



Ballard Supplier Conduct Principles

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1.0 Introduction

This policy document expands on the contents of the Ballard Supplier Manual (MAN5100058) by laying out requirements for Ballard's suppliers in the areas of human rights, corporate social responsibility, ethics, and compliance with applicable laws and regulations.

Ballard abides by all of the principles in this policy, and expects our suppliers to do the same.

We will consider these principles in the supplier selection process, and will ask suppliers to submit a "Declaration of Compliance with Ballard Supplier Conduct Principles" (FRM5102095) on an annual basis, as part of Ballard's monitoring of compliance to these principles.

2.0 Health and Safety

Suppliers will provide a safe and healthy workplace for their employees in compliance with all applicable laws and regulations. Suppliers shall implement programs that effectively cover health and safety of their personnel, incident reporting and investigation, chemical safety, ergonomics, etc., and shall ensure that these health and safety considerations also apply to any employee housing and dining facilities that are provided for employees.

3.0 Respect and Dignity

Suppliers to Ballard will treat all employees with respect for their physical and psychological well-being. There is to be no harsh and inhumane treatment, including any physical abuse, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

4.0 Forced or Involuntary Labour

Ballard Suppliers will not use forced or involuntary labour of any sort, including forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons. This includes transporting, harboring, recruiting, transferring or receiving vulnerable persons by means of threat, force, coercion, abduction or fraud for the purpose of exploitation. All work must be voluntary and workers shall be free to leave work at any time or terminate their employment.

5.0 Child Labour

Child labor is strictly prohibited. Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15 (or 14 where the law of the country permits), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is

greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported.

6.0 Hours of Work

Except in emergency or unusual situations, a work week shall be restricted to 60 hours, including overtime, and workers shall take at least one day off every seven days. Under no circumstances shall work weeks exceed the maximum permitted under applicable laws and regulations.

7.0 Wages and Benefits

Suppliers shall pay all workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, workers shall be compensated for overtime hours at the premium rate required by applicable laws and regulations. Suppliers shall not use deductions from wages as a disciplinary measure. Suppliers shall offer vacation time, leave periods, and holidays consistent with applicable local laws and regulations.

8.0 Non Discrimination

Suppliers to Ballard should be committed to a workforce free of harassment and unlawful discrimination. Suppliers shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in hiring and employment practices such as promotions, rewards, and access to training. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way.

9.0 Freedom of Association

The rights of workers to associate freely, join or not join labor unions, seek representation, and join workers' councils in accordance with local laws shall be respected. Workers shall be able to openly communicate and share grievances with management regarding working conditions and management practices without fear of reprisal, intimidation or harassment. Suppliers have the right to establish favorable employment conditions and to maintain effective employee communication programs as a means of promoting positive employee relations that make employees view third-party representation as unnecessary.

10.0 Protection of the Environment

Ballard Suppliers are to be protective of the environment. At a minimum, suppliers must comply with all applicable environmental laws, regulations and standards, such as requirements regarding chemical and waste management and disposal, recycling, industrial wastewater treatment and discharge, air emissions controls, environmental permits and environmental reporting. Suppliers must also comply with any additional environmental requirements specific to the products provided to Ballard, as specified in design and product specifications and contract documents. Ballard Suppliers are

encouraged to establish and maintain an environmental management system in accordance with ISO 14001 or equivalent.

11.0 Conflict Minerals

Ballard suppliers are required to comply with US Securities and Exchange Commission legislation with respect to Conflict Minerals. Suppliers will be required to declare that all products supplied either:

- Do not contain tantalum, tin, tungsten or gold that are necessary to their production or functionality, or,
- If they do contain these minerals that they originate from non-conflict areas or from smelters that have been validated by an independent private sector party to be conflict free.

12.0 Laws and Regulations

Ballard Suppliers will comply with all applicable laws and regulations in all locations where they conduct business.

13.0 Anti-Corruption & Business Ethics

Ballard Suppliers are to conduct their business in accordance with the highest ethical standards. Suppliers must strictly comply with all laws and regulations relating to bribery, corruption and prohibited business practices. This includes:

- the laws and regulations of Canada, particularly the Corruption of Foreign Public Officials Act (CFPOA);
- the laws and regulations of the United States, particularly the Foreign Corrupt Practices Act (FCPA); and
- the anti-corruption laws and regulations of other countries in which Ballard and Ballard Suppliers operate.

Bribes - any "quid pro quo" arrangements whereby payment is made, offered or promised with the expectation of receiving in return an improper benefit or advantage - are strictly prohibited. Facilitation payments are also strictly prohibited.

14.0 External References

THE UNITED NATIONS UNIVERSAL DECLARATION OF HUMAN RIGHTS
<http://www.un.org/en/documents/udhr/>

ELECTRONIC INDUSTRY CITIZENSHIP COALITION® CODE OF CONDUCT (EICC)
http://www.eicc.info/eicc_code.shtml

FUNDAMENTAL CONVENTIONS OF THE INTERNATIONAL LABOR ORGANIZATION (ILO)
<http://www.ilo.org/global/lang--en/index.htm>

INTERNATIONAL ORGANIZATION FOR STANDARDIZATION (ISO 14001 ENVIRONMENTAL MANAGEMENT)
<http://www.iso.org/iso/home/standards/management-standards/iso14000.htm>

EXTRACTIVES AND CONFLICT MINERALS RESOURCES (EICC)
<http://www.eicc.info/Extractives.shtml>

15.0 Related Ballard References

MAN5100058 BALLARD Supplier Manual
FRM5102095 Declaration of Compliance with Ballard Supplier Conduct Principles
POL5100205 Anti-Corruption Policy
POL5000019 Code of Ethics & Workplace Guidelines
POL5000016 Harassment & Anti-discrimination Policy
POL5000027 Hours of Work and Overtime Policy
POL5100162 Conflict Minerals Policy