



REPORT

on Fighting against Forced Labour and Child Labour

Reporting Entity:	ZL EOR Chemicals Ltd.
Business Number:	812411866
Reporting Year:	January 1, 2025 – December 31, 2025
Report Filed By:	May 31, 2026
Head Office:	Suite 702 – 1788 West Broadway, Vancouver, BC, Canada V6J 1Y1
Approved by:	Echo Liu, President



Introduction

This report is the third report prepared under the Fighting Against Forced Labour and Child Labour in Supply Chains Act (“Act”). It covers the Company’s financial year ending December 31, 2025 (“Reporting Period”). The Report outlines the steps the Company has taken during the Reporting Period to prevent and reduce the risk that forced labour or child labour is used, as well as the Company’s risk assessment and management.

1. Structure, Operations, and Supply Chains

COMPANY OVERVIEW:

ZL EOR Chemicals Ltd. (“the Company”) is a company with its registered office at Suite 702 – 1788 West Broadway, Vancouver, BC, V6J 1Y1. The main business activities of the Company are the manufacture and wholesale trade of specialty chemicals, including polyacrylamide products and enhanced oil recovery (EOR) chemical solutions.

OPERATIONS OVERVIEW

The Company has assets and produces goods in Canada. The Company imports goods from outside Canada, engages in processing and production, Research and Development in Canada, and sells goods in and outside Canada.

The Company’s supply chain involves the procurement of raw materials, chemical precursors, packaging, utilities, and logistics services across multiple jurisdictions. Key inputs include acrylamide monomer (AM) and related chemical intermediates sourced from international and regional suppliers.

2. Policies on Forced Labour and Child Labour

At the outset, the Company has a zero-tolerance policy for forced labour and child labour.

The Company’s existing suite of policies - including the Forced Labour and Child Labour Policy, the Recruitment Policy, the Progressive Discipline Policy, the Code of Conduct, and the Procurement policy - collectively prohibit sourcing goods or services where child labour or forced labour is used or even suspected.

Within the Company, it is the human resources department that ensures all staff members engaged are at or over the legal age. All staff members are engaged into employment on their own will, without possibility of forced labour. All staff members as well as labourers are employed with written contracts which comply with child labour and forced labour regulations. The human resources department is trained in this regard.

The human resources department has implemented relevant training on the subject matter for all staff members in welcome-day training, as well as in periodic workshops and the annual mandatory refresher for supply chain and procurement staff.

Per the Company’s Forced Labour and Child Labour Policy and Procurement policy, the supply chain department does not engage with any vendors who have a known record of using forced labour or child labour. For the Company’s procurement of raw materials, its procurement and import compliance requirements oblige logistics and procurement staff to source products and services exclusively from compliant vendors.



All suppliers and vendors are required to operate in accordance with the Company's Code of Conduct, which calls for strict observance of applicable laws and human rights.

3. Due Diligence Processes

RISK ASSESSMENT

As a matter of practice for the Company, any level of risk relating to the question of child labour and/or forced labour is classified as high risk and warrants extraordinary measures. The Company has set parameters to assist staff in assessing the risk of child and/or forced labour relevant to the Company's business. The suspicion or presence of any of the following factors triggers a risk assessment:

- "Hotspots": The Company is aware of geographic hotspots of forced labour and child labour risk.
- Whether our vendor or supplier subcontracts some or all of the work.
- Whether the vendor/supplier uses young adults in hazardous work and extended hours.

In the case of "hotspots", the Company initially attempts to avoid dealing with contractors who are located in, or sourcing raw materials from, high-risk regions. If suspicion arises with respect to a contractor or supplier, the Company takes practical steps to verify whether the entity in question is compliant, including procurement background checks, review of secondary sources such as reports from authorities and NGOs, and assessment of previous audit performance and HSE observance.

In the case of subcontracting risk: it is Company policy to limit subcontracting, and if subcontracting is allowed or authorised by the Company, the Company ensures subcontractors abide by the main contract which prohibits forced and child labour. Visits to subcontractor facilities are conducted and their activities are monitored by the Company's representative where applicable.

In the case of using young adults in hazardous work and extended hours: as a matter of policy, the Company does not use young adults for hazardous work. Staffing companies that supply the Company with labour are required to comply with forced labour and child labour regulations. If the Company's investigation reveals any possibility of such a factor, the business relationship is suspended until conditions are remedied.

In addition to the aforementioned practices in assessing and dealing with forced labour and child labour risks, the Company is currently preparing additional protocols and policies to enhance compliance with forced labour and child labour regulations and taking active measures.

INVESTIGATION PROCEDURES

As far as the Company is concerned, there has been no incident of non-compliance in the Company during the Reporting Period. However, in cases of suspicion of forced labour or child labour, the Company has the following protocol to investigate any potential event of non-compliance:

- Involve management in the matter;



- Involve the Director of HR & Operations and legal counsel and direct them to investigate any potential incident or transaction suspected of being in violation of forced labour and child labour laws;
- Have an HR representative or legal counsel analyse the risk and report to management with a recommendation on actions to be taken.

4. Risk Management Measures

PREVENTIVE MEASURES

- The human resources department will refuse any job applications in the case an applicant is under the legal minimum age. The Company will not force any staff member to work involuntarily. Age verification is conducted for all new hires as a standard step in the recruitment process.
- The supply chain department communicates to vendors that the Company does not tolerate forced labour or child labour activities. If any such activity is found, the Company will immediately terminate the contractual relationship with such a vendor.
- Company work relationships are built on clear contractual terms which prohibit engagement with contractors suspected of the offence of forced labour or child labour.

REMEDIAL ACTIONS

As no forced labour or child labour issues were identified during the Reporting Period, the Company found no necessity to perform remedial actions. Nevertheless, the Company's Forced Labour and Child Labour Policy calls for the following remedial actions in the event of identified non-compliance:

- In the event of suspicion of non-compliance, the Company will immediately suspend the relationship in question pending investigation.
- The Company will investigate any dealing or transaction at the slightest indication of concern and will suspend the relationship with the trader in question while the investigation proceeds.
- In the event of a proven case of forced labour or child labour, the Company will take additional remedial measures, including corrective action plans, contract termination, and where appropriate, reparation and restitution.
- The Company actively engages with participants in its industry, where there is a consensus that such practices ought to be curtailed and eliminated. The prohibition against forced labour and child labour is an industry standard and the Company adheres to this standard.

TRAINING

Staff members are knowledgeable on the subject matter and are trained in dealing with suspected forced labour and child labour cases. During the Reporting Period, the following training activities were delivered:

- Senior management and leadership were briefed on the Company's obligations under the Act, including the reporting requirements, import prohibitions, and due diligence expectations established under the Act.



- All employees in HR, Supply Chain, and Procurement functions received mandatory training covering an overview of the Act, how to identify warning signs of forced labour and child labour in supply chains, the Company's Supplier Code of Conduct requirements, and how to report concerns.
- The Forced Labour and Child Labour Policy was distributed to all employees across all regions and incorporated into the Company's new employee onboarding process.

Training records, including completion dates and employee acknowledgements, are maintained by HR. Annual mandatory refresher training for supply chain and procurement staff continues from 2026 onward.

5. Public Commitment and Transparency

PUBLIC DISCLOSURE:

This report has been submitted to the Government of Canada's reporting portal at canada.ca/forced-labour in accordance with the requirements of the Act. The Company does not have its own public website. The company will provide a copy of this report to any member of the public who requests it in writing.

6. Attestation

ATTESTATION STATEMENT:

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.

A handwritten signature in blue ink, appearing to read 'Echo Liu', is written over a horizontal line.

Echo Liu
President

I have the authority to bind ZL EOR Chemicals Ltd.

April 15, 2026