zochem Align To This SDG?	Key Actions Towards SDG by Zochem
SDG 12: Responsible Consumption and Production		<p>Zochem prioritizes resource efficiency by incorporating 15% recycled zinc in USA production, monitoring hazardous waste, and focusing on circular economy principles (e.g., recycling process waste). These practices demonstrate a strong commitment to sustainable consumption and production, positioning Zochem as an industry leader.</p>	<p>Emphasizing sustainable sourcing practices - ensuring 100% of suppliers sign the Code of Conduct (CoC) in 2026 or acknowledge having their own CoC which meets the requirements of Zochem's CoC.</p> <p>Enhancing waste reduction initiatives – Continuously improving hazardous and non-hazardous waste management. Conducted internal waste audit.</p> <p>Supplier sustainability assessments – Increasing supplier engagement and evaluating compliance with responsible sourcing practices.</p> <p>Water efficiency measures – Tracking and minimizing water consumption to ensure responsible resource use.</p>
SDG 13: Climate Action		<p>Zochem is committed to reducing greenhouse gas emissions. The company continues to prioritize energy efficiency and measurable emissions reductions to combat climate change.</p>	<p>We set and communicate measurable baselines and targets for Scope 1, 2, and 3 emissions reductions to demonstrate leadership in climate action among our peers.</p> <p>Expanding Scope 3 emissions tracking – Strengthening carbon disclosure efforts.</p> <p>Investing in energy-efficient equipment – Heat exchangers and furnace optimizations to lower emissions.</p> <p>Exploring renewable energy options – Assessing feasibility for partial transition to renewable electricity.</p>
SDG 8: Decent Work and Economic Growth		<p>Zochem emphasizes workplace safety, belonging, and diversity, along with employee development. For example, the company has achieved 14 years without lost-time injuries at its Canadian site and is proud that 33% of their staff are women in salaried roles. These efforts align with promoting inclusive and sustainable economic growth while ensuring safe working environments.</p>	<p>We focus on great employee training, and ethical labor practices to support economic growth.</p> <p>Safety achievements are key - with 0 lost-time incidents several years running.</p> <p>Diversity statistics to showcase a commitment to belonging and workplace excellence.</p>
SDG 9: Industry, Innovation, and Infrastructure		<p>Zochem integrates cutting-edge practices, such as energy-saving initiatives, into its operations. These innovations demonstrate Zochem's commitment to building sustainable, efficient, and resilient infrastructure.</p>	<p>We strive for innovations in process efficiency, such as product quality improvements.</p> <p>Process automation and efficiency improvements – Optimizing production methods to reduce resource use.</p> <p>Reducing product lifecycle impact – Exploring material efficiency and sustainable product innovations.</p> <p>Industry partnerships for innovation – Collaborating with peers on best practices in sustainable manufacturing.</p>

Appendix B: Sustainable Accounting Standards Board (SASB): Chemical Industry

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Zochem 2025
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	Quantitative	Metric tonnes (t) CO ₂ -e, Percentage (%)	RT-CH-110a.1	Gross global Scope 1 emissions: 23,303 MT CO ₂ e, Not tracking
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance	Discussion and Analysis	N/A	RT-CH-110a.2	Zochem is committed to reducing Scope 1 emissions through energy efficiency projects, furnace upgrades, and process optimizations . We have set a 5% reduction target from 2023 baselines and are aligning with SBTi commitments to drive long-term carbon reduction. Our GHG tracking and CDP reporting enhance transparency and performance monitoring.
Air Quality	Air emissions of pollutants: (1) NOX (excluding N ₂ O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Quantitative	Metric tonnes (t)	RT-CH-120a.1	(1) 26.5 MT, (2) 0.12 MT (3) 0.52 MT and (4) 0 MT
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, and (4) total self-generated energy	Quantitative	Gigajoules (GJ), Percentage (%)	RT-CH-130a.1	(1) 15,520,479 kWh, (2) Not tracking, (3) Not tracking, (4) 0
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High/Extremely High Baseline Water Stress	Quantitative	Thousand cubic metres (m ³), Percentage (%)	RT-CH-140a.1	1,659 m3, 1,659 m3, 0% under-stressed regions
	Number of incidents of non-compliance with water quality permits, standards, and regulations	Quantitative	Number	RT-CH-140a.2	0
	Description of water management risks and strategies to mitigate those risks	Discussion and Analysis	N/A	RT-CH-140a.3	Zochem monitors and manages water use efficiently, with 1,659 m³ withdrawn and consumed in 2025, all from non-water-stressed regions. We maintain zero incidents of non-compliance and implement water audits, wastewater control measures, and low-flow systems to minimize consumption and ensure regulatory compliance.

Appendix B: SASB continued

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Zochem 2025
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Quantitative	Metric tonnes (t), Percentage (%)	RT-CH-150a.1	300 Litres, Not tracking
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	Discussion and Analysis	N/A	RT-CH-210a.1	Zochem actively engages with local communities through charitable initiatives, industry events, and government partnerships . We collaborate with municipal leaders, including the Mayor of Brampton , and participate in STEM education support, food bank drives, and sustainability forums . Our employee volunteer programs and stakeholder outreach help strengthen relationships and drive positive local impact.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Quantitative	Rate	RT-CH-320a.1	(1) 0, (2) a) 0, (b) 0
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to chronic health risks	Discussion and Analysis	N/A	RT-CH-320a.2	Zochem prioritizes employee safety and well-being , maintaining a zero fatality rate and a strong safety culture. We enforce OSHA and ISO 14001 standards , conduct risk assessments , and provide mandatory safety training (12+ hours per employee annually). Our PPE protocols, emergency preparedness plans, and TDG training ensure a safe work environment for all employees and contractors.
Product Design for Use-phase Efficiency	Revenue from products designed for use-phase resource efficiency	Quantitative	Presentation currency	RT-CH-410a.1	Zochem enhances resource efficiency by incorporating 35% reusable and recyclable zinc in products manufactured at both facilities. This supports circular economy goals and reduces raw material demand while maintaining high product quality and performance.
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products with GHS Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products hazard-assessed	Quantitative	Percentage (%) by revenue, Percentage (%)	RT-CH-410b.1	0%, 100% Note: Our products are fully compliant with the GHS-aligned regulations of the jurisdictions in which they are sold. In our primary markets of Canada and the United States (comprising 95% of sales), our Zinc Oxide products are not classified as GHS Category 1 or 2 Health or Environmental Hazards under WHMIS 2015 and OSHA HCS 2012. For the approximately 5% of products exported to markets such as the European Union, we strictly adhere to local CLP regulations, which classify the substance as a Category 1 Environmental Hazard.
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	Discussion and Analysis	N/A	RT-CH-410b.2	Zochem prioritizes product safety and regulatory compliance . Our ISO 14001-certified facilities (Canada only) follow strict chemical management protocols, and we maintain REACH-SVHC compliance to minimize environmental impact. We continuously evaluate process improvements to enhance safety and explore recycled zinc inputs to support circular economy initiatives.

Appendix B: SASB continued

TOPIC	METRIC	CATEGORY	UNIT OF MEASURE	CODE	Zochem 2025
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Quantitative	Percentage (%) by revenue	RT-CH-410c.1	0%
Management of Legal & Regulatory Environment	Discussion of corporate positions on government regulations or policy proposals addressing environmental and social factors	Discussion and Analysis	N/A	RT-CH-530a.1	Zochem actively complies with evolving environmental and social regulations across Canada and the U.S. Our ISO 14001-certified facilities (Canada only) ensure environmental compliance, while our GHG tracking and CDP reporting align with climate regulations. We uphold Bill S-211 for supply chain transparency and require 100% of key suppliers to sign our Supplier Code of Conduct by 2025. Zochem also maintains OSHA safety excellence , adheres to export control laws , and engages in local sustainability initiatives . Through proactive compliance and responsible business practices, we ensure long-term sustainability and regulatory alignment.
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Quantitative	Number, Rate	RT-CH-540a.1	Not tracking
	Number of transport incidents	Quantitative	Number	RT-CH-540a.2	0