



**BALLARD™**

**2024**

## Fighting Against Forced Labour and Child Labour in the Supply Chain Act

Financial Year Ended December 31, 2024  
Prepared May 23, 2025

*Here for life™*

[ballard.com](https://ballard.com)



**Ballard Power Systems Inc.**  
**Fighting Against Forced Labour and Child Labour in Supply Chains Act Report**  
**For the Year Ended December 31, 2024**

## **1. Introduction**

This Modern Slavery Act Report (the “**Report**”) has been prepared pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, S.C. 2023, c.9 (the “**Act**”). This Report provides transparency on the continued efforts being taken by Ballard Power Systems Inc. (herein referred to as “Ballard”, the “Company”, “we”, “us”, or “our”) to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods into Canada or the import of goods into Canada, for the financial year ending December 31, 2024.

This Report has been prepared by the management of Ballard and approved by Ballard's Board of Directors.

Ballard is a public corporation (NASDAQ: BLDP; TSX: BLDP) listed on the Nasdaq Stock Market (“**NASDAQ**”) and on the Toronto Stock Exchange (“**TSX**”). At this time, we do not currently have mandatory reporting obligations related to modern slavery in any other jurisdictions and are not filing a joint report.

In March 2023, Ballard became a signatory to the United Nations Global Compact (“**UNGC**”), reflecting our commitment to align our corporate strategy and business practices with the UNGC's Ten Principles on human rights, labour, environment, and anti-corruption. As part of our UNGC commitment, Ballard will submit a Communication on Progress (CoP), to the UNGC, outlining our status and ongoing activities.

## **2. Our Structure, Activities, and Supply Chain**

### **Business Structure**

Ballard is primarily engaged in the design, development, manufacture, sale, and servicing of Proton Exchange Membrane (“**PEM**”) fuel cell products. These products are used in various applications, with a core focus on heavy-duty motive markets including buses, trucks, rail, and marine, as well as material handling and stationary power generation. In addition, Ballard provides technology solutions such as engineering services, product and systems integration, and technology transfer for diverse PEM fuel cell applications.

Ballard's supply chain and procurement activities form part of its global operations function, which is overseen by the Senior Vice President and Chief Operating Officer. The Company's workforce and human capital management are the responsibility of the Senior Vice President and Chief People Officer. These organizational roles are key to supporting compliance with ethical sourcing standards, including the prevention of forced and child labour.

The Board of Directors provides overall risk oversight, including human rights-related risks. Oversight of risks specifically associated with modern slavery, forced labour and child labour falls within the mandate of the Board's Sustainability and Governance Committee (“**SGC**”).

As of December 31, 2024, Ballard employed 708 individuals in Canada plus 129 employees in international locations.<sup>1</sup> The Company aims to uphold human rights across its operations and supply chains, and regularly reviews its policies, procedures, and supplier relationships to support alignment with the objectives of ethical practices, as well as the principles of the UNGC and Bill S-211.

### **Operational Activities**

Ballard engages in the development, importation, manufacturing, assembly, testing, sale, distribution, and aftermarket servicing of PEM fuel cell products and their components. These activities are supported by a global procurement network that sources both direct and indirect materials and services.

---

<sup>1</sup> In line with Canadian common law, employees include people employed on a full-time, part-time, or temporary basis in Canada or in any other jurisdiction, and do not include independent contractors.

Direct materials and services are those procured for the development, production, assembly, and sale of Ballard's core fuel cell products. These procurement activities are centrally managed within the global operations function by a centralized procurement team, which oversees purchases made in Canada and with international suppliers.

Indirect materials and services, which support corporate functions such as information technology, finance and administration, and marketing are managed within each of Ballard's individual functional groups and are coordinated with dedicated purchasing support. Further information on policies and procedures related to responsible sourcing and human rights due diligence can be found in [section 3](#) of this Report.

Ballard's direct material inputs are used to manufacture products across three primary categories:

1. **Membrane Electrode Assemblies ("MEAs")** – Ballard manufactures FCgen® and FCveloCity® MEAs, which are incorporated into its fuel cell stacks.
2. **Fuel Cell Stacks** – Ballard supplies FCgen® and FCveloCity® stacks to original equipment manufacturers and system integrators for use in various fuel cell system applications.
3. **Fuel Cell Modules** – Ballard integrates fuel cell stacks into ready-to-use modules, such as FCwave™, FCmove™-HD, FCmove™-HD+, FCmove™-XD, FCrail™, and FCveloCity®-HD/MD.

These products rely on a range of components, including electronic boards, valves, heating elements, graphite sheets, catalysts, connectors, and other hardware sourced from a wide array of commercial suppliers. Ballard functions as a downstream company, as defined by the Organization for Economic Co-operation and Development Due Diligence Guidance. As such, Ballard typically does not procure raw materials directly but instead relies on complex supply chains involving multiple intermediaries between component manufacturers and raw material sources.

The raw materials most commonly used in Ballard's upstream supply chain include steel, magnesium, plastic, and electronic modules. Indirect materials and services primarily include those necessary for equipment operation, maintenance and repair, as well as IT services, hardware and software procurement, office management, and professional consulting services.

Ballard continues to work toward identifying and addressing risks of forced and child labour within its supply chains and is taking steps to improve supplier engagement and oversight practices.

## Our Supply Chain

Our supply chain flow, displayed in figure 1, consists of three primary segments supporting the procurement of direct or indirect materials, services, or employment.



Figure 1: Ballard's Supply Chain Flow

- **Supply side** – referring to procurement from the various tiers of suppliers providing materials or services for the production of our products.
- **Operations** – referring to procurement and recruitment for activities which take place within our facilities, including both materials and human resources; and
- **Demand side** – referring to procurement related to the distribution of our products to customers.

During 2024, Ballard's supply base for direct materials and services included an estimated 585 active and approved suppliers providing a range of goods and services located in the following regions:

Region	# of Suppliers	% of Total Spend
Canada	333	31%
Europe	48	26%
Asia	52	25%
USA	152	18%

## 4. Our Policies and Due Diligence Processes

### Policies and Processes Supporting the Operations Segment

Ballard has implemented a comprehensive set of policies and procedures that clearly define expectations for all employees, contractors, and third parties acting on the Company's behalf. These frameworks are designed to ensure that all business activities are conducted ethically, responsibly, and in full compliance with applicable laws and regulations.<sup>2</sup> These policies and systems include:

**Code of Ethics and Workplace Guidelines** – comprehensive guideline for all employees to demonstrate exemplary behaviours and commit to the highest ethical standards, sound governance practices, and business and personal integrity. These guidelines outline the importance and expectation that all actions by Ballard and its employees, officers, and directors will comply with the human rights and civil liberties set out in the Universal Declaration of Human Rights ("UDHR"). A copy of our Code of Ethics can be found on our website at [ballard.com/investor-hub/](https://ballard.com/investor-hub/).

**Corporate Watch Policy (Whistleblower Protection)** – Ballard employees must conduct all business activities in a way that is consistent with the Company's standards of business conduct. Unethical and unlawful behaviour is wrong and can damage the company. This policy establishes guidelines and procedures for assuring protections for employees and to identify and report misconduct that may be in breach of company policies, and/or cause harm to Ballard and its employees, suppliers and customers. We advise staff that they have a responsibility to report and detect on any concerns including those related to forced labour and child labour.

**Corporate Watch Hotline (Ethics Hotline)** – Ballard has adopted a reporting system to receive any anonymous reports or allegations of wrongdoing. Individuals, including our employees and those outside our company, who become aware of wrongdoing or suspected wrongdoing are encouraged to make a report as soon as possible. Our third-party web reporting site and toll-free numbers can be found on our website at [ballard.com/investor-hub/](https://ballard.com/investor-hub/).

**Commitment and Expenditure Policy** – This policy describes expectations on the management of corporate commitments and expenditures and applies to every member of the Ballard group of companies. It provides overriding guidance with respect to approval requirements for the procurement of goods and services, labour and contractors, expense reports, capital expenditures, revenue contracts, and other general contract commitments. This policy is also integral to the successful stewardship of Ballard's assets and is designed to ensure accountability and protect Ballard from inappropriate commitments or expenditures.

<sup>2</sup> Where no link has been provided, such policies and procedures are made available to the Company's employees on an internal intranet site.

**Anti-Corruption Policy** – Ballard requires compliance with the highest ethical standards and all anti-corruption laws applicable to the conduct of its business. Ballard values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by Ballard employees or by third parties acting for and on behalf of Ballard. This policy forms the cornerstone of how we conduct business and work together to achieve these goals. A copy of our Anti-Corruption Policy can be found on our website at [ballard.com/investor-hub/](https://ballard.com/investor-hub/).

**Harassment, Workplace Bullying & Anti-discrimination Policy** – This policy aims to reinforce a workplace environment in which everyone is treated equitably, fairly, and with respect. All employees are expected to conduct business in a legal, ethical, and credible manner. In addition, there are certain attributes which are expected of each Ballard employee and guide how we achieve our work. Above all, maintaining a high level of respect and dignity in the workplace and creating an environment where everyone can contribute to their fullest potential is, and will continue to be, a key ingredient to the success of Ballard. A copy of our policy can be found on our website at [ballard.com/investor-hub/](https://ballard.com/investor-hub/).

**Health and Safety Policy** – This policy aims to protect the well-being of employees, contractors, visitors, and the communities in which the company operates. To ensure a safe and healthy work environment by continuously improving safety systems, integrating health and safety into the company culture, and promoting personal accountability. It emphasizes hazard prevention, risk reduction, compliance with legal requirements, and ongoing employee engagement and training. A copy of our policy can be found on our website at [ballard.com/investor-hub/](https://ballard.com/investor-hub/).

**Purchasing Policy** – This document outlines the Company's policy and applies to all Ballard employees when ordering, receiving and paying for goods and services from a supplier. This policy is intended to ensure that adequate internal controls exist for the processing and payment of procured goods and services, that items are received within specific time constraints, optimal terms are negotiated with the supplier, and suppliers are paid within agreed terms.

#### **Policies and Processes Supporting Employee Recruitment**

Ballard has established due diligence policies and procedures that set clear expectations for the recruitment of all employees, whether permanent or temporary. These policies are intended to promote fair, transparent, and ethical hiring practices and to help prevent the use of forced, child, or exploitative labour at any stage of the recruitment process. These include:

**Employee Identification, Criminal, and Background Check Procedure** – All employees hired at Ballard are required to provide evidence of their identity, age, and legal status to work in Canada, all in compliance with appropriate privacy laws, regardless of permanent or temporary status. In some cases, as defined in our procedure, employees may be subject to a criminal or background check as part of the hiring process. These processes are in place to help identify any red flags and mitigate the risk of forced or child labour in our recruitment process.

#### **Policies and Processes Supporting Supply and Demand Segments**

Ballard has a set of established due diligence policies and procedures that outline our expectations of our suppliers and those advising, working, or producing on behalf of Ballard. These include:

**Supplier Manual** – Our supplier manual is intended to be the primary document that communicates Ballard's Supplier Development, Supply Chain and Quality philosophy to our Suppliers and helps align their business objectives with ours. It describes our due diligence expectations and Ballard's method of evaluating, approving, and monitoring suppliers. This includes second party audits, document reviews, and ongoing supplier development to reduce risk. A copy of our supplier manual can be found on our website at [ballard.com/suppliers/](https://ballard.com/suppliers/).

**Supplier Conduct Principles** – In addition to the contractual expectations outlined in our supplier manual, a supplier is also required to comply with the conduct requirements outlined in our Supplier Conduct Principles document. This includes areas of health and safety, respect and dignity, forced or involuntary labour, child labour, labour practices, protection of the environment, compliance to conflict minerals extraction declaration, compliance

with laws and regulations, and maintaining highest ethical business practices. A copy of our supplier conduct principles can be found on our website at [ballard.com/suppliers/](https://ballard.com/suppliers/).

**Declaration of Compliance with Ballard Supplier Conduct Principles (Annual Attestation)** – As part of our supply chain due diligence process, on an annual basis all direct suppliers are requested to sign a Declaration of Compliance with Ballard’s Supplier Conduct Principles. The supplier is attesting they have read and understood the Supplier Conduct Principles policy document, will make note of their compliance with each of the 12 principles, and that supporting evidence is available to support their responses. A copy of the declaration of compliance can be found on our website at [ballard.com/suppliers/](https://ballard.com/suppliers/).

**Conflict Minerals Policy and Due Diligence** – This policy and connected procedure was established to ensure Ballard is taking all reasonable steps to avoid purchasing and using conflict minerals, as defined by the United States legislation, in its manufactured products. Conflict minerals include the metals tantalum, tin, tungsten and gold, which are the extracts of the minerals cassiterite, columbite–tantalite and wolframite, respectively. Conflict minerals extracted from the Democratic Republic of Congo and surrounding regions are considered high-risk for forced labour and other human rights abuses. While Ballard does not directly source minerals from smelters, small quantities of these minerals can be found in our products and are procured through our tiered supply chain. To mitigate the risk of inadvertently supporting human rights abuses, Ballard has adopted a Conflict Minerals Due Diligence process including annual survey of our Tier 1 suppliers and public disclosure of our due diligence process and risk assessment, in line with Rule 13p-1 and Form SD pursuant to the Securities Exchange Act of 1934, as amended. A copy of our latest disclosure alongside our conflict minerals policy can be found on our website at [ballard.com/suppliers/](https://ballard.com/suppliers/).

**Standard Terms and Conditions** – All purchase orders issued by Ballard, unless otherwise stated, are subject to our standard global terms of purchase ("STC"). Included in our STC are conditions related to compliance with law and that no purchases shall be produced with forced labour. A copy of our standard terms of purchase can be found on our website at [ballard.com/suppliers/](https://ballard.com/suppliers/).

## 5. Forced Labour and Child Labour Risks

### Modern Slavery Risk in Our Operations

Ballard assesses the risk of our business contributing to or causing adverse human rights impacts, including forced and child labour, as low. This assessment is primarily based on the fact the majority of our operations are based in Canada, a country with a relatively low prevalence of forced and child labour (referred to as modern slavery by the Global Slavery Index ("GSI")) risk according to the GSI. However, we acknowledge that modern slavery remains a concern, with the GSI report identifying approximately 69,000 individuals in Canada facing modern slavery.<sup>3</sup>

Canada has robust regulations governing labour practices, and Ballard complies fully with all applicable regulation and legislation. Our internal policies and procedures, as outlined above, strive to ensure ethical recruitment practices and fair treatment in workplace relations. We ensure that all employees are paid at least the legislated minimum wage, and we conduct individual remuneration reviews at least annually to assess fairness and compliance.

Ballard often utilizes reputable and registered labour hire services to source employees for production roles in our manufacturing facilities. While we recognize that employees engaged in low-skilled or base-level labour, such as production workers, may be more vulnerable to exploitation, we mitigate these risks by partnering exclusively with reputable, regulated labour hire agencies in Canada.

### Modern Slavery Risk in Our Supply Chain

Given the global nature of our operations, Ballard acknowledges the risk that modern slavery may be present in our supply chain, including in regions outside of Canada. This risk is influenced by factors such as vulnerable communities, the geographic locations of tiered suppliers, and the types of products and services involved. Ballard has implemented measures to monitor and manage these risks. Our approach includes the following key actions:

---

<sup>3</sup> Source: <https://www.walkfree.org/global-slavery-index/>

**Supplier Code of Conduct:**

Any supplier wishing to undergo the supplier approval process and conduct business with Ballard must read, understand, and formally attest to our Supplier Conduct Principles. These principles outline clear expectations regarding ethical business practices, including respect and dignity for employees, the prohibition of forced and child labour, adherence to fair working hours, fair wages and benefits, non-discrimination, and compliance with relevant legislation, including, without limitation, U.S. laws on conflict minerals. The Supplier Conduct Principles is one of two core components of our Supplier Performance Criteria, alongside our Supplier Manual, and is formally incorporated into Ballard's STC and signed supplier agreements.

**Annual Supplier Attestation:**

Ballard requires all active direct suppliers to reaffirm their commitment to the Supplier Conduct Principles through an annual formal attestation. A copy of our latest Supplier Conduct Principles document can be found on our website at [ballard.com/suppliers/](https://ballard.com/suppliers/).

**Supplier Audits and Visits:**

Ballard's purchasing and operations teams regularly visit suppliers' facilities, both as part of the initial supplier qualification process and during ongoing supplier management and performance assessments. These visits are conducted to monitor compliance with our ethical standards and to assess the overall performance of our suppliers.

**Conflict Minerals Due Diligence:**

To further mitigate the risk of supporting human rights abuse, Ballard has implemented a Conflict Minerals Due Diligence Process. This includes an annual survey of our Tier 1 suppliers and the public disclosure of our due diligence process and risk assessment, in accordance with Rule 13p-1 and Form SD pursuant to the Securities Exchange Act of 1934, as amended. We request that suppliers verify that they do not procure conflict minerals, or if they do, that these minerals are sourced from non-conflict areas or from smelters independently validated as conflict-free by a third party.

These measures are part of Ballard's broader commitment to help prevent any human rights violations are not present in our supply chain, and to promote transparency, accountability, and ethical sourcing practices throughout our operations.

**Supply Chain Value Mapping**

In 2024, as part of Ballard's first double-materiality assessment, we developed a value-chain map was established to identify priority sustainability risk areas across our operations. This assessment also provided an opportunity to review the potential risks related to human rights within our Tier 1 supply chain and to evaluate risks, opportunities (quantitative) and impacts (qualitative), in order to better understand both financial and impact materiality. In 2025, this process will be further refined and reviewed by our Executive Team and Board's SGC. We will establish a three-year sustainability roadmap, including key action plans to reduce any identified risk of forced or child labour in our supply chain.

**6. Remediation Measures**

In 2024, Ballard had zero known incidents of forced or child labour reported, and therefore no measures were needed to remediate forced labour or child labour in our activities and supply chains.

**7. Training**

Every year we assess what roles may be at risk of exposure to bribery and corruption. We provide those identified roles with required annual anti-bribery and anti-corruption training. In 2024, Ballard assigned 344 targeted employees to this training with a 98% completion rate.<sup>4</sup>

Targeted training on human rights, forced labour, and child labour is currently being developed. As part of our broader sustainability efforts, we continue to engage with the UNGC, which gives us access to the UNGC Academy –

---

<sup>4</sup> The gap in the completion rate reflects employees who were targeted for training but either left Ballard or were on leave during the training period.



a platform offering a wide range of sustainability-focused topics, including modules on *Business and Human Rights* and *Deepening Human Rights Due Diligence*. The new training program specifies annual training requirements for high risk roles, while employees in lower-risk roles will receive training on a biennial basis.

## 8. Assessing Effectiveness

In 2024, we did not undertake specific activities to evaluate the effectiveness of our efforts to prevent and reduce the risks of forced labour and child labour across our operations and supply chains. Moving forward, a key priority will be to develop and implement stronger measures to support identification, assessment, mitigation and ongoing due diligence of forced labour and child labour risks. We remain committed to transparent reporting, including the disclosures provided in this Report.

## 9. Process of Consultation

We took a cross-functional approach to preparing and drafting this Report. We undertook a consultation process, including with our Executive Team and our Disclosure Committee. The members of the SGC and the entire Board were given an opportunity to consider and provide comments on the Report.

## 10. Approval and Attestation

Pursuant to section 11(4)(b)(i) of the Act, this Report was approved by the Board of Directors of Ballard on May 23, 2025.

*In my capacity as a Director of Ballard, and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.*

*In accordance with the requirements of the Act, and in particular section 11(4)(a) 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. I have authority to bind Ballard Power Systems Inc.*

Full name: Randall MacEwen  
Title: Director, President and Chief Executive Officer  
Date: May 23, 2025

Signature: \_/s/ Randall MacEwen\_\_\_\_\_