

WESTPORT FUEL SYSTEMS INC.

REPORT

Introduction

About

This report (“Report”) is made jointly by Westport Fuel Systems Inc. and its wholly owned subsidiary Westport Fuel Systems Canada Inc. (collectively, the “Company”) in accordance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act, (the “Act”), covering the financial reporting period of January 1, 2023 to December 31, 2023. Except where otherwise noted, references to “Westport”, “the Company,” “we,” or “our” in this Report refer to the Company and its subsidiaries, where applicable.

Steps Taken

This Report outlines the efforts and actions the Company has taken over the reporting period (unless otherwise noted) to prevent and reduce the risk of forced labour and child labour in its business and supply chains.

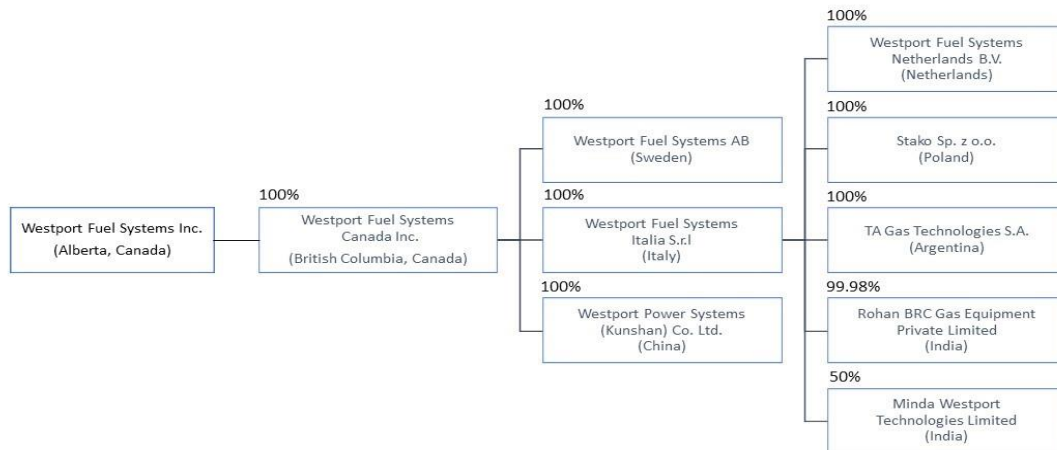
Structure, Activities and Supply Chains

Structure

Westport Fuel Systems Inc. is incorporated under the Business Corporations Act (Alberta) and its shares are listed on the Toronto Stock Exchange and the Nasdaq.

Westport Fuel Systems Canada Inc. is incorporated under Business Corporations Act (British Columbia) and is a wholly owned subsidiary of Westport Fuel Systems Inc.

The following chart includes our principal operating subsidiaries as of March 25, 2024, and, for each subsidiary, its place of organization and our percentage of voting interests beneficially owned or over which we exercise control or direction. The structure is not necessarily indicative of our operational structure.



Activities

Our head office and principal place of business is at 1691 West 75th Avenue, Vancouver, British Columbia V6P 6P2.

The registered office of Westport Fuel Systems Inc. is 4500, 855 2nd Street SW, Calgary, Alberta T2P 4K7.

The registered office of Westport Fuel Systems Canada Inc. is Suite 2500 Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8.

Westport is a leading global organization for the engineering, manufacturing and supply of alternative fuel systems and components for transportation applications. Gaseous fuels such as liquified petroleum gas, natural gas, biomethane, and hydrogen provide alternatives to common liquid fossil fuels like gasoline and diesel fuels in many applications, offering environmental, economic and energy security benefits.

As of December 31, 2023, our global workforce was approximately 1715 individuals, which includes direct employees, individuals contracted directly for twelve months or longer and temporary or seasonal workers.

Supply Chains

Headquartered in Vancouver, British Columbia, Canada, with operations in Europe, Asia, North America, and South America, we serve customers in more than 70 countries with leading global transportation brands through a network of distributors, service providers for the aftermarket and directly to Original Equipment Manufacturers (OEMs) and Tier 1 and Tier 2 OEM suppliers. We also provide delayed OEM offerings and engineering services to our customers and partners globally.



Policies, Governance and Due Diligence Processes

Our corporate governance framework includes a number of policies and practices which relate to or affirm our commitment to embedding responsible business conduct and ensuring the highest possible standards of ethical, moral and legal business conduct in our operations and management systems. A number of our key policies can be found on the Company website at: <https://investors.wfsinc.com/governance/governance-documents/default.aspx>. In addition, we have several internal policies and procedures, including a third-party screening tool with human trafficking and forced labour functionality, a purchasing policy and a due diligence handbook that generally support our corporate governance framework.

The Audit Committee is responsible for overseeing the Company's policies and procedures regarding compliance with applicable laws and regulations pertaining to our Code of Conduct.

Code of Conduct

Our expectations for individual integrity and ethical, moral, and legal conduct are outlined in the Code of Conduct which applies to everyone within the organization, including directors, officers, employees, contractors, agents, and consultants who act on behalf of Westport in any business dealings. The Code of Conduct is designed to ensure such individuals, and the Company generally: (i) comply with applicable laws, regulations and Company policies; (ii) promote integrity and the highest standard of ethical conduct; and (iii) avoid even the appearance of anything improper in connection with our business activities. The Code of Conduct for 2024 enshrines our commitment to respecting internationally recognized labour standards and opposing all forms of forced labour, human trafficking, and child labour, including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery and any human trafficking.

Human Rights Policy

Our Human Rights Policy sets out the Company's commitment to ensuring that people are treated with dignity and respect throughout its operations and to working with all of its employees, suppliers, contractors and subcontractors at any tier, business partners, external stakeholders or persons in our value chain to ensure that this commitment is met. The Human Rights Policy addresses international human rights, labour rights, child labour, the rights of Indigenous Peoples and the right to a healthy and sustainable environment. It also prohibits the use of all forms of forced labour and human trafficking in the production of our products or services, including prison labour, indentured labour, bonded labour, military labour, modern forms of slavery and any human trafficking.

Whistleblower Policy

An anonymous ethics hotline is made available as an avenue for employees to raise concerns about corporate conduct. Our Whistleblower Policy establishes standards and procedures that allow employees to report concerns or complaints about corporate conduct (so-called "whistleblowing") with the reassurance that they will be protected from retaliation, reprisals or victimization for all such reporting or whistleblowing. The scope of reportable matters is intended to be broad and comprehensive and to include any matter which, in the view of the person expressing the concern or complaint, is illegal, unethical, contrary to the Code of Conduct or policies of the Company or in some other manner not right or proper. The Whistleblower Policy provides stakeholders with the opportunity to call or submit via an online platform (managed by 3rd party service provider) any complaint, report, whistleblowing, etc. Reports issued via this mechanism are received by our Compliance Officer, Chief Legal Officer and Audit Committee Chair.

Supplier Questionnaires

For the reporting period, the Company developed and issued to our suppliers, via our global procurement/supply chain group, a questionnaire that included questions relating to the Act and to forced labour and child labour. This questionnaire is being reviewed as part of our commitment to the ethical practices described above and is part of our ongoing process to identify parts of our activities and supply

chains that carry a risk of forced labour or child labour and to assess adverse impacts in operations, supply chains and business relationships.

Risk and Steps Taken to Assess and Manage the Risk

As described above, in 2023 we started the process of identifying and assessing risks, but this work remains ongoing in 2024. Based on the process conducted in 2023, we did not identify forced labour or child labour in our activities and supply chains.

Remediation

During 2023, no incidents of forced labour or child labour were identified, and no incidents of forced labour or child labour were reported pursuant to the Whistleblower Policy. The issue of remediation is not considered to be applicable at this time.

Training

We employ a highly educated and experienced team of professionals focused on the development and commercialization of a portfolio of products and technologies. We actively recruit skilled individuals with diverse backgrounds from around the world and provide them with specific training relating to our product and technology portfolios and retain consultants and contract workers with specific expertise when appropriate. Each employee is required to execute confidentiality and proprietary rights agreements and must certify to having read, understood, and agree to abide by our Code of Conduct. Online training is also conducted to ensure, our global and diverse workforce is empowered to do the right thing, for the right reason, and in the right way.

In early 2024, we implemented an online module titled "Human Trafficking & Modern Slavery" which is included within employee annual online code of conduct/ethics mandatory training issued via a third party service provider. In 2023, we did conduct mandatory ethics training, however, while this included a number of ethics modules and topics, it did not specifically focus on child labour and forced labour.

Effectiveness

In 2023, we assessed effectiveness of ensuring that forced labour and child labour are not being used in the manner described in this Report. We will continue to assess and report these risks in the future. We continue to review opportunities to enhance and improve our current policies and practices.

Attestation

This Report was approved by the Board of Directors of the Company as a joint report on behalf of itself and the other reporting entity, for the reporting period ended December 31, 2023, in accordance with Section 11(4)(b)(i) 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 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 first listed above.

I have authority to bind the Company and its reporting entity:

A handwritten signature in black ink, appearing to be 'D. Sceli', positioned above a horizontal line.

Dan Sceli, Director