

FORWARD WATER TECHNOLOGIES CORP. - MODERN SLAVERY REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

Introduction

This Modern Slavery Report (the "**Report**") is being published by Forward Water Technologies Corp. ("**FWTC**", the "**Company**", "**we**", "**us**", or "**our**") pursuant to Section 11(1) of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the fiscal year ended December 31, 2024.

Described in this Report are the measures implemented by the Company to prevent and mitigate the risk of forced labour, child labour or any other form of modern slavery being used at any step of the production of goods in Canada or elsewhere by the Company or of goods imported into Canada by the Company.

The Company acknowledges its responsibility to combat forced and child labour in our supply chain and is committed to acting ethically and with integrity. FWTC is committed to supporting, respecting and upholding the protection of human rights and stands against all forms of modern slavery.

Corporate Structure and Operations

Forward Water Technologies Corp., formerly Hope Well Capital Corp. ("**HWCC**"), was incorporated under the *Business Corporations Act* (Ontario) on December 1, 2016 and was a Capital Pool Corporation as defined in Policy 2.4 of the TSX Venture Exchange (the "**Exchange**").

On October 20, 2021, the Company completed a Qualifying Transaction (the "**Transaction**") with Forward Water Technologies Inc. ("**FWTI**"). The Transaction was completed by way of a three-cornered amalgamation pursuant to the provisions of the *Business Corporations Act* (Ontario). Immediately following the completion of the Transaction, HWCC changed its name from "Hope Well Capital Corp." to "Forward Water Technologies Corp."

FWTI was incorporated under the *Business Corporations Act* (Ontario). Its principal activity is the commercialization of its proprietary forward osmosis technology. The technology allows businesses to clean their wastewater that would otherwise require costly disposal.

On September 30, 2024, FWTC completed a business combination with Fraser Mackenzie Accelerator Corp. ("**FMAC**") (the "**Business Combination**"), pursuant to which FWTC acquired all of the issued and outstanding securities of FMAC in exchange for securities of FWTC by way of an amalgamation between FMAC and 1000925180 Ontario Limited (a wholly-owned subsidiary of FWTC incorporated for the sole purpose to facilitate the Business Combination). Upon completion of the amalgamation, the amalgamated corporation became a wholly owned subsidiary of FWTC. The Business Combination constituted the qualifying transaction of FMAC under the policies of the Exchange.

A full list of the Company's products is available on its website at www.forwardwater.com.

Supply Chain

The Company employs individuals and contracted companies in Canada to produce the products the Company sells and does not rely on external supply chains with the exception of routine suppliers of mechanical parts based in the United States.

Due to the nature of our business and the products that we sell, we consider our business and supply chains to be at a low risk of forced or child labour. Based on Walk Free's Global Slavery Index, Canada is considered low on the vulnerability to forced labour and child labour scale.

Governance, Policies and Due Diligence Processes

The Company does not currently have policies, procedures, and due diligence processes in place which specifically address or relate to forced labour, child labour or any other form of modern slavery. However, the Company does have a governance structure, policies and due diligence processes in place that outline the code of conduct and ethics to be followed by the Company and its employees.

Governance

The Board of Directors (the "**Board**") of FWTC is responsible for the overall stewardship of our organization and overseeing the management of the Company's business and affairs. The Board is comprised of a majority of independent directors.

Policies

Code of Business Conduct and Ethics

The Company is committed to embedding modern slavery considerations into its policies, governance framework and decision-making when appropriate. While the Company does not currently have a specific policy in place relating to modern slavery concerns, the Company's Code of Business Conduct and Ethics (the "**Code**") requires that FWTC's employees comply with all applicable laws and regulations while fulfilling their duties and responsibilities.

Whistleblower Policy

The Company has also adopted a Whistleblower Policy, which encourages employees to report any concerns relating to the Company, including any human rights concerns, directly to the Chairman of the Nominating and Governance Committee of the Board.

Due Diligence Processes

The Company relies on its internal staff to ensure that all employees and consultants are of legal working age and that all arrangements comply with applicable laws.

Assessing and Managing Risks

Given the relatively small number of employees that the Company employs and the lack of reliance on external supply chains, the Company does not consider itself to be at risk of using forced labour or child labour.

FWTC recognizes that risks relating to modern slavery are complex and are continuously evolving, and accordingly the Company is committed to continuing to perform risk assessments and addressing any such risks that may arise in its business.

Remediation Measures

At this time, we have not identified any forced labour or child labour in our activities and supply chain that require remediation, including the remediation of loss of income for those vulnerable families who may have been impacted by the unintended consequences from any measures taken to prevent or eliminate the use of forced labour or child labour in the Company's operations and supply chain. Should such circumstances arise, we are dedicated to upholding our commitments to combat these issues, while actively working to mitigate any resulting adverse impacts.

Training

FWTC does not provide training on forced or child labour as our primary business activities and supply chains do not carry a risk of forced labour or child labour being used.

Assessing Effectiveness

At this time and based on our risk assessment performed to date, we believe no further actions are required to assess the Company's effectiveness in preventing and reducing risks of forced labour and child labour in its operations and supply chains.

Based on the foregoing, we have yet to establish formal policies and procedures including evaluating the effectiveness of any measures implemented to mitigate the risks of forced labour and child labour within our operations and supply chains. We are committed to taking the necessary steps and continuing our risk assessment in these areas and determining the effectiveness of FWTC's policies.

Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of FWTC for its previous fiscal year ended December 31, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this report for FWTC. Based on my knowledge, and having exercised reasonable due diligence, I attest that the information contained in this report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind FWTC:



Wayne Maddever
Director

Date: May 28, 2025