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MODERN SLAVERY REPORT



FOREMOST

INCOME FUND 2025

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STRUCTURE, ACTIVITIES & SUPPLY CHAIN

The Foremost Income Fund (the Fund or Foremost) is an unincorporated, open-ended unit trust formed under the laws of Alberta and governed by a Deed of Trust (amended and restated as at March 11, 2022). Foremost Industries Ltd. is the Fund’s administrator.

The Fund conducts the majority of its business through three wholly owned subsidiary limited partnerships: Foremost Universal LP (FULP), Foremost Industries LP (FILP), and Foremost Equipment LP (FELP). Headquartered in Calgary, Alberta, with sales and manufacturing activities based predominantly in Western Canada, the Fund’s combined operations employed 567 people on December 31, 2025.

You can find more information about the Fund under the Foremost Income Fund profile at <https://www.sedarplus.ca>.

This annual report, dated May 20, 2026 (the Report), is prepared in accordance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the “Act”) for the financial year ended December 31, 2025 (the Reporting Year). This Report is prepared on behalf of the Fund and the following subsidiaries: FULP, FELP and FILP.

Consistent with the Fund’s focus on customer and market responsiveness, the operating segments reflect its two distinct business divisions: Foremost Mobile Equipment and Foremost Energy Equipment.



FOREMOST MOBILE EQUIPMENT (FME)

FME manufactures and services vacuum trucks (hydrovacs) and equipment; off-highway, large-wheeled and tracked vehicles; and equipment for the custom drilling, construction, water-well, and mining sectors. FME focuses on custom-built equipment for its global clientele, whom it serves through two manufacturing and service locations across Alberta.

FOREMOST ENERGY EQUIPMENT (FEE)

FEE, with its focus on the oil and gas industry in Western Canada, consists of two active manufacturing and service locations across Alberta. The locations manufacture and service oil-treating systems, shop tanks, field tanks, oil and gas process-treating equipment, fuel storage tanks, protective coatings, agriculture products, and gas separators.



FME – Supply Chain

FME sources a broad range of materials and components used in its operations, including raw materials such as steel, nuts, and bolts, as well as more complex items such as pumps, motors, gearboxes, and fully assembled chassis. The majority of these materials, components, and assemblies are sourced from or through North America suppliers and distributors, with a smaller portion originating from Asia, Australia, and Europe.

FEE - Supply Chain

FEE sources a range of materials and components used in its manufacturing processes, including steel and related components such as castings, fittings, gaskets, pumps, and valves. The majority of these materials, components, and related services are sourced from or through North American suppliers and distribution channels, with a smaller portion originating from Asia and Europe.



STEPS TAKEN TO PREVENT AND REDUCE RISKS OF FORCED LABOUR AND CHILD LABOUR

During the Reporting Year, the Fund's supply chain, finance and legal teams continued their internal assessment of the risks of forced and child labour within its activities and supply chain. As part of this process, Foremost reviewed the geographic locations of its suppliers to identify potential heightened risks associated with certain jurisdictions from which it sources inputs for its manufacturing processes. Foremost also continued its review of suppliers located in China to determine whether any operate in regions with known elevated risks of forced labour or child labour, including the Xinjiang region.

As outlined in more detail below, when Foremost expanded its recruitment efforts internationally as part of its use of Canada's Temporary Foreign Worker Program, it focused on ensuring that all workers in the program were recruited voluntarily and were provided with wages and working conditions comparable to those of Foremost's Canadian employees.

POLICIES & DUE DILIGENCE PROCESSES

While the Fund has not adopted a standalone forced and child labour policy, it maintains several policies and processes that address these risks. As a more general policy, Foremost does not hire full-time employees or direct contractors under the age of 18, mitigating its child labour risk. Employees under 18 are generally employed as labourers, summer students while on a break from school, or part-time as part of the Registered Apprenticeship Program, allowing high school students to earn credits and work towards registered apprenticeship hours.

Supplier Due Diligence

To support compliance with Canada's forced labour and child labour legislation, Foremost maintains a supplier communication process under which it issues a formal letter setting out its expectation that no forced labour or child labour be used, directly or indirectly, in the goods and services supplied to Foremost.

Supplier Terms and Conditions

The Fund is committed to ensuring that its suppliers comply with applicable laws relating to modern slavery. Foremost Supplier Terms and Conditions set out clear expectations for suppliers regarding modern slavery. The Fund expects suppliers to meet high ethical standards and comply with all applicable laws and regulations relating to labour rights and the prevention of human trafficking. These expectations support accountability and responsible business practices throughout the supply chain.

Whistleblower Policy

Foremost's Whistleblower Policy provides employees with a confidential avenue to report actual or suspected issues regarding, among others, breaches of applicable laws and unethical conduct, which could include modern slavery practices. This policy allows employees to report infractions without fear of retaliation and helps foster a culture of transparency and accountability. By ensuring that violations are disclosed promptly and in an appropriate venue, the Whistleblower Policy assists Foremost in satisfying its obligations under applicable law. No reports concerning breaches of modern slavery laws were filed during the Reporting Year.

FORCED LABOUR AND CHILD LABOUR RISKS

We recognize that the nature and extent of modern slavery mean there is a risk that it may be present in our business operations and supply chain. Below is an assessment of the risks associated with Foremost's operations.

In our business:

- **Workforce** – We assess the risk of modern slavery practices within our direct workforce as low, considering that our operations are predominantly based in Canada, where robust legal, governance, and regulatory frameworks concerning human rights are firmly established. Given the nature and complexity of Foremost's operations and the requirement to use skilled trades, Foremost has not employed any full-time workers or contractors under the age of 18; therefore, there are no child labour risks. With respect to forced labour, as part of Foremost's recruitment process and as outlined in its employment documentation, Foremost confirms that any candidate accepting employment has done so voluntarily without duress or undue influence. During the Reporting Year, Foremost recruited and hired workers from the Philippines through Canada's Federal Temporary Foreign Worker Program. This program is overseen by Employment and Social Development Canada and pursued with the assistance of immigration consultants and the foreign government from which the workers are sourced. As part of this program, Foremost ensures that the workers are over 18, recruited voluntarily and provided wages and working conditions equivalent to their Canadian counterparts. Further, foreign workers hired by Foremost into union-equivalent roles are required to become members of the applicable union, and the collective bargaining agreements also govern their employment.
- **Subcontracting**—Foremost frequently uses contractors, particularly for FEE field tank manufacturing and repairs. To Foremost's knowledge, no contractor has been engaged directly or indirectly by Foremost with employees under 18 years of age, so the risk of child labour is extremely low. It is essential to acknowledge that even in low-risk environments, modern slavery risks persist when subcontractors are involved. Recognizing this, we will continue to perform our due diligence when hiring contractors to help mitigate potential modern slavery risks.
- **Industry and Regional Risks**—As a large and diverse industrial manufacturer, we operate in various markets in North America and internationally, including oil and gas, mining, construction, agriculture, and water well sectors. While we strive to deliver high-quality solutions, it is imperative to acknowledge and address the modern slavery risks inherent in these industries. The complex and global nature of our supply chains, particularly in sectors like mining and manufacturing, poses challenges in ensuring ethical labour practices throughout the production process.
- **Tariff and Trade Risks** - Tariffs and other trade measures may create cost pressures across global supply chains, which can incentivize suppliers to reduce operating expenses to remain competitive. In certain jurisdictions or lower-tier supply chains, this may increase the risk of poor labour practices, including the potential use of forced or child labour. Recognizing this, Foremost will continue to monitor its supply chain and apply appropriate due diligence to help mitigate these risks.

In our supply chains:

- Foremost sources most of its inputs and allocates a significant portion of vendor spend to North American-based suppliers, where the risk of forced labour and child labour is generally lower. However, because these suppliers provide goods and services across multiple categories and may source inputs from higher-risk jurisdictions, there remains a risk of indirect exposure to modern slavery within the supply chain, particularly where visibility into upstream sourcing practices is limited.
- The risk of forced labour and child labour is higher in relation to international suppliers, particularly those located in higher-risk jurisdictions such as China. As described above, Foremost has mapped its direct suppliers in China to determine their locations and assess whether any operate in regions associated with elevated risks of forced labour and child labour.

REMEDATION MEASURES

As the Fund has assessed that its activities carry a low risk of forced labour or child labour being involved for the Reporting Year, we have not identified any area where remediation measures are required.

REMEDICATION OF LOSS OF INCOME

For the Reporting Year, the Fund has not identified instances where vulnerable families have experienced loss of income due to steps the Fund has taken to eliminate forced labour or child labour risks. Therefore, no measures have been taken by the Fund in this area.

TRAINING

The Fund has a mandatory training program for employees involved in contracting or purchasing decisions, including the Senior Executive, Supply Chain, Finance, and Accounts Payable teams. The training is delivered through an interactive online platform and covers the legal requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains Act. It also addresses the identification of risk factors, compliance procedures, reporting mechanisms, and ethical practices aimed at promoting fair working conditions.

ASSESSING EFFECTIVENESS

Based on the review of existing policies and practices which address modern slavery risks, the Fund believes that the operational modern slavery risk is low. Foremost is committed to regularly assessing the effectiveness of its modern slavery risk management program to ensure it remains responsive to evolving challenges. The Fund's goal is to further integrate and reinforce its compliance framework's foundations, enhancing understanding and management of human rights risks within its operations and supply chain.

APPROVAL AND ATTESTATION OF THE REPORT

This Report has been approved by the Board of Trustees of the Fund pursuant to subparagraph (4)(b)(ii) of the Act. 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 Fund and FULP, FELP and FILP. 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.

Bevan May
Lead Trustee, Chairman of the Board of Trustees
May 20, 2026

I have the authority to bind the Foremost Income Fund