

## **Canada Forced and Child Labour Report**

### **a. Introduction**

Zippo Manufacturing Company (“Zippo”) supplies lighters, fuel, and various outdoor products to consumer markets worldwide. Zippo is headquartered in Bradford, Pennsylvania, with employees located throughout the U.S. Zippo maintains an ISO 9001 Certified Quality Management System.

Zippo is committed to conducting business in an ethical, compliant and responsible manner, including with regard for the protection of human rights. As part of this commitment, Zippo undertakes considerable efforts to ensure we are doing business only with parties who conduct their own business in a similar manner. Zippo does not tolerate the use of child labour, forced labour or human trafficking in its business or supply chain.

### **b. Structure, activities and supply chains**

Zippo proudly manufactures its iconic windproof lighter near its headquarters in Bradford, Pennsylvania. Zippo also produces lighter fuel and butane in local, specialized facilities. A small amount of other products are purchased from suppliers located primarily in China, India, Taiwan, Austria and Canada.

### **c. Policies and due diligence processes in relation to forced labour and child labour**

As part of our commitment to upholding ethical practices, Zippo follows a due diligence process before a new supplier is selected. Under this procedure, extensive screening is performed to evaluate the financial stability as well as the legal standing of our suppliers and to identify any material discrepancies. To assess social compliance issues, new key suppliers are required to complete certifications stating that the products they supply are not mined, produced, or manufactured wholly or in part using forced labour, or in regions specifically identified as high risk for forced labour, or by entities identified on certain government restricted entity lists. Zippo also verifies that potential suppliers are not on certain government restricted entity lists. Zippo also conducts audits on key potential suppliers before they are engaged, which encompass labour and safety issues.

Zippo has adopted a Code of Conduct that applies not only to Zippo, but also governs all transaction with our suppliers and generally parties with whom we do business. Zippo's supplier Code of Conduct enforces rules surrounding labour law compliance and human rights, including prohibition against child and forced labour, non-discrimination/harassment, recruitment and hiring, freedom of association and collective bargaining, hours of work, compensation, health and safety; environment and community; anti-corruption; and quality/product safety. Our Code of Conduct has been formally communicated and implemented to Tier 1 (finished product manufacturer), is incorporated into Zippo Purchase Order Terms and key contracts with goods and services suppliers, and is publicly available here: <https://www.zippo.com/pages/code-of-conduct>.

Zippo's Purchasing and Engineering teams make regular factory visits to verify compliance with our Code of Conduct.

Every Zippo employee has an obligation to comply with, and to ensure that Zippo complies with, the Code of Conduct and all applicable laws. If any Zippo employee suspects a violation, including

related to forced labour or human trafficking, they have a responsibility to inform a supervisor, the Human Resources Department, or Zippo's Whistleblowing outlets. Any such reports would receive immediate and thorough attention, and are subject to Zippo's policy against retaliation.

Zippo has contractual agreements with key suppliers outlining required employment, labour and social standards. These standards are also incorporated in Zippo Purchase Order Terms, which accompany every order and are available here: <https://www.zippo.com/pages/purchase-order-terms-conditions>.

Zippo ensures that there is no child or forced labour in its own facilities, and publishes a handbook and policies to its employee base that address important topics such as employee health and safety.

Zippo is committed to equal employment opportunity for all employees and applicants in all terms and conditions of employment. Zippo has developed and maintained a written Affirmative Action Program (AAP). Zippo maintains an audit and reporting system to determine overall compliance with its equal employment opportunity mandates. As part of Zippo's commitment to this overall process, it will ensure all aspects of employment, including recruitment, selection, job assignment, training, compensation, benefits, discipline, promotion, transfer, layoff, and termination processes remain free of illegal discrimination based upon race, color, religion, sex, sexual orientation, gender identity, national origin, disability (as defined under Section 503 of the Rehabilitation Act of 1973), protected veteran status (as defined under Vietnam Era Veterans' Readjustment Assistance Act of 1974), or a person's relationship or association with a protected veteran, including spouses and other family members. Zippo ensures all employment decisions are based only on valid job requirements. Zippo will ensure that employees and applicants shall not be subjected to harassment due to their status described above, or any harassment, intimidation, threats, coercion or discrimination because they have engaged in or may engage in any protected activities protected under applicable law.

Zippo is also proud to belong to the US Customs Trade Partnership Against Terrorism (CTPAT), which works to protect the supply chain, identify security gaps and implement specific security measures and best practices. Zippo has developed a Standard Operating Procedure in connection with the program, which provides procedures for the continued safety and security of Zippo's facilities, employees, and US borders against illegal contraband, including, but not limited to, drugs and weapons. Zippo has security policies, procedures, and best practices in place to facilitate the flow of legitimate cargo and alleviate risk throughout the international supply chain. Zippo prefers to utilize suppliers who are also currently CTPAT-certified, have a current certification in a supply chain security program administered by another mutually recognized foreign Customs Administration, or who have documented security processes and procedures in place that are equivalent to the security criteria as defined in the CTPAT regulations, to the extent possible (in some cases certification may not be available in certain regions). On an annual basis, Zippo performs a Risk Assessment of its international supply chain and of its own supply chain security practices, procedures, and policies. Zippo is fully compliant with the Uyghur Forced Labor Prevention Act enforced by US Customs and Border Protection. This legislation prohibits the importation of goods into the United States manufactured wholly or in part with forced labour in the People's Republic of China, especially from the XUAR.

Zippo is also committed to the health and safety of its employees across all facilities and meets or exceeds all standards set forth by OSHA, Department of Environmental Protection (DEP), Environmental Protection Agency (EPA), National Fire Protection Association (NFPA), American Petroleum Institute (API) and Department of Transportation (DOT) for responsible and effective manufacturing, storage and transport practices.

Beyond labour issues, Zippo is dedicated to strict compliance with all anti-corruption laws, rules, and regulations; and rejects and prohibits bribery, kickbacks, and corruption of any kind. Zippo has adopted a Global Anti-Corruption Policy, which is applied to Zippo's business partners as well, and is available here: <https://www.zippo.com/pages/global-anti-corruption-policy>

More information about Zippo's principles surrounding Consciousness, Responsibility & Leadership is available at <https://www.zippo.com/pages/consciousness-responsibility-leadership>.

**d. Parts of business and supply chains that carry a risk of forced labour or child labour being used and the steps taken to assess and manage that risk**

Zippo's operations are located in the US, and our core products (windproof lighters and fuels) are made in our US facilities, using a US labour force. Zippo does not consider that its own US operations are associated with any risk of child or forced labour. Zippo also considers countries from which it sources certain materials such as Canada (fuel bottles) and Austria (flints) as low risk.

Zippo recognizes that certain countries from which it sources certain "purchased products," including China (e.g. utility lighters and outdoor goods) and India (e.g. leather pouches), may be associated with higher risk of forced labour. As discussed above, Zippo uses a variety of due diligence methods to minimize risk in selecting its suppliers of goods from these countries. In addition to the contractual obligations and audits described above, Zippo also uses trading companies who can assist in diligence of the next level suppliers. Zippo also ensures compliance with the US Uyghur Forced Labor Prevention Act (UFLPA), and Zippo does not purchase goods made in certain regions identified by governments as high risk for forced labour, or from entities identified on certain government restricted entity lists.

**e. Any measures taken to remediate any forced labour or child labour**

Fortunately, Zippo has not encountered any instances in which forced or child labour was reported or observed within our operations or supply chain. None of our supplier audits in any region found forced or child labour used in the production of goods distributed by Zippo. Given this, Zippo has not been required to take any remediation efforts.

In the unlikely event that a potential issue is reported or discovered, Zippo would immediately conduct a thorough investigation into the matter. A supplier's failure to comply with the expectations in the Zippo Code of Conduct will result in immediate review of our relationship with that supplier, and may subject the supplier to remediation actions up to and including termination of the arrangement.

**f. Any 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**

As noted above, Zippo has not encountered any instance of forced or child labour in our operations or supply chain. Thus, it has not been necessary to remediate the use of forced or child labour in our supply chains, and thus any resulting loss of income to vulnerable families.

**g. The training provided to employees on forced labour and child labour**

Zippo complies with all US federal and state laws regarding child and forced labour, and at the same time supports local educational institutions through school trade programs. Zippo provides training to its employees in the Human Resources department regarding applicable US child labour laws. In connection with the school trade programs, Zippo also provides training to supervisors of any employees under the age of 18. Employees also receive training during onboarding and also on a regular basis on topics to include anti-corruption, ethical business practices, anti-harassment and discrimination, Code of Conduct, and Whistleblowing.

**h. How we plan to assess its effectiveness in ensuring that forced labour and child labour are not being used in the business and supply chains**

As indicated earlier in this report, Zippo has measures in place aimed at reducing the risk that forced or child labour is used in its supply chain, and assesses the effectiveness of those measures on a regular basis.

**i. Attestation**

In accordance with the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Act), and in particular section 11 thereof, I, in the capacity of President and Chief Executive Officer, attest that I have reviewed the information contained in the report on behalf of the governing body of the entity 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 within this report.

**Mark A. Paup**  
**President and Chief Executive Officer**



**Date:** December 10, 2024

**I have the authority to bind Zippo Manufacturing Company**