



ENVIRONMENTAL SOCIAL GOVERNANCE REPORT 2022



GRI 2-23

Our purpose

DRIVING CLEANER PERFORMANCE

At Westport Fuel Systems, **we aspire to contribute to a world** where climate change is mitigated and global air quality contributes to a healthy society. A world where clean transportation is accessible and affordable, ensuring everyone can take part in building sustainable communities for themselves and future generations.

We **encourage every member of our organization** to make a daily commitment toward creating transportation solutions that not only enhance the well-being of people and the environment but also contribute to the prosperity of our communities.

We **work with purpose and passion**, celebrating diverse perspectives and fostering inclusive collaboration. Our goals are ambitious, but our team is up to the challenge of living up to our values of integrity, respect, and perseverance. We adhere to complex and ever-changing laws, regulations, and requirements that impact our markets, our product offerings, and our compliance efforts.

We consistently **help our customers become leaders** in affordable, sustainable, and efficient transportation solutions.

Extraordinary circumstances and uncertainties continue to unfold globally, yet **we remain focused on our commitment** to decarbonizing transportation, cleaning our air, and creating a better future.



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RELATED PUBLICATIONS

- 2022 Annual Report
- Annual Information Form
- Management Information Circular
- Corporate Presentation

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Message to our stakeholders

Dear stakeholders,

We are delighted to present our 2022 ESG report. As with past years, we invite you to join us in celebrating our accomplishments, initiatives, and advancements in the realm of sustainable development. At the same time, we maintain an open dialogue about the hurdles we've overcome and those we foresee in the future.

OUR MISSION

Our day-to-day business is aligned with the goals of sustainability which are embedded in our organization's DNA. Our overarching principle is to provide the widest possible audience with clean and affordable transportation solutions. Even though the concept of affordability appears purely financial, we view it through the lens of sustainability. Affordability fuels adoption, facilitating the replacement of high-carbon vehicles with their lower-carbon equivalents on a global scale. We are committed to enhancing the integrity of our internal actions for the benefit of our employees, stakeholders, and the global community.

OUR PROGRESS

In 2022, we advanced our initiatives and targets set in 2020 and 2021, which include:

— Cooperation and further advancements in H₂ HPDI™ fuel system technology

There's very little in today's world that can be achieved individually. Most of the great accomplishments are born out of teamwork. Fighting climate change is a global challenge. That is why at Westport Fuel Systems, we focus on meaningful collaborations. In 2022, we continued our search for cost-effective near-zero greenhouse gas emissions and solutions by pursuing our hydrogen-fueled internal combustion engine project. In October 2022, together with our partner Scania AB, we announced impressive results of the H₂ HPDI fuel system for heavy-duty transport, producing significant brake thermal efficiency improvements and demonstrating an affordable pathway to employ a zero-carbon fuel using existing engine architecture, manufacturing infrastructure, and supply chain. We also started new projects, one of which is our collaboration with Johnson Matthey, a global leader in sustainable technologies, to develop an emissions aftertreatment system for H₂ HPDI with the goal of reducing emissions from H₂ HPDI combustion. Moreover, we entered into a partnership with the City of Changzhou, China, to build the new hydrogen innovation center and manufacturing facility in the Changzhou Hydrogen Valley.



“We are committed to enhancing the integrity of our internal actions for the benefit of our employees, stakeholders, and the global community.”



GRI 2-22

Message to our stakeholders

“Sustainable low-carbon transport solutions must be affordable – cost matters. This is why we have created a solution using hydrogen, a zero-carbon fuel.”

— ESG management improvements

In 2022, we placed great emphasis on developing our governance system by defining a new ESG organizational structure for the company and describing in detail the roles and responsibilities at each of the three levels of our “ESG pyramid” – i.e., top management, cross-functional ESG team, and location representatives. A strong organizational foundation is fundamental to efficiently managing ESG issues – knowing where we stand supports setting achievable targets.

Thanks to our 2022 initiatives, we are at the advanced stage of implementing, while building and improving our existing data collection mechanisms, training modules, procedures, and policies.

— Value chain

2022 we started analyzing a way to spread our ESG values to our suppliers and ensure they maintain ethical and ESG standards. At the end of 2022, we conducted a survey among our suppliers

requesting them to review our sustainability commitment and confirm whether they have implemented appropriate policies. On the environmental side, we are also in the process of examining the carbon footprint of our supply chain (scope 3) in a cradle-to-grave approach. We will continue these processes in 2023.

— Challenges

The year 2022 was punctuated with global obstacles that still challenge our progress towards ESG goals. One notable hurdle was the conflict in Ukraine. This regrettable event not only impacted our clients and business associates but also caused a significant shift in the global economy.

However, no matter how great the challenges, at Westport, we believe that as an organization we are able to face them and continue to advance our ESG goals and values. In 2022, we saw our ability to mobilize internal resources to help Ukrainians by organizing internal charity events. We continue to educate, promote, and publicly advocate in favor of our alternative solutions, which we hope will raise awareness among citizens, investors, and lawmakers.

Listening to global markets, there is now an undeniably louder voice highlighting the need for a diverse portfolio of options, recognizing there cannot be a one-size-fits-all approach to decarbonize transportation. Given the variety of technologies and fuels we have today, with an expected increase in that variety in the future,

we believe gaseous fuels and our fuel system solutions will occupy a significant and expanding position in that diverse future.

Sustainable low-carbon transport solutions must be affordable – cost matters. This is why we have created a solution using hydrogen, a zero-carbon fuel, that utilizes the same base internal combustion engine used around the world today, driving cleaner performance that does not compromise efficiency. This continues to be our strategy going forward.

Thank you very much for taking the time to read this report.

Sincerely,



DAVID M. JOHNSON

Chief Executive Officer

GRI 2-29

2022 ESG performance highlights

Strong ESG practices continue to be the fabric of our business and are embedded in our decision-making process.

Sustainability is at the core of our technology strategy, product portfolio, and operations.

Westport ESG strategy was approved by the Board in early 2021 and is focused on taking concrete steps to ensure that the way the organization does business has positive impacts throughout the value chain. Since this strategy was adopted, Westport has already seen progress, including:

1. **Cross-cutting and holistic building and maturing of our corporate governance** by implementing policies approved by the top management, among others:
 - Code of Conduct
 - Anti-Corruption and Bribery Policy
 - Human Rights Policy
 - Diversity Policy
 - Whistleblower Policy
2. **Implementing and embedding our Code of Conduct** throughout our organization (with 100% of employees trained) and our suppliers (ESG survey shared with 100% of suppliers).
3. **We're working toward further structuring our ESG governance pyramid**, headed by the CEO along with a 10-member ESG Steering Committee. The goal is to oversee core programs and targets while enhancing the integration of ESG into our company's objectives and procedures. At the ESG Strategy level, we're developing initiatives and integrating them within the ESG working group for practical implementation and data collection.
4. Achieving **44% female representation** at the Board level, well above the 30% target.
5. **Helping our customers to be leaders in affordable, sustainable, and efficient transportation solutions** – e.g., further advancing Westport's HPDI (High Pressure Direct Injection) technology with both biomethane and hydrogen, delivering industry-leading CO₂ reductions for long-haul, heavy-duty transport, and introducing impressive engine test results in 2022.
6. Establishing and gaining approval by the Board for specific plans and activities to **strengthen and develop a safe, diverse, and inclusive culture** at Westport.
7. Taking the next steps in **our commitment to develop a Climate Action Plan** that will outline our path to net-zero GHG emissions and align with TCFD recommendations by starting the Scope 3 emissions calculation.
8. Continuous **learning and improving** to ensure our strategies, activities and reporting are aligned with the needs and interests of our stakeholder.

GRI 2-23

2022 ESG performance highlights

E

starting the **Scope 3** emissions calculation

our products reduced CO₂ emissions of **1,498,438** tons of CO₂

7% decrease in Scope 2 indirect emissions

54.5% increase in energy consumption from solar panels

reduced emissions by **4.8%** in Poland and **12.6%** in Italy

over **89%** of total waste from the reported operating sites is recycled

S

71% of our +900 suppliers are local

„Label of Excellence“ in gender equality by the Piedmont region for the Italian facility

32% global workforce are female

4% voluntary turnover rate

17% management are female

150% increase in Lost Time Injuries

G

89% non-employee directors are independent

100% targeted employees trained in Code of Conduct, including anti-bribery

44% female representation at the Board level

further structuring of the ESG governance pyramid

4 years say-on-pay advisory

100% suppliers delivered with a ESG survey

GRI 2-1 GRI 2-6 GRI 202-2

About Westport Fuel Systems

Westport Fuel Systems Inc. is a globally recognized company, publicly traded on the Toronto Stock Exchange and NASDAQ under the ticker symbol WPRT. Although our headquarters are in Vancouver, Canada, we extend our reach worldwide through operations across Europe, Asia, North America, and South America.

Our mission, encapsulated by the phrase "**Driving cleaner performance**," shapes our daily operations. We specialize in the **engineering, manufacturing, and supplying of alternative fuel systems and components** intended for transportation applications. We champion gaseous fuels such as liquified petroleum gas, natural gas, biomethane/RNG, and hydrogen, as we believe they serve as superior alternatives to conventional liquid fossil fuels like gasoline and diesel. These gaseous fuels offer undeniable environmental, economic, and energy security benefits.

At Westport, our dedication to a sustainable future drives us. **We strive to pave a viable path toward net-zero greenhouse gas emissions** (GHG). This commitment is evident in our longstanding history of innovation, specialized engineering skills, market-ready products, and expansive global customer base. The primary measure of our success is the impact we make through

WESTPORT AT A GLANCE

over **70** countries being served

2022 revenue of **\$306** million

more than **1,400** patents & applications

100+ distributors for our IAM business

23 OEM customers

1,800+ workforce

more than **64** years of innovation

14 operating sites

our customers — helping to cultivate a cleaner future by reducing emissions. Therefore, our commitment to social responsibility and environmental stewardship is deeply embedded within our corporate strategy, informing all our business decisions.

While some continue to hunt for the next groundbreaking idea, we at Westport have mastered the art of turning innovation into practical solutions. As a **leading supplier of advanced fuel delivery components and systems**, we meet and surpass lower emissions regulations, contributing to a greener and cleaner future. Our path to carbon neutrality ensures our technologies deliver the necessary performance and fuel efficiency required by transportation applications, while also providing environmental benefits to address climate change and urban air quality issues.

Our expansive network **spans over 70 countries**, serving customers daily through global transportation brands, distributors, service providers for the aftermarket, and directly to original equipment manufacturers (OEMs) along with Tier 1 and Tier 2 OEM suppliers. In addition, we offer delayed OEM (DOEM) options and engineering services to our customers and partners globally.

GRI 2-2 GRI 2-6

Our sites

This ESG report covers Westport Fuel Systems Inc., with its head office and principal place of business in Vancouver, British Columbia, Canada, alongside its legal subsidiaries included in our corporate structure (found in Annual Information Form, pg. 1). On February 7, 2022, we sold 100% of our shares in CWI to Cummins Inc. along with our interest in the joint venture’s intellectual property.

CORPORATE HEAD OFFICE & TECHNOLOGY CENTER

- Vancouver, British Columbia, Canada

TECHNOLOGY CENTERS

- Cambridge, Ontario, Canada
- Cherasco, Italy

MANUFACTURING / SUPPORT

- Buenos Aires, Argentina
- Calgary, Alberta, Canada
- Eindhoven, Netherlands
- Gothenburg, Sweden
- Albinea, Italy
- Brescia, Italy
- Cherasco, Italy
- Ahmedabad, India
- Delhi, India
- Słupsk, Poland
- Kunshan, China
- Changzhou, China (*under construction*)



GRI 2-2 GRI 2-6

Our sites

Global footprint focused on technology development and manufacturing:



GRI 2-6

Our products

Westport is driving cleaner performance. We are a global company focused on engineering, manufacturing, and supplying alternative fuel systems and components for transportation applications. Our diverse product offering enables the use of alternative fuels, including LPG, CNG, LNG, RNG/biomethane, and hydrogen, all providing environmental and/or economic advantages as compared to fossil fuel alternatives.



Westport designs, manufactures, develops, validates, certifies, and sells alternative fuel components and systems for:

- passenger cars
- light-, medium- and heavy-duty commercial vehicles
- off-highway applications

KEY TERMS 1/2

Liquid petroleum gas (LPG)

Also known as propane, LPG is a clean-burning alternative fuel that's been used for decades to power light-, medium- and heavy-duty vehicles.

Natural gas

A gaseous mixture predominantly made up of methane, which is readily available and cleaner burning than conventional gasoline and diesel fuel. Natural gas must be compressed or liquefied for use in vehicles.

Renewable natural gas (RNG)/biomethane

Known as biomethane in the EU and RNG in North America, RNG is made from multiple sources, including organic matter such as livestock manure and landfill waste. It drastically reduces carbon emissions over the complete fuel cycle (production through combustion), and unlike conventional natural gas, RNG is not a fossil fuel.

Learn more about how this fuel promotes circularity and advances net-zero ambitions on page [16].

GRI 2-6

Our products

Our product portfolio includes **Westport HPDI**, a complete fully-OEM-integrated gaseous fuels system enabling diesel engines to operate with a range of clean-burning fuels including natural gas, biomethane, hydrogen, LPG, or methanol, without any performance or efficiency compromises relative to the base diesel engine platform. Moreover, we develop, integrate, and calibrate monofuel engine management systems for a wide range of OEM-integrated engines.

Our products are sold under a **wide range of established global brands:**



KEY TERMS 2/2

Compressed natural gas (CNG)

Produced by compressing natural gas, CNG is well suited for light-, medium- and heavy-duty vehicles travelling a moderate and long distance between refueling.

Liquefied natural gas (LNG)

Produced by cooling natural gas to turn it into a liquid, LNG is typically used in heavy-duty vehicles when extended driving range and fast refueling are required.

Hydrogen (H₂)

A carbon-free energy carrier that can be produced from diverse resources. Although the market for hydrogen as a transportation fuel is in its infancy, governments and industry are working toward clean, economic, and safe hydrogen production and distribution.

Game changer. Without the change.

With our recent developments on HPDI technology, including H₂ HPDI, we are proud to say that our solutions are a game changer in the green transportation market. Providing GHG reductions of 20-100% on a well-to-wheel basis while preserving the same performance as a diesel engine, our HPDI fuel system is an integral part of the full spectrum of measures that the transportation sector will need to combat GHG emissions effectively.

GAME CHANGER

Our efforts in green transportation are truly game-changing, facilitating a significant reduction in CO₂ emissions, potentially achieving near-zero emissions.

WITHOUT THE CHANGE

This remarkable transformation doesn't compromise on performance or necessitate a shift in infrastructure. Our HPDI 2.0 fuel system solutions provide torque, efficiency, and reliability comparable to or exceeding that of diesel engines. In October 2022, we announced encouraging test results from an HPDI fuel system-equipped engine powered by hydrogen, as part of a demonstration program with Scania. Scania's 13-litre CBE1 platform, equipped with Westport's HPDI fuel system and fueled by hydrogen, exhibited a peak brake thermal efficiency of 51.5% - an impressive figure, with engine-out NOx emissions comparable to a standard diesel engine.



“The value proposition for our products has always been multi-pronged regardless of the end-use market or type of system or componentry: it's about emissions and operating cost reduction and ultimately the Total Cost of Ownership (TCO) or life cycle cost reduction. The HPDI 2.0 technology enables a diesel engine with all the desirable, high-efficiency attributes of power, torque, and durability to operate on a cleaner, lower carbon fuel. This is driving best-in-class carbon reductions for engines while also satisfying the TCO reduction and operational performance criteria that heavy-duty fleets demand.”

Even though our HPDI technology was originally focused only on transitioning diesel engines from diesel fuel to natural gas, with the advent of H₂ HPDI, we can now go even further and transition heavy-duty transportation to zero or near-zero carbon emissions by once again changing the fuel – this time to zero-carbon hydrogen.”

Scott Baker, Vice President, Engineering

Game changer. Without the change.



HPDi: COST-effective

HPDi is the most cost-effective way to reduce CO₂ in long-haul trucking and other high-load, long-haul applications.



LNG HPDi

- Same torque, efficiency, and reliability as diesel engines
- **20% CO₂ reduction tailpipe**
- **100% CO₂ reduction with Bio-LNG**
- No change to vehicle or engine architecture

H₂ HPDi

- 20% more power, 15% more torque
- **Near-zero CO₂ emissions**
- **Lowest cost to CO₂ compliance**
- Preserve existing engine manufacturing

Zero-emission hydrogen future

With our goal of enabling vehicles to run on cleaner fuels, Westport, under the GFI brand, has **developed a catalog of innovative components** for the storage and control of high-pressure hydrogen to the vehicle's power source, whether it's a fuel cell or an internal combustion engine.

Starting with tank valves that mount the solenoid inside the tank to protect it from external impact and risk of corrosion/environmental exposure, the valves are designed with a **high level of integrated features to meet vehicle OEM requirements while maintaining a low profile**. Tank valves can include an electronic shutoff valve, an excess flow valve, temperature pressure relief device, manual valve, bleed valve, and temperature and pressure sensors.

GFI also offers standalone temperature pressure relief devices that can mount on the tank or be remotely mounted on the vehicle. Stable delivery of hydrogen under varying demands and inlet



pressure is handled by one of GFI's high-pressure regulators. The two-stage piston regulator offers a reliable and cost-effective solution while the piston/diaphragm two-stage regulator can offer even greater outlet pressure performance and stability.

Additional low-pressure hydrogen components are also available, including isolation valves and electronic pressure control valves, which can be standalone components or integrated in a module along with the pressure relief valve and filter.

The hydrogen transportation industry initially developed products at 350 Bar (5,000 psi) but has moved to 700 Bar (10,000 psi) systems to increase the fuel storage density and increase vehicle range.

GFI has products to meet both system pressure requirements and continues to develop new innovative 350 Bar and 700 Bar products.

Biomethane today is the path for H₂ tomorrow

Nothing goes to waste: the circularity of renewable natural gas (RNG)/biomethane

Biomethane, in terms of its chemical composition, is indistinguishable from the methane that comes from underground; however, unlike methane derived from fossil sources, **biomethane is sourced from organic matter** that society normally throws away such as landfill waste, wastewater from treatment plants, and agricultural waste. By using biomethane as a fuel, we are not only making use of something that would otherwise be disposed of, but **we are also capturing gas that if it was not recovered – or captured – would escape into the atmosphere as methane.** The accounting

associated with capturing, processing, and consuming methane as a fuel and then converting it through an engine from methane to CO₂ **results in a net-zero or sometimes a net-negative CO₂ full fuel cycle GHG contribution.** Westport's LNG HPDI fuel system is on the road in thousands of trucks today in Europe. When used with LNG, these trucks reduce emissions by approximately 20%, yet these **trucks continue to get cleaner as the percentage of biomethane used for fuel increases.**

What is important is that biomethane is on the road today.



GRI 2-29 GRI 3-1

Our approach

Although our products directly contribute to the green environmental revolution, **we know that sustainability concerns an entire business.** We want to build not only our portfolio but also our organization on a strong ESG foundation, where human beings are respected, appreciated, and safe in all areas, where climate change is mitigated, and our market presence is transparent, fair, and ethical.

Sustainability is a core principle at Westport – it is in our DNA since the beginning of our operations. It drives our business strategy while keeping us focused on the ESG-related risks and opportunities that are most important to our long-term success. We are **constantly strengthening our governance practices and management processes**, advancing our stakeholder engagement practices, introducing new procedures, protocols, and policies, educating our employees, and critically verifying our supply chain.

We believe **small consistent steps can achieve big changes** and positively impact our customers, employees, and communities around us.



GRI 2-23

What we stand for

Our principles and their application in practice make us who we are – innovators, reliable business partners, and green transformation advocates in the background of being a good and safe place to work. We work every day to design, build, and provide clean transportation solutions to our customers while embracing our core values of integrity, respect, and

perseverance. We entrust every employee and member of our global network to build relationships with all our stakeholders and make decisions that honor our values.

Our leading principles articulate our core beliefs and anchor our culture and business strategy.



COMMITTED TO INTEGRITY

Corporate integrity, personal accountability, and respect for others are the foundation of our success.



RESPECT

We empower our people to collaborate and partner, leveraging our diverse global experience and viewing the company in its entirety – internally and externally.



CUSTOMER FOCUS

Partnerships and relationships are the pathway to turning our business plan into reality. We share a common objective: to create clean transportation solutions that meet existing and future emissions regulations and targets for GHG reduction.



SUSTAINABILITY

We strive to ensure the way we do business has a positive impact on our people, the environment, and the communities in which we work and live.



DELIVERY EXCELLENCE

Our commitment to execution and results fuels our passion to excel and innovate. We focus investments on what we do best and fuel our growth by optimizing efficiencies and effectiveness of our processes, workplace, and value chain.

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ESG governance

ESG LEADERSHIP AT THE BOARD LEVEL

An effective and accountable governance structure and process is necessary for a robust ESG strategy and performance. The experienced nine-member Board at Westport takes its responsibility as stewards seriously and is dedicated to providing strong leadership to support the company's ESG strategy while ensuring effective corporate governance.

Responsibilities include oversight of the adequacy of management systems to identify and manage ESG-related risks and opportunities; adoption of appropriate ESG standards; tracking, monitoring, and disclosure of the company's ESG performance and oversight of climate-related responsibilities; and incorporating ESG considerations into the development of business strategies.

ESG IN THE STANDING COMMITTEES' CHARTERS

Assessing environmental and social practices along with understanding the potential impact of ESG issues on the company's operations and business in both the short and longer term is an important oversight activity.

Given that ESG is a rapidly evolving area within corporate governance, in 2022, the Board approved updates to its Charter and Standing Committee Charters to ensure ESG oversight is embedded into regular Board of Director and committee activities so that emerging risks and trends can be identified and addressed.

For broader information on the specific responsibilities of each Standing Committee, see page [90] in the Governance section or our 2023 Management Information Circular or our website.



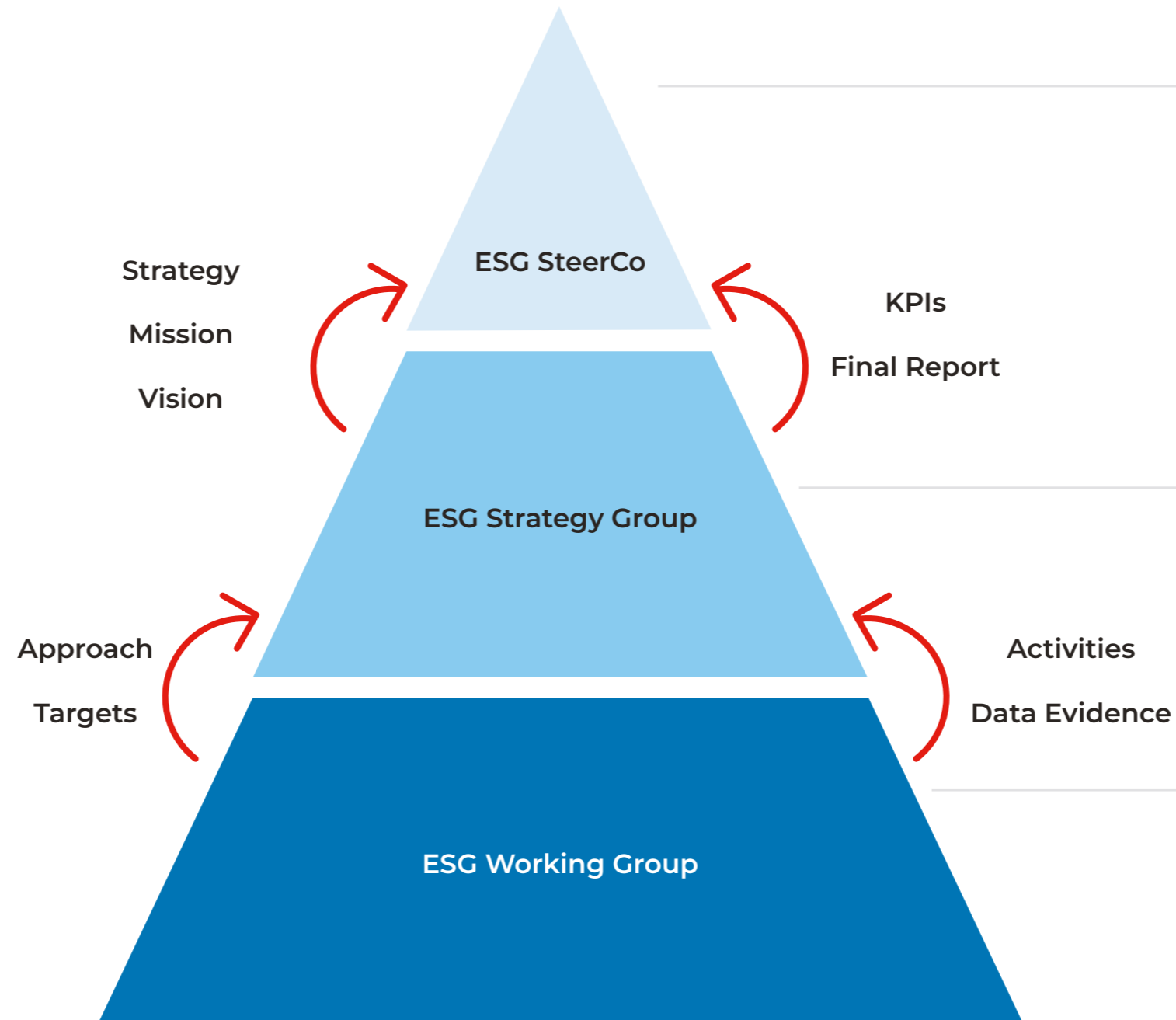
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ESG governance

NEW ESG GOVERNANCE PYRAMID

The ESG Steering Committee was formed in 2021 and is led by our CEO and includes our CFO, key management personnel from across our businesses, regions, and functions. The 10-member committee oversees ESG management, approves core programs and targets, and works to integrate ESG into the company’s goals and processes.

To strengthen the commitment and give even greater prominence to all ESG issues, in 2022, we have defined a new organizational structure for the company, describing in detail the roles and responsibilities at each of the three levels of our ESG pyramid.



TOP MANAGEMENT MEMBERS

- Monthly meetings
- Presentation of the progress of work in the implementation of the strategy and discussing current topics

CROSS-FUNCTIONAL WFS TEAM

- Working functional meetings
- Developing specific initiatives

LOCATIONS REPRESENTATIVES

- Quarterly meetings
- Designated responsible persons for each area
- Collecting data from the locations and assisting in determining and implementing actions
- Speaking partners for the strategic group

GRI 2-14 GRI 2-24

ESG strategy

Approved by the Board in early 2021, **our ESG strategy is focused on taking concrete steps to ensure that the way we do business has positive impacts throughout our value chain.** The ESG strategy is embedded into our business strategy and is informed by external research, materiality assessment outcomes, and ongoing internal and external stakeholder engagement. Progress of the activities in each of the areas below is outlined in this report.



As a next step, activities and plans are being developed on **reducing our collective climate impact** while positioning Westport to set targets supported by appropriate controls and measurement.

ESG PRIORITIES FOR 2023

At the beginning of 2023, the **ESG Steering Committee** defined the following as key areas of focus for 2023:



SOCIAL

- DE&I awareness in the organization
- Gender equality in compensations
- Equitable employment and advancement opportunities for all based on: Education, Generation, Gender, and Differently Abled
- Flexible work arrangements
- Strong commitment to continuous improvements in Health and Safety



ENVIRONMENTAL

- Energy consumption
- Water consumption
- Fuel consumption
- Waste disposal and production



GOVERNANCE

- Environmental Policy
- Safety & Health Policy
- Conflict Minerals Policy & Procedure
- Code of conduct for suppliers

PRINCIPLED GROWTH APPROACH

SOCIETAL IMPACT



OPERATIONAL IMPACT



PRODUCT IMPACT



Environment

Climate Action

- Develop our Climate Action Plan identifying our path to net zero and aligning environmental disclosures to TCFD recommendations

Social

Safe, Diverse, & Inclusive Culture

- Build a safety culture where our employees believe that every workplace incident is preventable and a zero incident rate is achievable
 - Build a diverse and inclusive workforce

Responsible Sourcing

- Strengthen transparency of our 3TG minerals supply chain

Governance

Committed to Integrity

- Establish Human Rights Policy at the parent company level, and advance our human rights management and due diligence efforts
 - Strengthen and unify our Supplier Code of Conduct, integrating critical ESG factors into supplier and third-party contracts

VALUES-BASED LEADERSHIP AND SOUND RISK MANAGEMENT PRACTICE

GRI 201-2

Regulatory environment

We adhere to complex and ever-changing laws, regulations, standards, and requirements that impact our markets, product offerings, and compliance efforts. The transport sector and its **green transformation** has been in the spotlight of legislators around the world for several years, which directly affects our day-to-day business. We keep a close eye on these legislative developments across the world and where possible engage in dialogue about the solutions

we offer, how they contribute to achieving policy goals, and the required policy framework to unlock their full potential.

The main geographies in which we operate have **macroeconomic policies supporting an accelerated deployment of cleaner vehicles**, as well as **low and zero carbon** transport fuels.

NORTH AMERICA

- California is a historic leader in **RNG use in transport** – negative average carbon intensity – driven by the Low Carbon Fuel Standard regulation
- US is supporting investment in clean fuel production, refueling infrastructure, and vehicles (**Bipartisan Infrastructure Law and Inflation Reduction Act of 2022**)
- **Clean hydrogen** is expected to deliver **up to 30% of Canada's energy** by 2050, making the country one of the top three producers of clean hydrogen globally (Hydrogen Strategy)
- **US Clean Trucks Plan and new Pollutant Emissions Standards** proposals are calling for lower NOx and GHG emissions from light-, medium-, and heavy-duty vehicles beginning in 2027

EUROPE

- Accelerating energy transition to **reduce Russian fossil fuels dependency**, including increasing biomethane production with new plants and 20 million tons hydrogen production target by 2030 (**REPowerEU**)
- Mandatory targets for **alternative fuel infrastructure**, GHG intensity reduction in transport and increasing renewables' share
- A leader in air pollutant and CO₂ emissions regulations for light-, medium-, and heavy-duty vehicles (Euro 7, CO₂ Standards)

INDIA

- Plans to **increase natural gas** from 6% to 15% of energy mix by 2030
- Construction of **5,000 biogas/ biomethane plants**
- Resolute commitment to the deployment of **CNG and LNG stations**, investing USD 66 billion (US) in infrastructure to reach 98% of the population with 10,000 CNG stations by 2028 and 1,000 LNG stations by end of 2024
- Looking into **deployment of hydrogen production and refueling infrastructure**, with plans to create Green Hydrogen mobility corridors and 'Hydrogen Highways' as part of the 'National Green Hydrogen Mission'

CHINA

- Biogas to **reduce coal consumption** in rural regions by 50 megatons
- Building **3,000-4,000 biomethane upgrading facilities** with government funding
- Decarbonization challenges lead to **alternative fuel** vehicles' deployment goals, global leadership in terms of **LNG** vehicles' adoption, and significant investments in **hydrogen**
- Supported infrastructure build to reach 1 million **H₂ vehicles** on the road by 2030, with primary focus on medium- and heavy-duty trucks

JAPAN

- **Hydrogen** a central pillar to achieve carbon neutrality by 2050 (**Green Growth Strategy**) and decarbonizing the heavy-duty transport sector
- Front runner in deploying a **hydrogen refueling stations network** since 2013, targeting 800,000 vehicles and 900 stations by 2030 with support from **Japan's Hydrogen Industrial Strategy**
- Among the most stringent fuel economy standards globally for light-duty vehicles, with 2030 standards expanding the scope of covered powertrains and including the considering of well-to-wheel fuel efficiency

Strong governmental support for transition to alternative fuels

NORTH AMERICA



- California is a historic leader in RNG – negative average carbon intensity
- Supporting investment in clean fuel production, refueling infrastructure, and vehicles (U.S. Inflation Reduction Act of 2022)
- Clean hydrogen to deliver up to 30% of Canada's energy by 2050

CHINA



- Biogas to reduce coal consumption in rural regions by 50 megatons
- Building 3,000-4,000 biomethane upgrading facilities
- Decarbonization focus leads to investments in hydrogen
- Supported infrastructure build to reach 1 million H₂ vehicles on the road by 2030

EUROPE



- Accelerating energy transition to reduce Russian fossil fuels dependency
- Biomethane production increasing with new plants
- REPowerEU – 20 million tons hydrogen production target by 2030

JAPAN



- Hydrogen a central pillar to achieve carbon neutrality by 2050
- Investment in hydrogen vehicles and stations; targeting 800,000 vehicles and 900 stations by 2030
- Front runner in deploying a hydrogen refueling stations network since 2013

INDIA



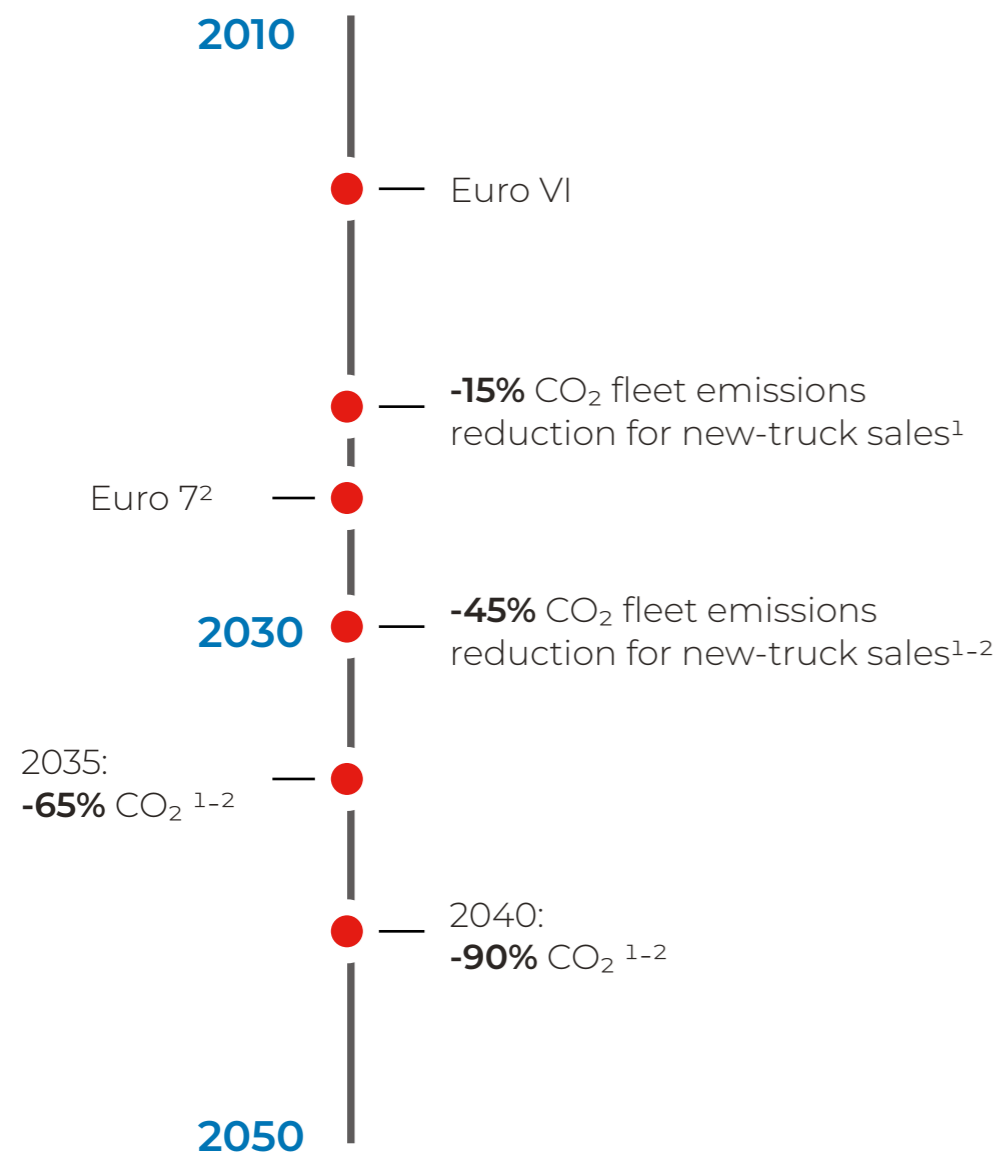
- To increase natural gas from 6% to 15% of energy mix by 2030
- Investing \$66 billion (US) in gas infrastructure reaching 98% of the population (>10,000 filling stations)
- Construction of 5,000 biogas/biomethane plants

Source: Capital Markets Day Deck - Dec 2022.pptx (sharepoint.com)

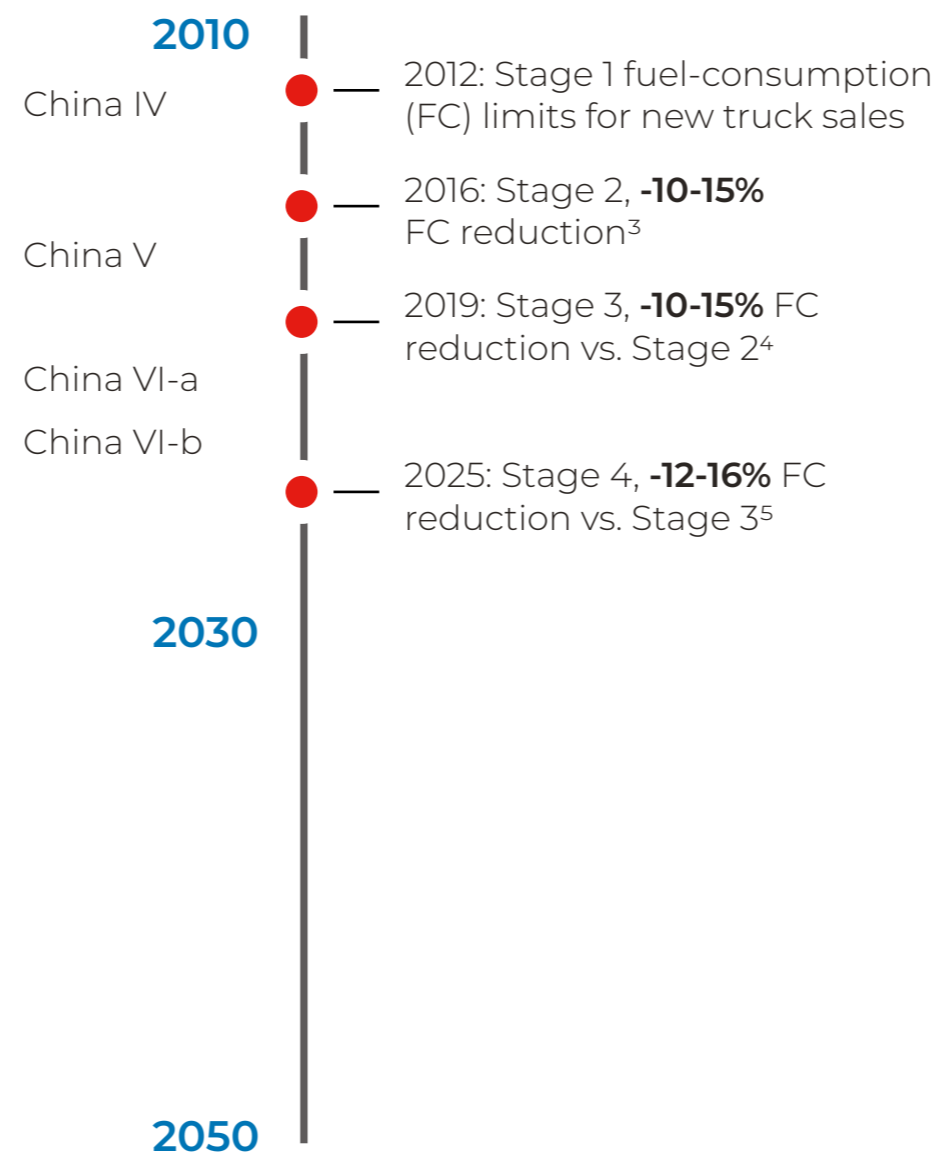
Key heavy-duty vehicle regulations in our core regions

Substituting fossil fuels and accelerating a clean energy transition.

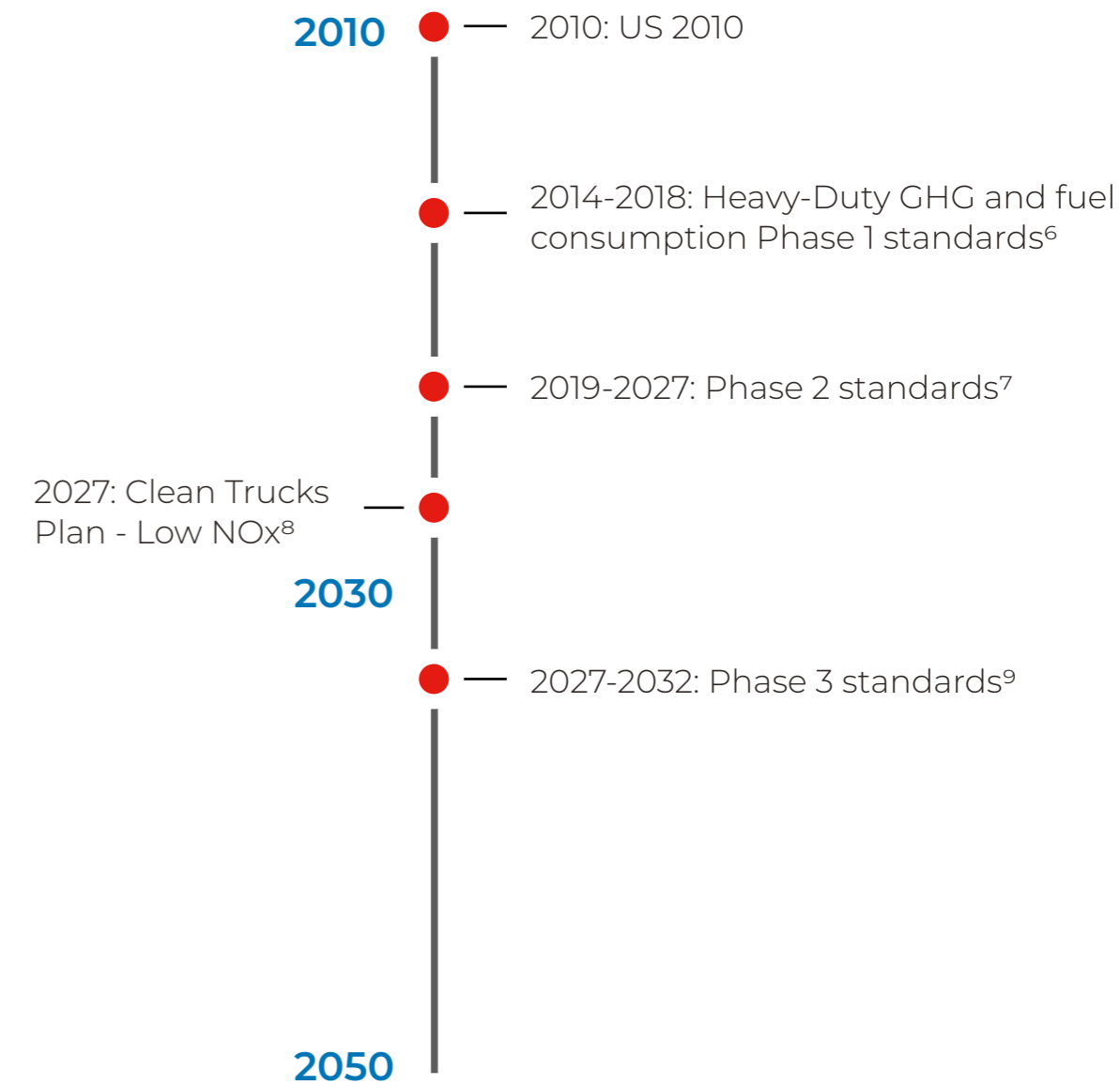
EUROPEAN UNION



CHINA



USA



Source: Westport, RBC: ¹Base year 2019. ²Proposed. ³Base year 2012; average reduction target over all weight classes. 48 L/100km for GCW>49T tractor-trailers. ⁴40,5 L/100km for GCW>49T tractor-trailers. ⁵Proposal published in June 2022. ⁶2017: CO₂ 460 g/bhp.hr - Fuel 4.52 gal/100 bhp.hr for heavy-heavy-duty (HHD) engines in tractors. ⁷2021: Further 2-3% CO₂ reduction per year. 2027: CO, 432 g/bhp.hr - Fuel 4.2436 gal/100 bhp.hr for HHD tractors. ⁸NOx 35 mg/bhp.hr, new HC, PM, CO limits and extended life periods. ⁹Proposal published in April 2023. No update proposed for engine standards. Targets for Class 8 High Roof Sleeper Cab: 64.3 g/t-mile in 2027-2029 (unchanged), annual reductions of 10%, 11% and 6% resp. for 2030-31-32.

Sustainable Development Goals (SDGs)

Westport is committed to contributing to the achievement of the United Nations Sustainable Development Goals that aim to end poverty, protect the planet, and improve the lives of everyone worldwide. Supporting the delivery of the SDGs, we identified **eight goals that**

are most relevant to our business. These SDGs serve as a blueprint for our ESG strategy, outlining the key areas where Westport can make a significant impact.

EACH SECTION OF THIS REPORT BEGINS WITH THE RELEVANT SDG ICONS



Good health and well-being



Industry, innovation, and infrastructure



Gender equality



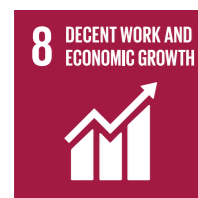
Responsible consumption and production



Affordable and clean energy



Climate action



Decent work and economic growth



Peace, justice, and strong institutions

SUPPORTING SDGS 7 AND 9 WITH OUR TECHNOLOGY

In October 2021, the United Nations Conference of the Parties Climate Change Conference (COP26) was held in Glasgow, where over 40,000 participants and 120 world leaders came together to accelerate actions toward the goals of the Paris Agreement and the UN Framework Convention on Climate Change. The conference resulted in 39 countries committing to the Glasgow Climate Pact, aligning themselves to **actions that support a pathway toward net-zero emissions.** This includes a commitment to end new direct public support for the international unabated fossil fuel energy sector, except in limited and defined circumstances. Westport's HPDI technology using Biomethane (RNG) or hydrogen aligns with this commitment, both cost-effective, high-performance solutions to support climate neutrality in the heavy-duty mobility sector.

We are a part of the energy transition, providing solutions to specific sustainability challenges including climate change mitigation.

GRI 2-28 GRI 2-29 GRI 2-30 GRI 3-1 GRI 3-3 GRI 407-1

Stakeholder engagement

1/2

Through consistent and transparent communication with our stakeholders, we acquire knowledge, enhance our operations, and guarantee that our plans, undertakings, and disclosures are in accordance with the requirements and concerns of those influenced by or influencing our enterprise. On the right is a summary of our standard interaction methods with significant parties and the noteworthy ESG issues that piqued their interest in 2022:

STAKEHOLDER GROUP

HOW WE ENGAGE

TOP 2022 INITIATIVES/TOPICS

Academia / industry associations

- Regular dialogue
- Collaborations with multiple universities, including Simon Fraser University, University of Alberta, and others
- Topic-specific conferences and events include Vienna, COMVEC. We targeted conferences with a strong HD trucking presence (OEMs in particular) and focused on the hydrogen story, with a subtext that NG HPDI already addresses the 2025 CO₂ targets, and with RNG

- New technology initiatives which promote cleaner transportation
- Carbon footprint reduction

Customers and OEM partners

- Distributor network
- Key account management
- Reviews and meetings
- Market research
- Corporate website
- Digital media
- ESG survey

- Responsible sourcing
- Human rights
- Code of Conduct
- Carbon footprint reduction
- Occupational health & safety initiatives
- Product safety
- New product developments

Employees

- Health and safety committees
- Townhall meetings
- Internal communication channels
- Union representatives
- Performance feedback processes
- Internal ESG survey

- Training and development
- Product environmental profile
- Product safety
- Health and safety
- Cyber security
- Diversity and inclusion
- Code of Conduct

Government policymakers and regulators

- Global monitoring of policies and government initiatives impacting our sector
- Policy advocacy and targeted outreach
- Participation in expert groups for technical standardization and regulatory developments
- Facility visits

- Analysis and education on how our products contribute to the transport sector
- Position papers on key policy files
- Organization of dedicated events in Brussels and Berlin

GRI 2-28 GRI 2-29 GRI 2-30 GRI 3-1 GRI 3-3 GRI 407-1

Stakeholder engagement

2/2

STAKEHOLDER GROUP

HOW WE ENGAGE

TOP 2022 INITIATIVES/TOPICS

Industry associations

- Corporate memberships
- Service on boards of directors and advisory boards

- Technical working groups and committees

- New membership in several global, regional, and national hydrogen industry associations

- Participation in European gas mobility campaign #Gmobility DrivesEuropeForward

Shareholders and investors

- Annual shareholder meeting
- Management-led investor conferences, meetings, and presentations
- Canadian and U.S. regulatory filings

- Analyst meetings
- Press releases
- Annual and quarterly financial reporting and conference calls
- Capital Markets Day

- Overall ESG score performance
- Recognition of climate risk in our financial reporting
- Reporting to SASB and CDP

- Elaborate on strategic direction at Capital Market Day
- ESG priorities and performance

Local communities

- Community outreach mechanisms

- Emergency response plans

- Ensuring protection of environmental and social aspects of the community
- Permanent cooperation with people with disabilities

- Cooperation with educational institutions and local sponsorship of professional classes

Media

- Press releases
- Media releases
- Corporate website/digital media

- Corporate spokespeople

- News on how we are progressing our mission
- New product launches

- How our work contributes to society at large

Continued commitment to consistent stakeholders' engagement

CAPITAL MARKETS DAY

Maintaining regular communication with investors and analysts is a crucial aspect of our operations. In late 2022, we conducted both in-person and virtual Capital Markets Day events to facilitate **meaningful interactions between our company's management and financial stakeholders**. These events served as platforms to share comprehensive



information about our company, including future strategic initiatives, growth plans, and technology development programs. Moreover, analysts and shareholders had a chance

to ask questions regarding our operations and products. Noteworthy, in 2022, we noticed an **increasing number of ESG-related questions**, with a particular focus on the "E" issues.

TOWNHALL MEETINGS

We place great importance on keeping our employees informed about our activities and initiatives, as well as fostering open communication with our management. To achieve this, we regularly conduct townhall meetings where our CEO and representatives from various departments **share updates on significant news, events, and projects** they have been involved in. These meetings provide a platform for employees to ask questions, which are addressed **openly** and **transparently**.

LABOR UNIONS

We maintain an open dialogue approach with the labor unions, in particular in Italy where we employ the largest number of employees and our largest facilities are located. Our goal is to collaborate with the unions in the best interest of the workers. We keep the unions informed on a regular

basis about issues important from the workers' perspective, we engage in negotiations and consultation on various matters, including collective bargaining agreements, and we take into consideration their opinions and recommendations. **Our goal is to foster positive and amicable relationships with the unions, resulting in a constructive engagement** that prevents the occurrence of strikes.

An example of positive relationships: In our plants in Italy, 100% of employees are covered by collective bargaining agreements.

The developed solutions are applicable **to all our workforce, not only employees**. For employees who are not covered by collective bargaining, our aim is to be competitive in the local market where we have our plants and offices, from a full compensation perspective and working conditions. Westport endeavors to do this based on local market data (gathered through local salary guide, published data, professional networks, recruitment agencies, etc.).

Continued commitment to consistent stakeholders' engagement

Expanding our reach and raising awareness about our alternative solutions, recently with a focus on **hydrogen**, is a key priority for us in our mission toward a greener future. To achieve this, we actively participate in numerous prominent industry events worldwide. In 2022 alone, we took part in **over 40 events** where we set up exhibit booths, delivered speeches, and served as sponsors. At select events, we also had the opportunity to showcase our **first-of-its-kind demonstration vehicle equipped with our revolutionary H₂ HPDI fuel system**.

HYDROGEN MOBILITY FOR SUSTAINABLE HEAVY-DUTY TRANSPORT

On September 28, 2022, in Brussels, Belgium, to showcase our game-changing technology, we organized the European Policy Panel event “Hydrogen Mobility for Sustainable Heavy-Duty Transport”, which featured the participation of a representative from the European Commission along with other stakeholders. During this event, we unveiled to an audience of policymakers and industry representatives **our groundbreaking H₂ HPDI fuel system for heavy-duty vehicles**, which is expected to significantly reduce CO₂ emissions in line with the decarbonization goals of the European Union. To visualize our solution, we also presented a demonstration vehicle outfitted with our H₂ HPDI fuel system.



"Ecomondo2022 - the Green Technology Expo", Rimini, Italy.



"Hydrogen Mobility for Sustainable Heavy-Duty Transport", Brussels, Belgium.

Continued commitment to consistent stakeholders' engagement



“ Our technology achieves better performance than diesel engines, with near-zero CO₂ emissions. By maximizing the efficiency potential with hydrogen, H₂ HPDI fuel systems result in cost-effective CO₂ reductions for fleets and society. This is why we hope that the Commission and Member States will prioritize the availability of green hydrogen for the transport sector in the coming years and support engine technology advances that will be key for the development of the whole hydrogen transportation market. ”

David Johnson, CEO, Westport



ADVANCED CLEAN TRANSPORTATION (ACT) EXPO

The ACT Expo is the largest Advanced Transportation Technology and Clean Fleet exposition with over 8,500 attendees, including leading fleets and OEMs. There was significant interest at the ACT Expo in 2022 in the **H₂ HPDI technology and Westport's other clean transportation technologies**, including from the media, regulators, fleets, and OEMs. The demonstration vehicle outfitted with our H₂ HPDI fuel system was also showcased during the event, marking it as the first of its kind.

IAA TRANSPORTATION

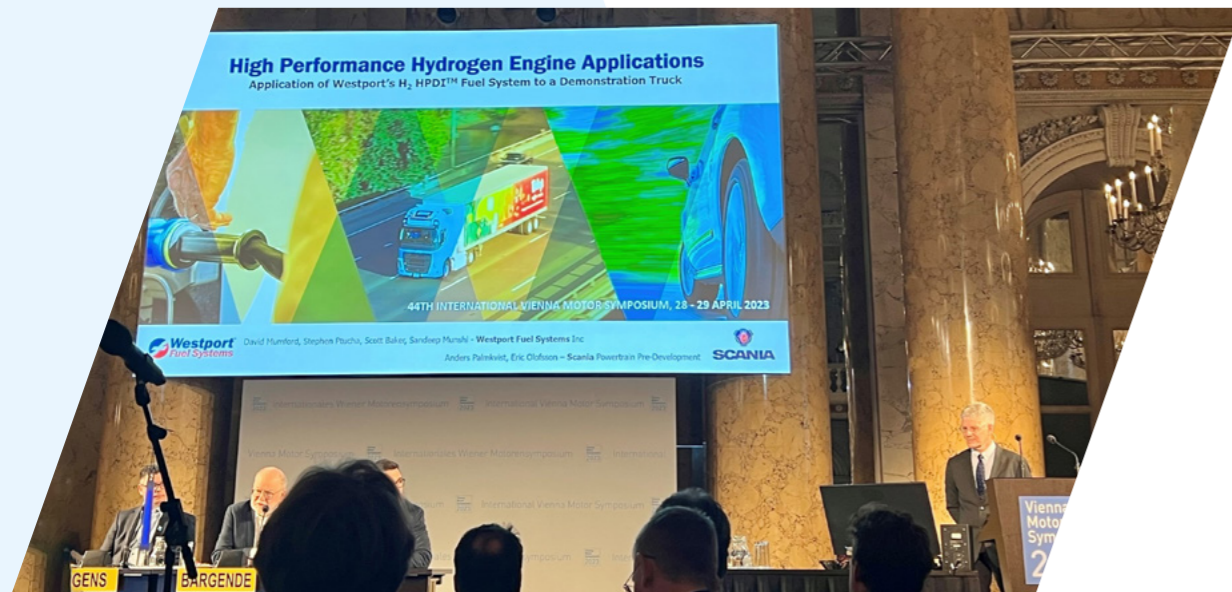
The IAA Transportation event is one of the world's most important platforms that has been shaping the future of the commercial vehicle industry since its inception in 1897.

At last year's event, we not only showcased our hydrogen solutions, but also hosted a press conference, sharing our latest news with the media. Additionally, Ulf Lundqvist, our director of Business Development, delivered a speech titled "**H₂ HPDI: a game changer in the hydrogen society**," which generated significant interest from the audience.



2023 Plans

As we transition into 2023, our commitment remains steadfast to our mission of promoting understanding of our revolutionary technologies. To this end, we have actively participated in, and have also planned engagements in several significant events, among others



NGV Technical Forum organized by the United States Department of Energy
(Downey, California, January 2023)

The International Engine Congress of VDI Wissensforum and ATZlive
(Baden-Baden, Germany, February/March 2023)

SIA International Conference: Hydrogen Internal Combustion Engines & Vehicles
(Orleans, France, March 2023)

Vienna Motor Symposium
(Vienna, Austria, April 2023)

Advanced Clean Transportation (ACT) Expo
(Anaheim, California, May 2023)

Heavy-Duty Diesel Sustainable Transport Symposium
(Gothenburg, Sweden, May 2023)

Hydrogen Technology Conference & Expo
(Houston, Texas, June 2023)

Aachen Colloquium Sustainable Mobility
(Aachen, Germany, October 2023)

GRI 2-28

Industry associations

Being an active member of our industry ecosystem and policy environment is important as we strive toward a cleaner future. Proactive engagement in industry associations helps us showcase our solutions and ensures our views are heard globally. Our membership in various associations facilitates and close collaboration with governments and international organizations, along with our participation in working groups and expert panels, contributes to the development of technical standards and regulations. We continued our **senior leadership roles on the Boards of Directors of industry associations** in many of our core markets, including NGVA Europe, NGV America, and the Canadian Natural Gas Vehicle Alliance. To further enhance our efforts in advancing hydrogen solutions, in 2022, **we joined prominent national and international NGOs**, including the Hydrogen Council, Hydrogen Europe, the Italian Hydrogen and Fuel Cell Association (H2IT), and The Canadian Hydrogen and Fuel Cell Association.



David M. Johnson, CEO, Westport, speaking at the Hydrogen Council CEO event in Washington, D.C., USA in June 2022.

HYDROGEN COUNCIL

In early 2022, we joined the Hydrogen Council, a global CEO-level advisory body providing a long-term vision of the important role of hydrogen technologies in an energy transition to cleaner solutions. We see this membership as a natural progression given our hydrogen-focused initiatives that include our HPDI technology, research, and partnerships, which all have the potential to play a key role in the hydrogen pathway toward decarbonizing the transportation sector.

“ We are thrilled to join the Hydrogen Council as a supporting member. The Hydrogen Council continues to boost global collaboration and work within the industry to scale up hydrogen solutions for cleaner transportation. We believe that green hydrogen in internal combustion engines and fuel cell vehicles will be key in decarbonizing transport. As a global leader in gaseous fuel solutions, we look forward to working with the Hydrogen Council to advance hydrogen’s role in the clean energy transition.”

David Johnson, CEO, Westport

NGVA EUROPE

The Natural & bio Gas Vehicle Association (NGVA Europe) is a European association that advocates for the use of natural and renewable gas as a transportation fuel. It was established in 2008, and its membership includes companies and national associations across the entire gas and vehicle manufacturing chain. NGVA Europe facilitates networking opportunities among interested parties to develop common positions and strategies for expanding the market for natural gas transportation systems. Additionally, it gathers, verifies, and disseminates accurate information on notable market developments.

HYDROGEN EUROPE

In 2022, we also joined Hydrogen Europe, which is a European association that advocates for the interests of the hydrogen industry and its stakeholders while endorsing hydrogen as a driver toward achieving a zero-emission society. Hydrogen Europe’s mission is, among others, to facilitate the adoption of clean hydrogen as an abundant and dependable energy carrier and raw material that can



Nadege Leclercq, Senior Director for Government Relations and Market Development, Westport, is Senior Vice President of the Board of Directors of NGVA Europe.

efficiently fuel Europe’s net-zero economy. Additionally, Hydrogen Europe acts as the unified voice of the European hydrogen industry via the collaborative efforts of its members at the European level, and it is an advocate for national, European, and international policies and initiatives that bolster the complete advancement of European and global hydrogen technologies and clean hydrogen markets.

THE CANADIAN HYDROGEN AND FUEL CELL ASSOCIATION (CHFCA)

We have become an executive member of The Canadian Hydrogen and Fuel Cell Association. CHFCA is a non-profit organization at the national level that encompasses various stakeholders, including industry, academia, and research agencies. Their primary goal is to promote the use of clean hydrogen and fuel cell technologies and products as a means of addressing the most pressing energy challenges facing our world.

L'ASSOCIAZIONE ITALIANA IDROGENO E CELLE A COMBUSTIBILE (H2IT)

Established in 2005, H2IT, which we joined in 2022, is an association that seeks to encourage the development of hydrogen production and utilization technologies and systems. Its primary objective has been to promote the establishment of hydrogen infrastructure, support sector stakeholders, and position Italy as a leader in the global market.

WORLD LPG ASSOCIATION

The WLPGA is the global voice of the LPG industry, promoting its use for a safer, cleaner, and more prosperous world. It represents over 300 companies from 125 countries along the LPG value chain and has Special Consultative Status with the United Nations. The WLPGA's Three Year Strategic Review for 2023-2025 focuses on "Solutions for

Sustainable Energy Transitions" and has four principal goals: Advocacy (ADV), Safety and Business Improvement (SBI), Innovation & Growth (IGO), and Communications & Awareness (COM).

LIQUID GAS EUROPE

Liquid Gas Europe is a group consisting of national LPG associations and major LPG suppliers, distributors, and equipment manufacturers. Liquid Gas Europe's mission is to establish LPG and renewable LPG as the preferred energy source in Europe, supporting EU policy goals. They focus on demonstrating the benefits of LPG, representing the industry in policy discussions, and collaborating with other industries to achieve clean air, decarbonization, and energy efficiency. Liquid Gas Europe is an active EU stakeholder, participating in consultations and cooperating with a wide range of partners.

THE ITALIAN ASSOCIATION OF THE AUTOMOTIVE INDUSTRY (ANFIA)

The Italian Association of the Automotive Industry, founded in 1912, is a prominent association representing the interests of its 430 associate members. It ensures effective communication between the Italian motor vehicle industry and the Public Administration and Italian political bodies on technical, economic, fiscal, legal, statistical, and quality-related issues in the automotive sector to create value for the industry.

GRI 3-1 GRI 3-2 GRI 3-3

Materiality assessment

To help us identify and gauge the ESG topics of greatest importance to Westport and our stakeholders, a formal stakeholder engagement process was completed in 2021 using the **“identify, prioritize, and validate” approach prescribed by the GRI**. To support prioritization, we also reviewed shortlisted topics against SASB criteria under the Auto Parts and Electrical & Electronic Equipment Standards. This process outlined our key material topics, which were subsequently used to build out our ESG strategy. Early in 2022, the topics were reviewed for relevance, considering factors such as changes to regulatory compliance. This type of review will take place annually.

IDENTIFICATION

We benchmarked ourselves against our peer group to understand the identified material topics in our industry, find relevant ESG frameworks and standards, and conduct a review of the regulatory landscape to identify emerging topics. Through this work, we identified and reviewed a list of topics relevant to Westport’s business and operating environment, identifying 20 significant topics out of a potential pool of over 100.

PRIORITIZATION

Utilizing internal and external stakeholder surveys (209 respondents) along with a review of customer-requested ESG surveys in addition to rating agency expectations, we assessed and prioritized each topic according to its level of significance to our stakeholders and the overall impact on Westport’s ability to deliver against its strategy. Through this work, we were able to narrow the list to 11 key topics.

VALIDATION

Following internal management workshops, our material topics include six priority topics that we give a greater focus on through concrete activities and plans to reduce our impact along with setting targets and required measurements. You can find the individual initiatives revolving around the defined focus areas throughout this report – see the ESG strategy on page [21] and relevant sections.

Each year, our various plants undergo several ESG assessments from the perspectives of customers, banks, and investors, amongst others. We listen to these requests and their scope to verify topics that are relevant to our stakeholders and address them appropriately in operations, measurements, and reporting. At this time, there are no significant changes in our material topics from the previous reporting period.

While our six priority ESG topics are at the heart of our ESG strategy and are the areas where we focus our efforts, the other significant ESG topics are managed in the normal course of our business.

PRIORITY ESG TOPICS

Environment

- Carbon footprint

Social

- Occupational health and safety
- Diversity, equity, and inclusion
- Responsible sourcing

Governance

- Human rights
- ESG governance

SIGNIFICANT ESG TOPICS

- Product innovation
- Product environmental profile
- Labor relations
- Product safety
- Ethics and compliance

“The goals of our business are perfectly aligned with sustainability from an environmental perspective. The next layer down is about how do we do that. And in this regard, our fundamental target is about continuous improvement in the way we run our plants, the way we treat our employees, and how we report on our efforts, providing more transparency to the marketplace. The path to reporting is different for every business, and we believe that it’s important to learn from experiences and mistakes. While it’s crucial to create a strong base, it’s also vital to strive for progress over perfection.”

David Johnson, CEO, Westport

Environment

Climate change is a global challenge. We understand that to lower worldwide emissions, time to act is now.

Our core principle of driving innovation toward a cleaner tomorrow encompasses protecting the environment. We remain dedicated to boosting our endeavors daily by utilizing research, innovation, technology, and products to advance **cleaner and more affordable transportation solutions**.

As we strive toward becoming environmental stewards, we recognize that **managing and reducing our own carbon footprint is a crucial component of our mission**. We stay committed to strategizing, overseeing, monitoring, and evaluating our progress in this field with the objective of continuously improving.



Decarbonizing transportation

As the world population and demand for goods increase, the transportation industry aims to provide cleaner, more efficient, and affordable transportation solutions. Currently, there are 1.5 billion vehicles on the road, and the industry produces close to 90 million new vehicles annually.

The challenge of decarbonizing the transportation sector, with its need to cost-effectively replace energy-dense fossil fuels while meeting the industry's demands, stands out as one of the most difficult aspects of decarbonization.

The United Nations 2022 Emissions Gap Report (EGR) states “the world is not on track to reach the Paris Agreement goals and global temperatures can reach 2.8°C by the end of the century.” The 2022 EGR further finds “the world must cut emissions by 45% to avoid global catastrophe.”¹

The transportation sector plays a crucial role in decarbonization efforts as it is responsible for

24% OF DIRECT CO₂ EMISSIONS

from fuel combustion and accounts for

10% OF GLOBAL GREENHOUSE GAS EMISSIONS.

In line with the Paris (COP21) and Glasgow (COP26) agreements, there is an urgent need to adopt transportation propulsion technologies that can effectively minimize CO₂ emissions within a shorter timeframe.

Industry drivers support the transition to future mobility. A sole focus on electrification overlooks the fact that the road to decarbonization involves a combination of solutions, including the use of alternative fuels and hybrids in the near term, and zero-emission technologies like battery electric vehicles (BEVs) and hydrogen-powered vehicles in the long term. Affordability, consumer acceptance, vehicle application, and geography will all play a role in determining the mix of solutions.

Decarbonization of the transportation industry can only move as fast as the ecosystem allows. With Westport's existing technology and manufacturing infrastructures, we are embarking on a path to hydrogen as the fuel of the future.

¹ UN Environment Programme (October 2022): Emissions Gap Report 2022.

Vital heavy-duty perspective

Reducing emissions in heavy-duty transport will not be a one-size-fits-all approach. Relying solely on electrification is unlikely to achieve the net-zero targets set for 2050. While **battery electric vehicles (BEVs)** have gained considerable attention, they are not suitable for all transportation segments. Heavy-duty commercial vehicles such as buses and trucks have relied on diesel engines for years due to their superior attributes in terms of power output, efficiency, reliability, durability, and lower total cost of ownership. Currently, BEVs face limitations in terms of range, battery size, refueling time, payload capacity, and charging infrastructure making them less favorable for heavier vehicle applications. In order to address these challenges and effectively support decarbonization efforts during this critical transition to a zero-carbon economy, **alternative fuels and hydrogen are essential**.²

CO₂ “savings” that result from using our systems

Westport products sold in 2022

reduced CO₂ emissions of 1,498,438 Tons of CO₂,

which is equivalent to:



Removing 459,067

gasoline-powered passenger vehicles from service



Preventing 638,343,732

liters of gasoline from being consumed

Source: <https://oee.nrcan.gc.ca/corporate/statistics/neud/dpa/calculator/ghg-calculator.cfm>

² Mumford, Baker & Munshi (January 2022): High Performance Hydrogen Engine Applications Using Westport's Commercially Available HPDI.



“Our products are already playing an important role in reducing carbon in transport and helping to make a clean and prosperous future possible for everyone. Already today, there are hundreds of thousands of vehicles operating on our engine management and fuel supply systems, fueled by lower carbon LPG, CNG, LNG, and by carbon-neutral bio-CNG and bio-LNG. These vehicles have avoided producing millions of tons of CO₂ equivalents and will continue to do so for years to come. Our systems are having a tangible impact on air quality improvement and carbon reduction now and in the foreseeable future when green hydrogen is used with our technologies.”

David Johnson, CEO, Westport

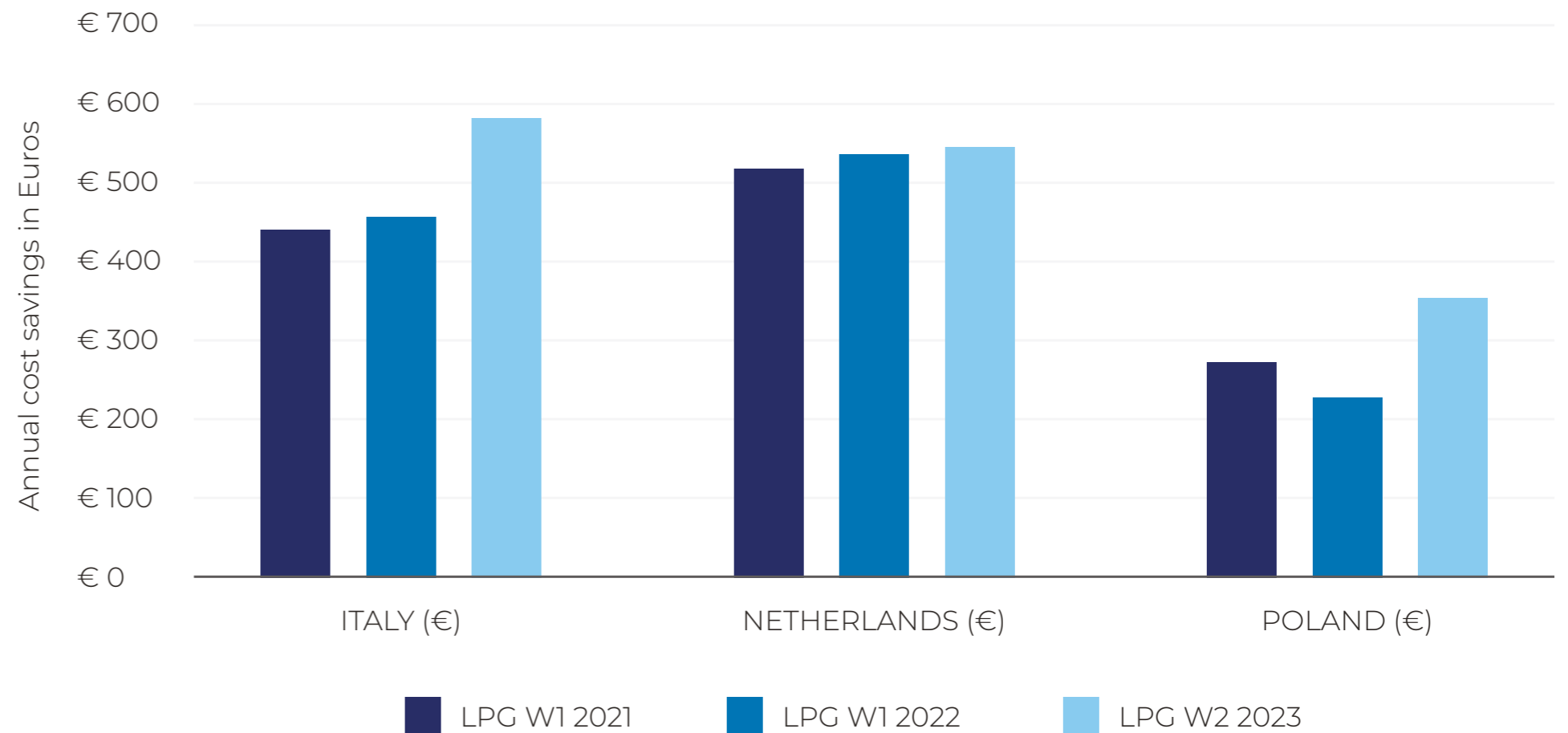
Sustainability is affordability

The need to move people and freight is driven by an increasing global economy – the world needs solutions that are clean, affordable, and scalable. **At Westport, our mission is to make clean and affordable transportation a reality for our customers and their customers worldwide.**

Our goal is to enable cars, trucks, and other heavy-duty off-road applications to run on cleaner fuels in a cost-effective manner. **Affordability is key to sustainability** as it drives adoption of cleaner products, helping us achieve sustainability objectives more rapidly. As a clean technology company, we are committed to reducing our reliance on fossil fuels such as diesel and gasoline and transitioning to cleaner alternatives like natural gas, biogas, and hydrogen in an affordable way. By doing so, we are playing a vital role in moving the world to a better future.

GRI 302-1 GRI 302-3 GRI 302-4 TR-AP-130a.1 RT-EE-130a.1
GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5
GRI 305-6 EM-MM-110a.2 EM-MM-110a.1

LPG ANNUAL SAVINGS 11.3 KM/YEAR - 13 KM/LT PETROL



Sources: IHS Markit; Team analysis, Global Petrol Prices.

A partnership in decarbonization

We acknowledge the importance of **collaboration** in achieving the world's ambitious emissions reduction goals and achieving net-zero targets. Our business model allows us to collaborate with numerous global manufacturers, aftermarket suppliers, and distributors, allowing top minds to work together as we continue the journey toward decarbonization.

In 2022, we achieved the following:

- Successfully demonstrated H₂ HPDI to a broad global audience of industry participants, OEMs, policymakers, and investors.
- Three projects underway with OEMs to evaluate our H₂ HPDI fuel system on their engine platforms.
- Awarded two programs to develop and supply LPG systems to a global OEM accommodating several Euro 6 and Euro 7 vehicle platforms.
- Collaborated with Johnson Matthey to develop an after-emissions treatment for H₂ HPDI.
- Expanded our global manufacturing footprint in China, supporting ongoing and future growth in hydrogen.

In 2021, we kicked off a **research project with Scania AB**, a world-leading provider of transport solutions. As part of this research, we were able to announce world-leading efficiency results for hydrogen-fueled internal combustion engines.

Utilizing our proficiency in gaseous fuels, we conducted **trials of hydrogen utilization** in the new Scania commercial vehicle internal combustion engine using our H₂ HPDI fuel system as a cost-competitive pathway to reduce CO₂ emissions from transportation. This advancement of our patented technology can provide an economic, competitive alternative to fuel cells while providing a similar greenhouse gas emission reduction profile.

Through our testing, we achieved

51.5% brake thermal efficiency,

significantly exceeding the long-targeted 50% threshold. Brake thermal efficiency is a measure of the fuel efficiency of internal combustion engines. **The higher the brake thermal efficiency, the lower the fuel consumption** and greenhouse gas emissions.

GRI 302-1 GRI 302-3 GRI 302-4 TR-AP-130a.1 RT-EE-130a.1
 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5
 GRI 305-6 EM-MM-110a.2 EM-MM-110a.1

GRI 3-3 GRI 306-1 GRI 306-2

Environmental management

Consistent with our strategy, we continue improving our ESG management approach to build a clear structure both at the local and global levels that is visible to our stakeholders, including internal management, employees, financial institutions, customers, and investors. **We continue to expand our ESG committees** to prove our commitment in this regard and ensure fluent and effective information flow.

To accomplish our goals, Westport has dedicated resources at the corporate level to provide guidance, oversight, and empowerment in a manner that recognizes our evolution from the amalgamation of different companies – each with its own unique commitment to environmental responsibility.

Thus, our management approach is always site specific. The corporate level provides a foundation, but **execution and implementation occurs at the site with clear responsibilities assigned to each country, site, and person.**

The aim is to have all the sites certified in the environmental scope with **ISO 14001** with the initial focus on sites in **Italy** and **Poland**, which are our the largest production sites.

Within our management system, monthly KPI meetings occur at the site level during which we track and govern safety measures. We also measure environmental KPI every three months, including energy, waste disposal, water, etc. With these measures, we define targets every year – e.g., within the certification program IATF.



2023 PRIORITIES

The focus area for 2023 is environmental management system advancement to close the gaps we have identified. The certification plans will drive the change through data collection mechanisms and continued commitment to regulatory compliance.

Environmental focus areas for 2023:

- Energy consumption
- Water consumption
- Fuel consumption
- Waste disposal and production

These focus areas are supported by continually evolving policies and procedures regarding environment, health and safety, conflict minerals, and our code of conduct for suppliers.

In 2023, our primary objective is to establish a robust and efficient organizational management framework at the corporate level, efficiently governing ESG matters in our operational plan. This framework will encompass various aspects, including safety, environmental issues, and overall quality, ensuring comprehensive coverage of important factors in our operations.

OUR CERTIFIED FACILITIES

While our baseline environmental performance standard is compliant with relevant international, national, and sub-national regulations, **we strive to go beyond minimum requirements.** To this end, all our primary production facilities are aiming to become certified.



Italy Westport Fuel Systems Italia S.r.l.

Vancouver Westport Fuel Systems Canada Inc.

India Rohan BRC Gas Equipment Private Limited

PREPARATION PHASE

Poland Stako sp. z o.o.

GRI 3-3

Our carbon footprint and environmental impact



Our commitment to decarbonizing the transportation sector is reflected in our ongoing initiatives to reduce our carbon footprint. **We take full responsibility for minimizing our environmental impact while providing clean transportation solutions.** Guided by our Environmental Policy, we uphold high standards to protect the environment and lead the way in mitigating the impacts of fuel system research, development, testing, manufacturing, and assembly. Going above and beyond mere regulatory compliance, **we have obtained ISO certification** and continuously strive for further improvements. We are dedicated to implementing a **Climate Action Plan**, aiming for net-zero GHG emissions and ensuring our disclosures align with the recommendations of the TCFD. See our Environmental Policy.

2022 PERFORMANCE

We recognize sustainability is a process, and we strive for continuous improvement. In 2022, we accomplished the following:

Scope 3 emissions measurement

Continuing the collaboration with S&P Global. After identifying Scope 1 and Scope 2 emissions, we started a project to measure our Scope 3 emissions (to be completed in 2Q 2023). Within the project with S&P Global, we will also calculate emission reductions targets using a sector relevant methodology set forth by the Science-Based Targets Initiative (SBTI). This is another advancement in building the core elements of the TCFD-recommended climate-related disclosures.

Gap analysis

Within the goal of advancing our environmental management system, we began verifying categories of information for which we have reliable and complete data while performing a gap analysis outlining missing data. We have identified a range of small projects that once completed will result in the availability of data and the ability to count impacts across the value chain. In Italy and in cooperation with an external provider, a project was started to gather ESG data from the suppliers.

Global Health, Safety, and Environment Committee

Our Global Safety Committee has become more mature in its operations and impactful throughout the organization. By sharing examples of good practices, along with information on incidents at our factories, we are raising awareness and building a stronger safety culture within our organization. Based on success seen in 2022, we have decided to widen the scope of responsibilities under this group to include environmental reporting in 2023.

EcoVadis

We participated in the EcoVadis assessment and were awarded a bronze-medal status for our sustainability commitment and results in 2022. This performance was better than or equal to the score of 50 percent of all rated companies.

Photovoltaic plant expansion in Poland

We have set mature investment plans for a photovoltaic plant expansion in Poland. We are now evaluating the costs and possibilities of expanding our solar panel system in Slupsk, Poland. The target is to cover the demand of approximately 30% of energy needs for the entire facility.

Small steps also matter

Following our small steps philosophy in 2022, we have implemented a range of small projects along various sites, among which were:

WASTE MANAGEMENT

Reducing the use of disposable packaging in the Netherlands and Poland.

At our sites in the Netherlands and Poland, **we have completely abandoned food and drink in plastic packaging**. The initiative involved heavy cross-cutting and even covered such areas as sweets for guests, bottled water, paper, and plastic cups for drinks. Instead, reusable cups and utensils were introduced, and our kitchens were equipped with dishwashers. Thus, at our facility in the Netherlands,



we avoided throwing 17,500 disposable cups

into the garbage, while in Poland positive results will be visible during 2023 since this change was introduced in the second half of 2022.

ENERGY MANAGEMENT

We reduced electricity consumption by installing **LED lighting** in both the Netherlands and Poland.



2023 PRIORITIES AND PERFORMANCE

Energy management initiatives planned for 2023

- Activate 'stand by' modes on all CNC machines in Brescia.
- Remove the eternit roof and install an insulation board, as well as the replacement of the glazing with honeycomb polycarbonate to increase thermal efficiency in the production buildings at the Cherasco plant.
- Conduct a feasibility study on energy recovery from engine testing processes at the Cherasco production facility.
- Reduce the bath temperature on tunnel washers to reduce thermal energy consumption at the production facility in Poland.

Investment plans for a photovoltaic plant expansion in Italy

We intend to conduct analyses at the Brescia production site for a photovoltaic plant in Italy. Analyses and discussions are currently underway with outside companies about the possibility of expanding the installation so that up to 10% of the total demand can be covered. Furthermore, a Feasibility Study has been prepared for the construction of a photovoltaic plant with the creation of a covered parking lot in Cherasco.

Decarbonization workshops

In 2Q of 2023, we plan to hold decarbonization workshops with external experts at the Brescia, Cherasco, and Słupsk production facilities to build action plans to reduce the carbon footprint in Scope 1 and Scope 2. Based on these plans, CO₂ reduction targets will be calculated and officially announced.

Reducing our footprint with alternative energy sources and collaborations

As we continually look to reduce our carbon footprint, many of our facilities are exploring alternative energy sources.

We are still exploring the possibility of connecting the power generated by the planned solar installation in Słupsk to a local renewable power and energy cooperative.



In Italy, we have integrated **solar energy** at our locations, and one location is capturing **methane** that would normally be released into the atmosphere to use it as a renewable energy source.



In the Netherlands, **we are generating more solar power than our facility requires**. We are transferring our knowledge and success with solar to our newly acquired facility in Poland.

The Słupsk Bioenergy Cluster links **20** participating businesses and city facilities, **40,000** electricity users, and **120,000** wastewater customers – all this is part of an innovative renewable energy-sharing and waste-recycling system.

This cluster involves multiple stakeholders who generate **green energy** and exchange it efficiently through local coordination by municipalities. By connecting to this system, we can use the excess energy produced during idle times to **contribute to the local community's needs**. This model demonstrates how organizations like Westport can play a role in the energy transition toward a cleaner world.

GRI 3-3 GRI 301-1 GRI 301-2 GRI 306-1 GRI 306-2 SASB: TR-AP-440b.2

Materials and waste management

As part of the ISO certifications, Westport plans to implement tools that will allow an uninterrupted collection of reliable information on materials used in manufacturing and packaging, as well as production and municipal waste.

Waste disposal and production is an environmental focus area for 2023.

Waste generated in manufacturing plants in Europe and Argentina

LOCATION	TOTAL AMOUNT OF WASTE [TONS]	RECYCLED [TONS]	% RECYCLED
Argentina	235.72	-	0.0%
Netherlands	34.43	24.14	70.1%
Italy	1,250.11	298.43	23.9%
Poland	26,887.75	24,977.31	92.9%
Sweden	1.24	0.27	21.8%
Total	28,409.25	25,300.15	89.1%

2022 performance

Westport is committed to taking responsibility and contributing to the transition toward a low-carbon energy future. Along with delivering clean transportation solutions to our customers, our focus on reducing our carbon footprint is a natural step in our efforts to reduce GHG emissions.

Our efforts include reducing our emission footprint through initiatives like integrating **solar energy** to meet our electricity needs (refer to page [56]). We aim to progress toward an economy that is primarily powered by low-carbon energy sources.



*Our production facilities in Poland, Italy, and the Netherlands generate energy from on-site solar – **3.0%** of energy consumed in 2022 was coming from renewables (on-site solar).*

Along with our Environmental Policy, Westport ensures the responsible use of energy and other resources in its operations and strives to be an environmentally responsible neighbor in the communities where we operate.

GHG EMISSIONS (TONS CO₂-EQUIVALENT)

In 2022, we saw an increase in **Scope 1** direct emissions. Compared to 2021, there was a 14.7% increase in Scope 1 emissions. The reason for the increase in the Scope 1 index is also related to the increased return of employees to stationary formula work after the COVID-19 pandemic.

In the **Scope 2** emissions, we recorded a decrease of 7.0% compared to 2021, thus close to pre-2020 levels.

We succeeded in reducing emissions at our production facilities in **Poland** and **Italy** (by 4.5% and 11.2%, respectively), which are the most significant in the Scope 2 calculation. The Polish plant (like most plants in Poland) must use electricity from coal-fired power plants. The production facility in Italy, however, is the most electricity-intensive, which, with an average CO₂ emission factor, makes it one of the two largest emitters in the group.

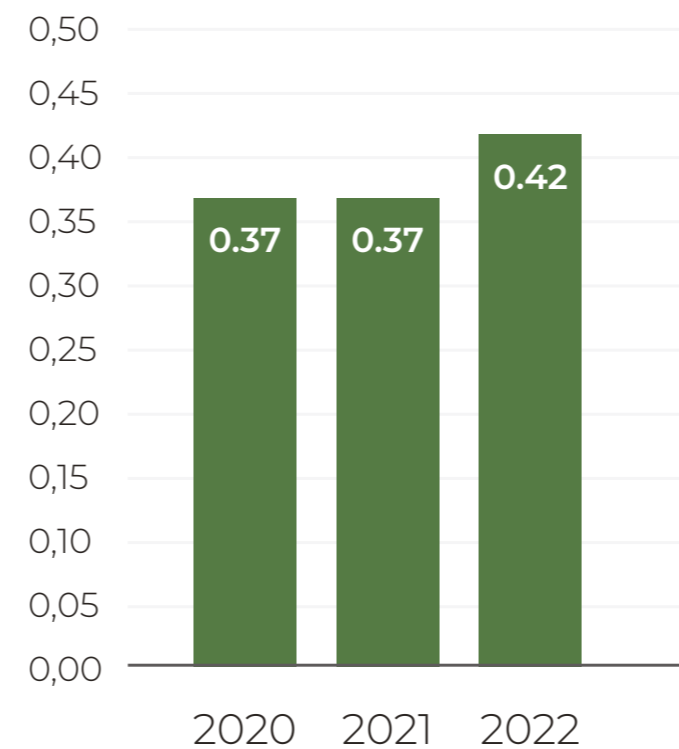
	2020	2021	2022	% CHANGE 2021-2022
Total Scope 1 direct emissions	2,690.33	3,534.07	4,054.87	14.7%
Total Scope 2 indirect emissions	5,028.26	5,428.45	5,050.42	-7.0%
Total GHG impact	7,718.59	8,962.52	9,105.29	1.6%

1. The IEA emission factors used in Scope 2 emission calculations were: (a) 2020 – re-stated and re-calculated using IEA emission factors (2017, 2018), (b) 2021 – stated with IEA emission factors (2019); and (c) 2022 – stated with IEA emission factors (2020).
2. According to the IEA's reported CO₂ emission factors, the countries in which Westport operates are reducing their emission factors yearly, which in turn results in lower indirect greenhouse gas emissions (Scope 2). Due to an increase in 2022 direct energy consumption (Scope 1) and a decrease in annual revenues, GHG intensity has increased. However, compared to 2019, the last year before the COVID-19 pandemic, a decrease in both direct and indirect energy consumption should be noted.
3. Westport's annual revenue between 2022 and 2021 decreased by 9%, energy consumption increased by 3.3%, and GHG emissions by 1.6%.
4. Our emission calculation methodology comprises were: (a) utilizing the tools provided by the GHG Protocol to calculate emissions from mobile combustion (Transport_Tool_v2_6) and stationary combustion (Stationary_combustion_tool_(Version4-1)) for our Scope 1 emissions and (b) country-specific emission factors published by the International Energy Agency (IEA) for our Scope 2 emissions.

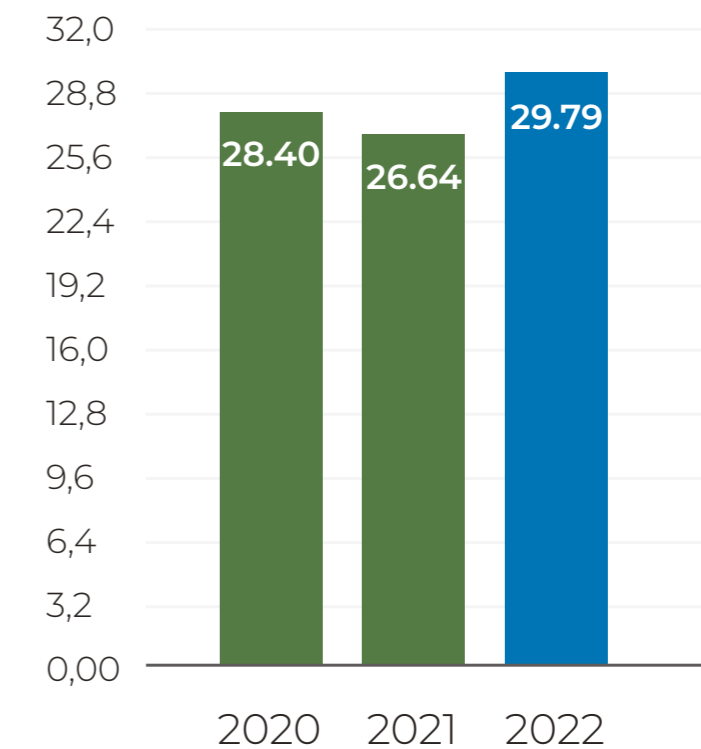
Between 2021 and 2022, our **annual revenue decreased by 9.1%**, but our total energy consumption increased by 3.3%, **which explains why our energy intensity and GHG emissions intensity have increased.**

Thus, there was a decrease in gross margin and gross margin percentage primarily due to lower production volumes and higher production costs incurred for materials, transportation, and energy caused by the global supply chain shortage, inflation, and labor costs. This was partially offset by a positive mix impact due to higher sales in the European market.

ENERGY INTENSITY
(thousand GJs energy consumed/\$M revenue)



GHG EMISSION INTENSITY
(tons of CO₂ emitted consumed/\$M revenue)



ENERGY CONSUMPTION

	2020	2021	2022	% CHANGE 2021-2022
Direct energy consumption (GJ)				
Natural Gas (NG)	41,049	55,261	57,014	3.2%
Liquified Natural Gas (LNG)	-	453	1,189	162.6%
Liquefied Petroleum Gas (LPG-Propane)	5,071	4,591	5,048	10.0%
Renewable Natural Gas (RNG-Methane)	74	42	34	-19.2%
On-site solar electricity	382	1,118	1,728	54.5%
Diesel	2,984	4,580	5,083	11.0%
Gasoline	1,714	2,074	1,927	-7.1%
Net direct consumption	51,274	68,120	71,997	5.7%
Indirect energy consumption (GJ)				
Purchased electricity	48,811	55,009	55,142	0.2%
Net indirect consumption	48,811	55,009	55,142	0.2%
Total energy consumption	100,084	123,129	127,140	3.3%
Total renewable energy consumption	382 0.38%	1,118 0.91%	1,728 1.36%	54.5%
Total non-renewable energy consumption	99,702 99.62%	122,011 99.09%	125,412 98.64%	2.8%

Our consumption of **NG**, which includes consumption data for CNG and city gas, in 2022 increased by 3.2% compared to 2021 and by 38.9% relative to 2020. Westport buildings, except for the Vancouver and Swedish facilities, are heated by gas. The Italian facility uses CNG-powered cars, which account for more than 99% of mobile CNG consumption, with a total of 609.4 GJ.

The reason for the increase in **LNG** consumption is the disclosure of all emissions from mobile sources in that year – previously, the production facility in Italy did not report LNG consumption.

Our stationary consumption of **LPG** decreased in 2022 compared to 2021 due to less required being by OID tests (testing of cars after installation of the system). However, there was an increase in LPG in mobile consumption in 2022 due to the purchase of new cars with LPG fuel systems. In addition, there was a reduction of the number of “remote” working days due to the easing of the COVID-19 emergency.

We consciously use the increasing amount of clean, **renewable solar energy** – 2022 resulted in a 54.5% increase in consumption.

Our stationary consumption of **gasoline** decreased by 7.1% in 2022 compared to 2021 due to less requests for tests on a roller bench or engine test room for petrol-powered vehicles/engines.

In 2022, **diesel** consumption increased by 11%. The manufacturing facility in India sometimes suffers power supply problems, requiring diesel use for heating.

Total energy consumed is 127,140 GJ with 71,997 GJ coming from direct consumption and 55,142 GJ from indirect consumption – purchased electricity (43.4% of total consumed energy). Approximately 1.4% was renewably generated.

There are currently **no energy purchases** with renewable energy certificates (RECs) and Guarantees of Origin (GOs).

Social

Our core purpose is to drive the advancement of a cleaner and more prosperous future for everyone, while **making a positive impact** on people's lives, communities, and the transportation sector. As we strive toward this goal, we are equally committed to fostering a **culture of safety** and promoting **diversity and inclusivity** in our workplace to prioritize the well-being of all our employees.

This responsibility also extends to our supply chain by ensuring our partners are aligned with our expectations as well as those of our customers – upholding the highest standards of safety and sustainability.



GRI 2-6 GRI 2-7 GRI 2-8 GRI 202-2 GRI 3-3 GRI 401-1 RT-EE-000.B GRI 404-1 GRI 404-2 GRI 404-3

Our global workforce

The majority of Westport's workforce consists of permanent, full-time direct employees who work for **40 hours a week**. Any other forms of employment arrangements are reserved for specific cases only, such as seasonal or temporary workers, students, or positions with unique requirements.

Our global workforce was on average **1,532 (direct employees)** and **1,824 individuals**, which includes direct employees, individuals contracted directly for twelve months or longer, and temporary or seasonal workers. This is compared to a previous year total workforce of 1,797 individuals. The table summarizes our total workforce, including new hire and turnover rates.

	NORTH AMERICA	LATIN AMERICA	EUROPE	ASIA PACIFIC	TOTAL
Total Workforce	235	90	1,372	127	1,824
Total Direct Employees	208	90	1,187	48	1,532
Employees: Males	79%	94%	64%	92%	68%
Employees: Females	21%	6%	36%	8%	32%
New Hires	9	0	66	1	77
New Hire Rate	4.37%	0%	5.59%	2.62%	5%
Total FTE (at December 31st)	220	88	1,194	100	1,602
Total Part-time (at December 31st)	1	0	49	0	50

Most employees are **hired locally** within greater regional areas or within similar countries. When hiring for C-suite or positions reporting directly to the C-suite (senior management) and any Vice President roles, we consider **qualified candidates from across the globe**.

However, exact quantitative data is currently unavailable. An approach to collecting additional information will be considered for future reporting.

Learning and development

At the heart of our competitive edge and sustainable growth are our employees. We have a diverse team of skilled engineers, manufacturing technicians, and business specialists from all over the world. We are dedicated to **supporting their professional growth and career aspirations**.

Generally, four categories of trainings are offered in Westport to our employees:

- Occupational Health and Safety
- Leadership
- Functional Skills/Competence Development
- Individual Development needs-based

Where possible, we also listen to the needs of our employees or unions to tailor the process bottom-up or top-down.

White-collar employee trainings are conducted based on annual training plans, which are tailored to the business unit's needs, the competencies matrix, and individual development plans.

Blue-collar employee trainings are based on technical and functional requirements, along with compliance with statutory regulations for minimum training hours. Additionally, blue-collar workers are provided with opportunities to rotate to different positions and acquire new competencies.

The total number of training hours for our direct employees decreased to 11,646 hours in 2022. An average of

 **7.60** hours per employee

Compared to 12,131 hours. An average of

 **7.88** hours per person in 2021.

On Executive Leadership development: Westport Ways of Working

We continued our initiatives to the next phase our Executive Leadership Development in 2022 – leadership assessments and development planning using the strategic leadership profile composed of **seven leadership behaviors** that were identified in the previous phase (2021).

In 2022, the focus was on **building self-awareness, identifying strengths and development areas, and creating an individual development action plan** for all direct reports of the CEO. This was accomplished through a **360-degree feedback & Executive coaching program** facilitated by our external knowledge partner. Each leader had an Executive coach assigned to debrief on the confidential feedback report and facilitate identifying and planning an action plan for development goals. To strengthen the collaboration within the global teams and develop a unified culture, the PACE framework was co-created by the Executive team to articulate the ways of working and collaborating effectively across the company.

“PACE” MEANS:



for **Push** for clarity



for take **Accountability**



for engage in **Courageous** conversations



for **Engage** the team

The PACE framework will serve as a tool to guide employees in the direction of one company culture.

GRI 3-3 GRI 405-1 TC-SI-330a.3

Diversity, equality, and inclusion (DE&I)

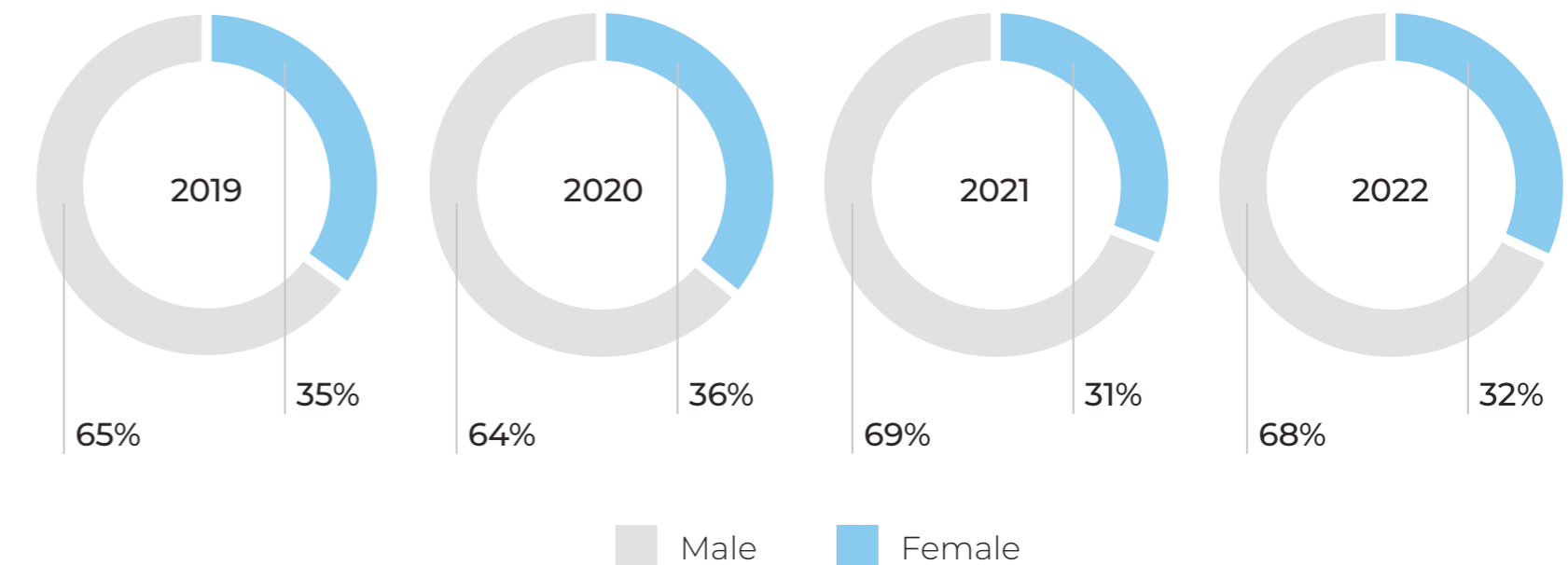
Encouraging a diverse and inclusive culture is essential to our success as it fosters the exchange of different perspectives and innovative problem-solving, and enriches our discussions, leading to a broader understanding of customers from various markets and enhancing our overall business performance. **We acknowledge that the best talent seeks a work environment where differences – whether cultural or opinion-based – are respected and valued.**

Our global Diversity Policy sets out our stance on diversity and provides guidelines for promoting diversity and inclusion across our organization, starting with the Board of Directors. The policy stipulates that all employees must be treated with fairness and respect; follow a zero tolerance for discrimination, bullying, or harassment in the workplace; and comply with our Code of Conduct and Respectful Workplace Policy.

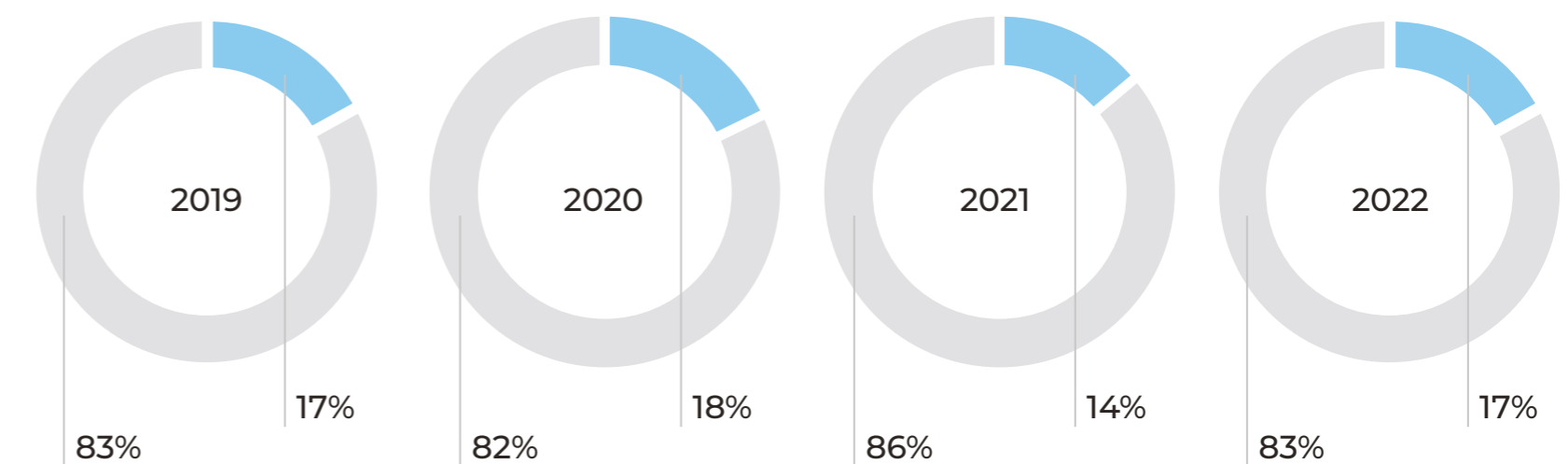
To improve **gender balance**, we will actively seek diverse candidates from a variety of backgrounds that are represented and available in the talent pool from which we hire, based on job specifications and our DE&I objectives. Management decisions in terms of compensation, learning and development, and career advancement are continuously based on meritocracy, while giving due consideration from a DE&I standpoint. We will promote and support a workplace that is **respectful, fair, and inclusive** for all our employees.

Following the Diversity Policy, the Nomination and Corporate Governance Committee of the Board periodically evaluates the size and composition of the Board to ensure it reflects a **diverse mix of knowledge, experience, education, skills, gender, age, ethnicity, and geographic location** to meet our Board diversity targets.

WORKFORCE GENDER DIVERSITY



MANAGEMENT GENDER DIVERSITY



2022 PERFORMANCE

Label of Excellence: After institutional visits and evaluations, our Italian facilities have been awarded the "Label of Excellence" by the Piedmont region for its commitment to promoting and ensuring the gender equality and the well-being of its employees, recognizing it as one of the top companies meeting the relevant requirements. The program is a pilot initiative with a plan to widen it globally across the Westport organization in the following years.

The Bloomberg Gender-Equality Index: To better understand how we compare to our peers in gender equality, in 2022, we underwent the Bloomberg Gender-Equality Index (GEI) assessment for the second time. Our actions have produced favorable outcomes as reflected in an increased score compared to the previous year.

2023 PRIORITIES AND PERFORMANCE

Create DE&I awareness in the organization: To enhance our commitment to DE&I principles, in 2023, one of our primary objectives is to conduct awareness trainings throughout the entire organization. The program is currently being designed, and surveys will be conducted to determine the starting point and plan the necessary steps. Our ultimate goal is to develop a global project based on best practices from Europe and extend them throughout the Westport organization, with certifications where feasible. The goal is to train 100% of our workforce in 2023.

Drive gender equality in compensation treatment: We focus on 'equality' in all positions and strive to provide fair and equitable treatment in compensation for comparable roles across our organization. We are currently in the process of mapping our pay data to ensure that we have the necessary information to address any existing or potential inequities in the future. Furthermore, our efforts will prioritize providing equal employment and advancement opportunities for all individuals, regardless of their education level, age, gender, or disabilities. Our goal is to develop a set of guidelines for fair and equitable compensation treatment.

Push for equitable employment and advancement opportunities for all: Based on Education, Generation, Gender and Differently Abled.

Support effective flexible work arrangements: As practically possible, our goal is to promote and support an engaged, motivated, and productive workforce, through appropriate work arrangements, including hybrid work models, based on the nature and demands of various roles in the Westport organization.

GRI 2-20 GRI 2-21 GRI 202-1

Equality in compensation treatment

The principal rule at Westport is to ensure **equitable compensation** at the market median level for all positions, throughout different Market Segments/Global Functions, and subject to affordability. We provide competitive levels of compensation that meet or exceed local minimum wage requirements.

To ensure that our remuneration level helps **recruit, motivate, and retain our employees**, we are currently mapping detailed numerical data to assess and address the issue in an effective manner. Competitive wages and benefit programs may vary according to country or location, but the general principle is a guiding principle.

For remuneration policies for our highest governance body, see page [89] of this report and our [2023 Management Information Circular](#).

BENEFITS

Providing appropriate benefits to employees is needed to align with market practices, promote wellness, and help for retirement planning. This is why **we provide a variety of benefits to our employees, which are discretionary and company funded**. The scope depends, for example, on location, position, and the tenure of employment. The most common benefits are:



Full health coverage and insurance



Additional health plans with additional checkups for special category of employees



Short-term incentive bonus plans subject to local goals and KPIs



Long-term incentive / bonus programs



Regular annual assessments



Individual development plans



Retirement plans with employer contributions

DE&I and well-being initiatives and principles

RETURN FROM MATERNITY LEAVE AND FLEXIBILITY

We have introduced a program aimed at supporting new mothers returning to work. The program offers flexible working hours, allowing mothers returning from maternity leave to **work reduced hours while receiving full pay**. The program was implemented as an adaptation to the rules in our Italian facility where it is legally required. Furthermore, the program provides the **flexibility of remote, hybrid, or fixed work arrangements**.

We offer white-collar employees at Westport **flexible working hours**, including flexible start and lunch times. We also provide a range of flexible working arrangements, such as **hybrid** and **remote work**, depending on individual preferences and work requirements. In 2023, we aim to promote and support flexible work arrangements as practically feasible.



SCHOLARSHIPS

Since 2022, Westport Italy (our biggest facility) has been providing **annual scholarships to support the children of our employees who are pursuing degrees in STEM fields at public universities**. These scholarships cover the full cost of tuition for one year. We have plans to expand and develop this and similar programs in the future as part of our commitment to supporting regional equal opportunity committees.

In 2023, we joined a new initiative organized with local authorities in Italy to **promote and encourage girls to pursue technical degrees at universities**. We also fund scholarships for participants. The goal of this plan is to increase the number of female students in technical fields and help them overcome any barriers or challenges they may face. We believe

that **promoting gender diversity** in technical fields will benefit not only our organization but also contribute to a more equitable and diverse society. We are committed to supporting and **empowering girls** and women in pursuing technical education and careers, and we are excited to see the positive impact this plan will have in the years to come.



MULTI-CULTURAL POTLUCK

In our Vancouver facility, where we have a high percentage of employees from diverse nationalities, we recently organized a lunch event where employees were encouraged to bring food from their respective cultures. The event was a huge success with **36 different types of food shared, representing 22 different regions around the world**. We take pride in our diverse community and the event provided a great opportunity for employees to build relationships, learn about different cultural backgrounds, and come together for the first time after a challenging period due to the pandemic.

ANNUAL WORLD OF WHEELS

Also at our Vancouver plant, the third-largest facility in our global organization, we recently hosted the "World of Wheels" event. The aim of this gathering was for our employees to exhibit their unique vehicles, including cars, motorcycles, vespas, bicycles, and more. **Over 50% of our Vancouver-based staff members took part in this event**, which provided a much-needed social occasion after a prolonged period of remote and hybrid work. It was a wonderful opportunity for our employees to come together and enjoy each other's company.



GRI 3-3 GRI 403-1 to 10, RR-FC-320a.1

Occupational health and safety

At Westport, we hold the belief that all workplace injuries can be prevented, and we have continued to **enhance our safety programs** by utilizing a combination of workplace training for hazard recognition, workplace inspections, and thorough investigations whenever a workplace incident occurs. Each site focuses on **ensuring compliance with safety-related regulations**, which can differ across the world, while aiming to exceed these standards. To encourage a culture of safety, employees are urged to report any safety concerns to their supervisors, managers, or safety committee members, when applicable.

In 2022, we took the following steps to establish a consistent approach to **health and safety**, with the aim of continually enhancing our performance in this area:



GLOBAL HEALTH AND SAFETY POLICY

We worked on our **Health and Safety Group Policy**. This policy will serve to align all of our jurisdictions with our expectations for health and safety performance.



GLOBAL HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

Under the leadership and direction of our vice president of Engineering and executive vice president of Operations, this committee continues as a platform to facilitate collaboration and encourage dialogue about workplace best practices in health safety, with a focus on continual improvement in our safety performance. **Standardized health and safety metrics** are now being used across all our sites to synchronize reporting and support best-in-industry safety performance.



Certification plans

Our goal is to obtain **ISO 45001** certifications for our occupational health and safety systems. We aim to have all our sites certified within the next **two years**, with a focus on the largest production sites in Italy (Brescia and Cherasco) and Poland.

Building a culture of safety

WESTPORT'S FIRST ANNUAL SAFETY WEEK

In early 2022, we launched the **Westport's first Global Safety Week** in tandem with the North American Occupational Safety and Health (NAOSH) week. This will be **an annual event** and has already taken place in 2023. The intent was to remind our workforce, through an email campaign, about easy, simple things that can be done every day at work and at home to **improve personal safety** as well as the safety of our co-workers, family members, and the general public.

The inaugural message reminded employees about the importance to "Take Two" minutes to identify potential hazards prior to starting tasks and ensuring that effective corrective actions can be implemented to **mitigate the risk of injury or incident**.

Other messages during the week-long campaign focused on **recognizing the risks in everyday activities**, workplace support for good mental health, and the importance of being prepared for emergency situations like extreme weather, medical emergencies, fire, spills, and earthquakes.



Occupational health and safety management system

All our operating sites have occupational **health and safety management systems** specific to each site, which comply with jurisdictional requirements at a minimum and often exceed them based on the level of health and safety risk present. All those systems apply to both **employees and workers who are not employees but whose work is controlled by the organization**. Importantly, **privacy and confidentiality** are maintained through all reporting mechanisms. We are seeking ISO 45001 certifications, which covers occupational health and safety management systems to be implemented in most of our sites by 2025.

In addition, each of our entities has a formal **health and safety policy** that outlines the procedures for identifying occupational health and safety risks, reporting work-related hazards and dangerous situations, as well as investigating incidents and near-misses.

Joint Health and Safety Committee

We have established a formal **joint health and safety committee (JHSC)** at most of our sites to promote occupational health and safety among our workforce, including employees, contractors, and temporary workers. These committees consist of both management and employee representatives who work together to address health and safety needs and provide consultation and communication on related matters. **97.98%** of our workforce (including employees, contractors, and temporary workers) are covered by a formal, site-based JHSC.

JHSC are **not required** for remote workers and those who work in offices with fewer than 20 employees. In these cases, we have processes in place to support direct communication between employees and management to address any occupational health and safety concerns.

Occupational health and safety risks

We manage the prevention and reduction of occupational health and safety risks in our operations through our **occupational health and safety management system and JHSCs**. Furthermore, in locations where JHSC is not available, we manage the prevention and reduction of occupational health and safety risks in our operations through workplace risk assessments, regular workplace inspections, incident investigations, and comprehensive training.

OHS training

Annual training on a variety of occupational health and safety topics occurs **throughout the organization**, including during employee onboarding and throughout their role. More frequent or specialized training is available for roles which are identified as higher-risk roles to occupational health and safety hazards. **The cost of all employee training is paid for by Westport** and during paid working hours.

2022 performance

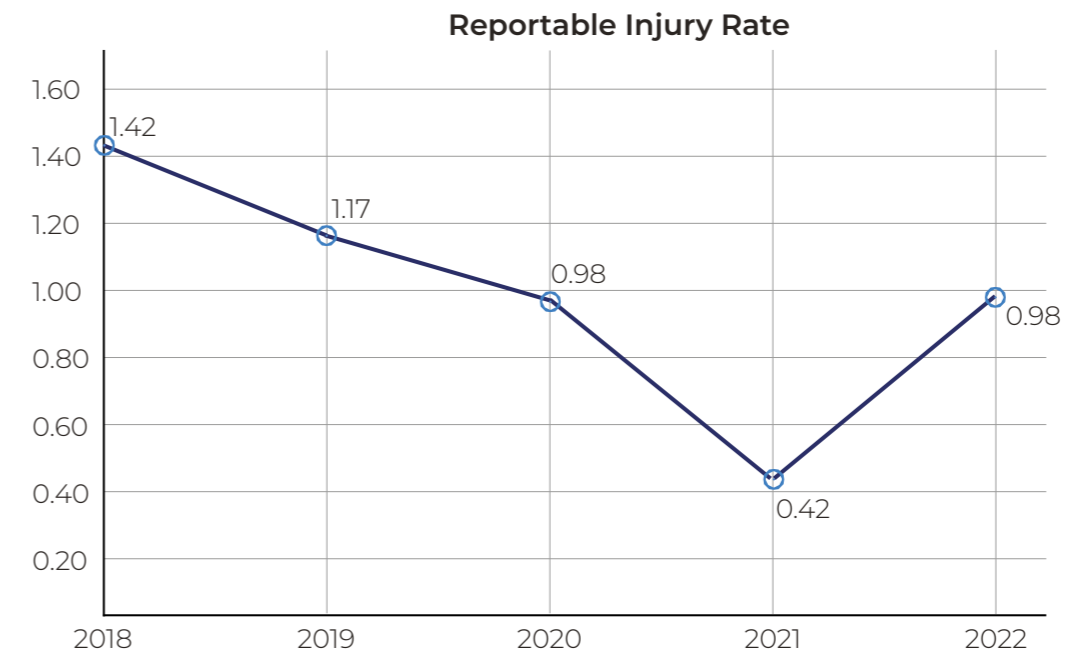
BY PROACTIVELY IDENTIFYING AND MANAGING RISKS, REVIEWING LEADING PRACTICES, AND INTEGRATING LESSONS LEARNED INTO OUR HEALTH AND SAFETY PLANNING, WE AIM FOR INCIDENT-FREE OPERATIONS.

With approximately **1,532 employees**, reportable injuries increased, from **7** in 2021 to **15** in 2022, and our recordable injury rate (RIR) increased, from **0.42** in 2021 to **0.98** in 2022.

In 2022, the method of estimating total hours worked **was changed** based on the average **number of direct employees**, excluding direct contracts and a third party. The increase in injuries and the lower value of hours worked led to a significant rate increase.

The reason for the increase in the injury rate index may also be related to the increased return of employees to stationary formula work **after the COVID-19** pandemic.

There were no fatalities in 2022. Out of **3,064,833.33** total hours worked in 2022, there were **15** reportable injuries. Based on **200,000** annualized working hours, the total recordable injury frequency rate was **0.98**. Of these **15** reported injuries, **9** occurred at our Italian facility, **4** at our Polish facility, and one each at the India and Vancouver facilities. All of our other **5** facilities had no Lost Time Injury (LTI). In 2022, there were no related accidents resulting in property damage. The injuries described above resulted in a total of **222** Lost Time Days, of which **139** were in Italy and **83** in Poland.



Work-related injuries are not currently tracked for workers who are not direct employees. As we improve and standardize our approach, we will consider disclosing this data in future reporting.

In 2022 WFS initiated a **Global Health, Safety & Environment group**, comprised of the individuals responsible for HSE at each WFS facility, plus the executives responsible for Global Operations and Global Engineering. The initial focus of this group has been information-sharing between sites, including lessons learned and root causes. This group noted the increase in lost-time incidents in 2022 vs. 2021, and has shared lessons learned and root causes for the 2022 incidents (lost-time incidents plus near-misses).

As part of Westport's continued commitment to health and safety, we are continuing to consolidate our site-specific safety management activities into a formalized corporate safety program. Within our company-wide safety program we will standardize HSE incident reporting company-wide, including tracking and reporting safety incidents by type and cause, so that we can target mitigating actions at the areas of highest need, and can better identify best practices in safety that we can share with our global workforce.

Ergonomics improvement



During 2022, we initiated a project aimed at **enhancing labor ergonomics at our plants** located in Poland and Argentina. To accomplish this goal, we conducted training sessions where a group of a dozen individuals acquired **knowledge about the methods of assessing ergonomics**. Following the training, we established four working groups who conducted ergonomics audits using appropriate methods and created reports that included suggestions for improvement.

AS A RESULT OF THIS PROJECT, WE IMPLEMENTED VARIOUS SOLUTIONS THAT LED TO AN ENHANCED LEVEL OF COMFORT FOR BOTH PRODUCTION AND OFFICE EMPLOYEES.

Society

We believe that creating a better future involves not only internal actions but also extends to **external initiatives** that have a positive impact on society and the environment. Therefore, we and our employees **actively support and organize various charitable initiatives** aimed at addressing social concerns and promoting a better world. We understand the significance of our actions and the impact they can have on the world around us, which is why we take this responsibility seriously.

Support for Ukraine



In response to the outbreak of war in Ukraine in early 2022, our company took part in various **charitable initiatives**. We sponsored a 500km+ **ultra cycling marathon** for firefighters in Ukraine, which aimed to collect and donate medical supplies, food, and basic household chemicals. Additionally, we joined an action to help those affected by the war in Ukraine.

One of our production facilities is located in **Poland**, a country that plays an important role in the context of diplomacy and humanitarian aid. This action was carried out in collaboration with the entire Westport group and had an international character. Funds were transferred with the assistance of the humanitarian organization UNICEF. As part of the voluntary action, employees directly donated funds to the **UNICEF** account, and the company's management made a matching contribution.

Supporting diversity



WE COLLABORATE WITH SUPPLIERS WHO PROVIDE EMPLOYMENT OPPORTUNITIES TO PEOPLE WITH DISABILITIES TO SUPPORT THEIR LIVELIHOOD AND PROMOTE INCLUSIVITY IN THE WORKFORCE.

Furthermore, in 2022, we communicated to all stakeholders in our supply chain to emphasize our commitment to ethical and sustainable business practices that are inclusive and supportive of diversity. We shared our **Diversity Policy** as an attachment and asked our suppliers to complete a questionnaire confirming their alignment with the identified values, including our Diversity Policy.

United Way Campaign



Many of our Canadian employees actively participated in an **annual United Way workplace fundraising campaign**, which provides employees with the option to donate to United Way via one-time financial contributions or via recurring payroll deductions.



This non-profit organization works **to support millions of people** across all age groups, including children, youth, seniors, and those facing social issues such as poverty, mental health, and food insecurity.

GRI 2-29

Cooperation with the local communities

Our commitment is to make a positive impact on the **local communities** where we operate, which includes creating employment opportunities and striving to minimize any resulting negative impacts. As part of this commitment, we **actively listen to the feedback** we receive from the community.

In February 2022, we received a noise complaint regarding our Vancouver plant. We immediately reached out to the individual who reported the issue and were able to efficiently address and resolve the problem. It is worth noting that this was the only complaint we received about our activities throughout 2022 regarding our operations all over the world.

GRI 2-6 GRI 2-24 GRI 204-1 GRI 3-3 SASB: TR-AP-440a.1 / SASB: RT-EE-440a.1

Responsible sourcing

OUR SUPPLIERS ARE CRUCIAL PARTNERS IN DELIVERING OUR INNOVATIVE TRANSPORTATION SOLUTIONS FOR A CLEANER WORLD.

The supply chain issues that reverberated around the world as a result of the COVID-19 pandemic and last year connected with the conflict in Ukraine impacted nearly every industry including our own, resulting in shortages, delays, and increased scrutiny on responsible sourcing. The nefarious elements related to human rights are now exposed to a heightened degree. As ESG becomes a principal focus for many organizations, our customers are scrutinizing their supply chains to ensure they have as much visibility as possible on the provenance of the goods they are purchasing.



As a priority topic identified in our materiality assessment, in part because of the extent to which we purchase inputs for our final products, we recognized the need to do more work on the responsible sourcing front. In 2022, supported by management, we reached out to all our suppliers to embed part of our ESG efforts also into our supply chain operations.

Responsible sourcing

The following is a summary of our 2022 achievements and our priorities for 2023 toward strengthening our responsible sourcing activities and our expectations of suppliers.

+900 SUPPLIERS OF MATERIALS

71% OF BUDGET SPENT ON LOCAL SUPPLIERS,

WITH
100% IN POLAND

AND
>85% IN CHERASCO AND EINDHOVEN.

MANUFACTURING FACILITY LOCATION	TOTAL SPEND IN 2022 (CUSTOMS FREE) (EURO)	% OF SPEND WITHOUT CUSTOM DUTY
Brescia	13,807,401	61.34%
Cherasco	65,800,823	85.04%
Eindhoven	9,667,522	86.23%
HPDI	9,852,340	28.35%
Slupsk	14,590,957	100.00%
TOTAL (only local suppliers)	113,719,043	71%

MANUFACTURING FACILITY LOCATION	TOTAL SPEND IN 2022 (EURO)	TOTAL SPEND WITH COUNTRY SUPPLIERS (EURO)	% OF SPEND WITH SUPPLIER FROM THE COUNTRY WHERE PRODUCTION PLANT IS BASED
Brescia	22,510,868	13,236,826	59%
Cherasco	77,378,457	61,615,008	80%
Eindhoven	11,211,291	5,560,799	50%
HPDI	34,749,315	9,563,557	28%
Slupsk	14,590,956	3,168,094	22%
Total spend	160,440,887	93,144,284	

2022 PERFORMANCE 1/2

We conducted a ESG supplier survey

to spread Westport commitment to a culture of integrity, ethical, and sustainable business practices to our suppliers, along with asking them to confirm commitment to our values and deploy effective corporate governance and policies. The survey contained such issues as anti-corruption, Code of Conduct, diversity, whistleblowing, and human rights. We circulated the survey in December 2022 to all our suppliers as a first step.

We revised our Terms and Conditions and supplier contracts

in the Capex and material scope to include ESG language, criteria, and expectations, ensuring these expectations would also be embedded into third-party contracts. In the next step, these experiences will be extended also to services.

We implemented a unified policy applying ESG criteria

to purchasing with the reference point being our Code of Conduct.

We updated our supplier manual

for additional reporting requirements.

We updated our supplier portal

including the Responsible Minerals Initiative (RMI) template on conflict minerals that facilitates the transfer of information through the supply chain regarding a mineral's country of origin and the smelters and refiners being utilized.

2022 PERFORMANCE 2/2

We increased engagement with more functions across the organization

that have limited involvement in purchasing and sourcing to understand the training requirements that are needed to fully execute changes. We worked with our employees to increase awareness and accuracy of conflict minerals reporting requirements.

We have obtained REACH certification

to identify to customers that we have good materials management in place and are in compliance with the REACH requirements and regulations for each chemical we import, use, or manufacture in our European Union plants.

Our Human Rights Policy

gained maturity.



2023 PRIORITIES AND PERFORMANCE:

- Evaluate the ESG supplier survey to plan the next necessary steps in implementing ESG into our supply chain.
- Unify supplier quality manual to integrate Code of Conduct and ESG expectations across our supply base.
- Further improve our overall sustainability management systems, which were recognized by EcoVadis and other ratings.

Strengthening our 3TG minerals supply chain

TO ENSURE RESPONSIBLE SOURCING,

we support industry efforts to prevent conflict minerals from entering our supply chain and protect victims of armed conflict in the Democratic Republic of Congo (DRC) and surrounding countries.

Tin, tungsten, tantalum, and gold (3TG) minerals used in automotive vehicles and parts are considered conflict minerals because they're commonly mined in the DRC.

EACH YEAR, WE PERFORM DUE DILIGENCE

to determine whether any products we make or buy contain 3TG minerals and file a report confirming our compliance with the U.S. Securities and Exchange Commission's (SEC) conflict minerals rule.

TO ENHANCE OUR EFFORTS,

we plan to launch enhanced due diligence initiatives, leveraging publicly available data and materials to determine if there are any reported or presumed infractions linked to our existing and potential suppliers. We also aim to include ESG-related terms and conditions in our supplier contracts.

WE CONTINUE TO SUPPORT EFFORTS

such as the Automotive Industry Action Group's 2020 to all companies in the automotive supply chain to achieve a transparent, conflict-free mineral supply chain for the industry. We also work with suppliers to increase awareness and accuracy of conflict minerals reporting requirements, and through our alignment with the Responsible Minerals Initiative (RMI, formerly the Conflict-Free Sourcing Initiative), we recommend compliance tools and back cross-industry efforts to identify and validate conflict-free smelters and refiners.

TO STRENGTHEN OUR APPROACH TO RESPONSIBLE SOURCING, WE INTEND TO:

- Continuously improve our conflict minerals reporting.
- Unify supplier quality manual to integrate Code of Conduct and ESG expectations across our supply base.
- Improve due diligence within our suppliers' smelters, leveraging support from the RMI.

Connecting ESG performance to corporate financial health

64.2%

ESG assessment conducted by RINA



Westport Italia is a subsidiary of Westport in Italy. In 2022, an ESG assessment was conducted by RINA, which is an independent entity that offers certification and conformity assessment services to public and private organizations that are committed to sustainability, environmental protection, and the fight against climate change.

The ESG assessment was carried out through a scoring method, weighted on the applicable business sector and based on a consolidated set of **Global Reporting Initiative** (GRI) indicators.



The overall score of **64.2%** assigned to Westport Italia was deemed to be at a level where UniCredit issued refinancing at a lower rate of interest on the condition of mutually agreed upon ESG covenants and corresponding KPIs.

Although many would agree that organizations with **strong ESG performance** tend to have lower risk, the link to financial performance is not always apparent to stakeholders. In this case, however, it is clear that our ESG performance is recognized not only by regulators, customers, and other stakeholders but also by financial institutions, who reward businesses like Westport with a lower cost of capital. This allows us to grow our business, provide value to our stakeholders, and continue to drive a cleaner, more prosperous tomorrow for all.

Governance

Creating a culture of integrity is only possible when strong and effective governance is in place. At Westport, good governance has two aspects: internal and external. First, we want to manage our companies in a transparent and fair way, with no place for malpractice, abuse of power, or discrimination. Second, as a publicly listed company, we want to be a reliable business partner and member of the capital market. We do not tolerate any unfair business practices, such as corruption, unfair competition, insider trading, or money laundering.

By protecting the rights of individuals, managing risk, and consistently demonstrating ethical and responsible behavior, we establish trust among our stakeholders as we build a culture of integrity and a dynamic, successful, ethical, and sustainable business that is in line with our values.

<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 
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GRI 2-9 GRI 2-10 GRI 2-11 GRI 405-1 TC-SI-330a.3

Corporate governance

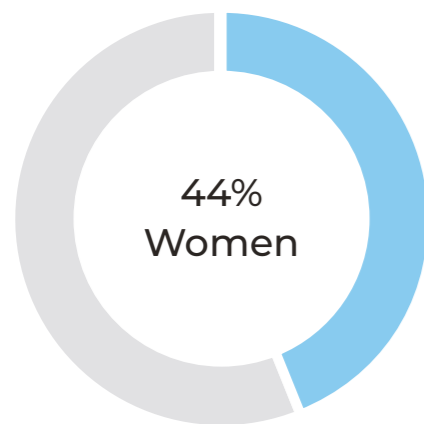
Every day, our collective commitment toward the values of integrity, respect, and perseverance is reflected in our actions. With their vast experience, our Board of Directors and its Standing Committees establish the **practices and responsibilities that help the company achieve its goals and maximize sustainable shareholder value while considering our responsibilities** as a good corporate citizen to all stakeholders.

Elected by Westport shareholders, the Board of Directors is responsible for overseeing the business and affairs of our company. **Governance policies and practices are consistent with our values, sustainability, and various rules and requirements** applicable to our business.

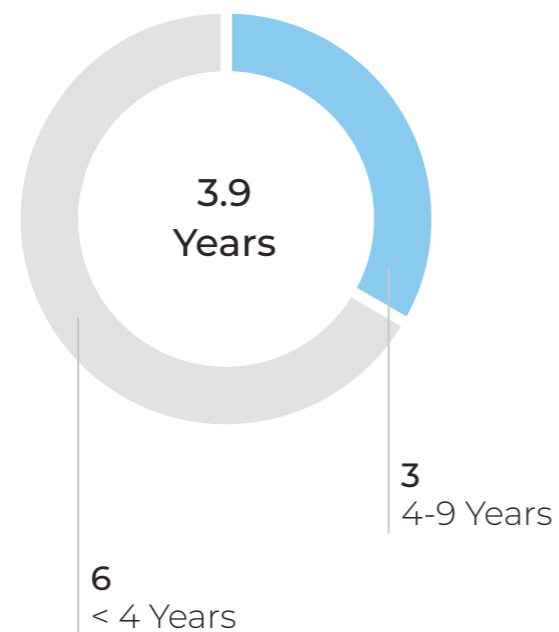
Westport's current Chair of the Board of Directors is **Mr. Daniel Hancock**, who has been an independent Director since 2017.

Board at a glance

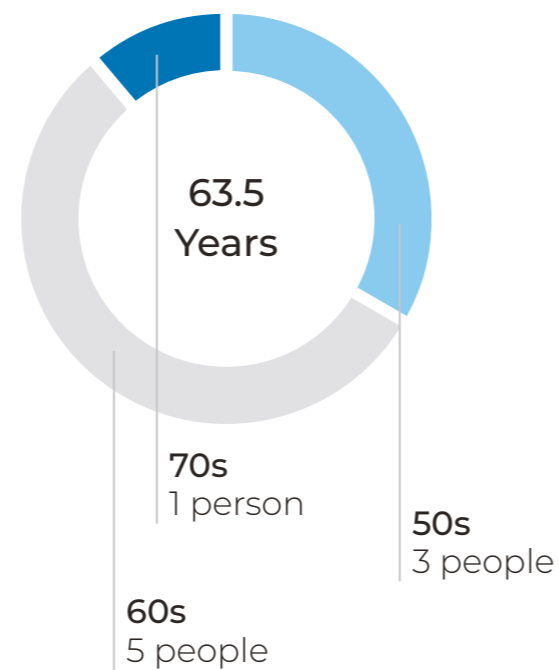
GENDER DIVERSITY



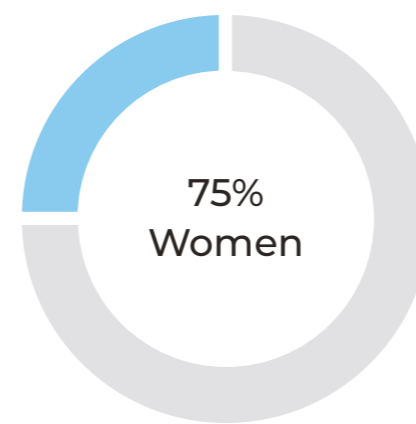
AVEREGE TENURE



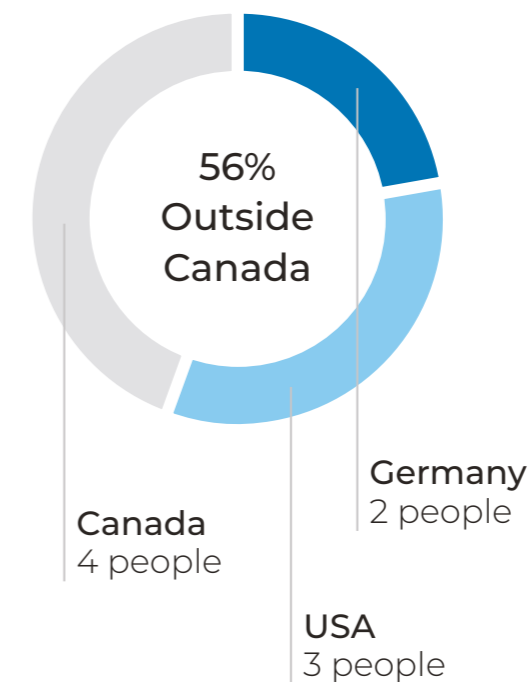
AVERAGE AGE



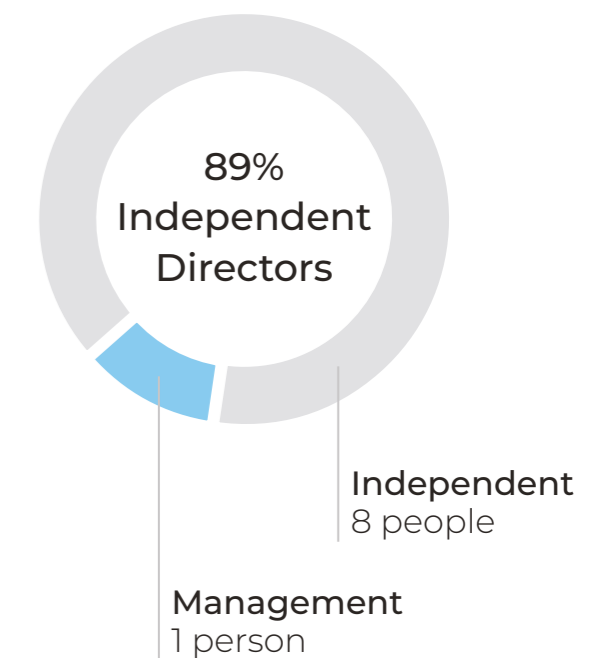
COMMITTEE CHAIRS



NATIONALITY



INDEPENDENCE



Board tenure

Directors are individually nominated and elected annually at Westport Annual General Meeting of Shareholders. Since 2020, five new Board members have been appointed. As of March 6, 2023, no Director has served for more than 10 years, with the average tenure being 3.9 years as of December 31, 2022.

Westport has not established term limits for members of our Board of Directors, however, we are committed to renewing Board membership on a measured basis. **A review and assessment of our Board of Directors is conducted annually, and Westport periodically reviews and rotates Board Chair and Committee Chair positions to ensure diversity of views.**

89%

of directors are independent

44%

female director representation, exceeding the Diversity Policy's 30% minimum and meeting the target commitment for three consecutive years

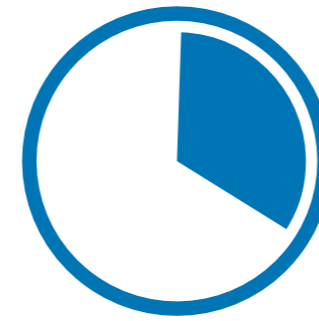


GRI 2-9 GRI 2-10 GRI 2-12 GRI 2-17

Board skill diversity

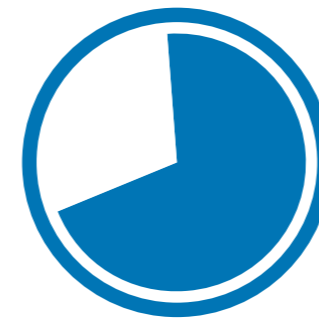
Directors must have an appropriate mix of skills, knowledge, and experience in business, along with an understanding of the industry and the geographical areas in which the corporation operates. **The corporation maintains a skills matrix** to identify those areas which are necessary for the Board to carry out its mandate effectively and to determine the appropriate mix of Directors on each of the standing committees. The Nominating and Corporate Governance Committee reviews the matrix annually to confirm it continues to reflect the most relevant skills, experience, and competencies.

Our Directors have a strong set of skills and expertise in many areas. While individual Directors may have significant experience in multiple areas, for the purpose of simplicity, the following table identifies only the top five primary areas of expertise as self-assessed by each nominated Director. The Nominating and Corporate Governance Committee coordinates and oversees an annual self-evaluation process with the Board of Directors.



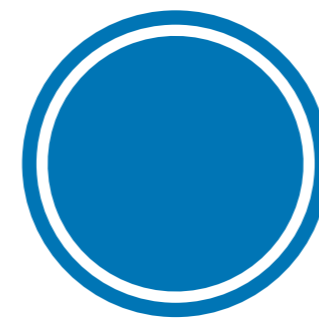
1 - COMPETENT

Having requisite or adequate ability



2 - PROFICIENT

Depth of understanding of discipline and area of practice; a thorough competence derived from training and practice



3 - EXPERT

A person who has a comprehensive and authoritative knowledge of or skill in a particular area

Director skills matrix

AREAS OF EXPERTISE

ACCOUNTING / AUDIT / FINANCIAL EXPERTISE

Ability to critically read and analyze financial statements, knowledge of accounting and financial disclosure and reporting processes

CAPITAL MARKETS

Work experience involving extensive exposure to public capital markets and institutional investors (including financing and funding activities)

C-SUITE LEADERSHIP

Experience as a CEO or executive management position for a large publicly listed or large private organization

DIGITAL, TECHNOLOGY, AND INFORMATION SECURITY

Experience in digital technology tools and oversight of information security (including cybersecurity and privacy) and technology risk management programs

ENGINEERING EXPERIENCE

Experience involving development and implementation of technology strategies including product development, technology/product portfolio management, and R&D

GLOBAL EXPERIENCE

Management or executive experience in a multi-national organization, understanding of the challenges faced in different cultural, political, or regulatory environments

GOVERNANCE / BOARD

Understanding the requirements of good corporate governance, dynamics, and operations of a corporate board and the legal and regulatory landscape

MERGERS AND ACQUISITIONS

Experience in mergers, acquisitions, integrations, or other business combinations

MICHELE
BUCHIGNANI

BRENDA
EPRILE

RITA
FORST

ANTHONY
GUGLIELMIN

DANIEL.
HANCOCK

PHILIP
HODGE

DAVID
JOHNSON

KARL-VIKTOR
SCHALLER

EILEEN
WHEATMAN



Director skills matrix

AREAS OF EXPERTISE

MANUFACTURING EXPERIENCE

Experience with direct operations, including operational optimization and direct responsibilities for workplace health, safety, environment and financial disclosure, and reporting processes

MARKETING / SALES / BRAND MANAGEMENT

Management or executive experience involving the marketing, sales, and branding of products

REGULATORY AND LEGAL

Experience in regulatory, legal, and public policy matters including government relations

RELEVANT INDUSTRY EXPERIENCE

Management or executive experience or relevant education in the company's core industry for understanding of the company's markets, strategy, risk management, and operations

RISK MANAGEMENT

Knowledge of and experience with internal risk controls, risk assessments, and reporting

STRATEGIC PLANNING AND EXECUTION

Experience with identifying value creation opportunities and development and implementation of business growth and optimization strategies

SUSTAINABILITY / ESG

Experience with and responsibility for sustainable business practices, including environmental impacts and assessment and analysis of sustainability metrics

TALENT MANAGEMENT AND COMPENSATION

Experience in leadership continuity, succession planning, diversity and inclusion, compensation programs, and management of compensation-related risks

MICHELE
BUCHIGNANI

BRENDA
EPRILE

RITA
FORST

ANTHONY
GUGLIELMIN

DANIEL
HANCOCK

PHILIP
HODGE

DAVID
JOHNSON

KARL-VIKTOR
SCHALLER

EILEEN
WHEATMAN



Strategic planning oversight

The Board and executive management dedicate **at least one Board meeting per year to strategic planning to discuss emerging trends, the competitive environment, risk issues including cybersecurity and corporate social responsibility initiatives**, and any significant business issues and product portfolio adjustments within the context of the corporation's strategic direction. Strategic, financial, and capital plans are developed by executive management and reviewed by the Board for alignment of resource allocation and risk appetite before approval.

During the year, the Board monitors executive management's progress and receives regular updates from the CEO and other members of the Executive Management team on strategic developments and performance against the strategic plan, including the oversight of amendments in light of any new market, regulatory, or competitive conditions.

Succession planning

Our Board periodically evaluates Board succession processes to ensure Directors with strong and diverse experiences can be attracted and selected for future Board seats.

Moreover, our Board actively monitors our management **succession plans** and receives regular updates on human capital management matters. At least annually, the Board reviews senior management succession and development plans.

1/YEAR

strategic planning Board meeting



GRI 2-12 GRI 2-14 GRI 2-15 GRI 2-19

Role and responsibility of the Board

A strong ESG strategy and performance requires an **effective and accountable governance structure and process**. Our experienced nine-member Board is committed to nurturing and fostering Westport long-term and ongoing commitment to **environmental stewardship and sustainability for the creation of long-term shareholder value**, as well as effective corporate governance and strong leadership to support our strategy. Responsibilities include oversight of the adequacy of management systems to identify and manage ESG-related matters, including **climate strategy and associated risks and opportunities**; oversight of climate-related responsibilities; adoption of appropriate ESG standards; the tracking, monitoring, and disclosure of the company's ESG performance; and incorporating ESG considerations into the development of strategies for the company.

The Audit Committee has primary responsibility for oversight over the adequacy and effectiveness of the reporting systems and related internal controls, which were developed and implemented by management in connection with disclosures relating to ESG matters and other non-financial data included in Westport ESG Reports.

THE BOARD HAS RESPONSIBILITY FOR THE FOLLOWING MATTERS:

- 

executive leadership and oversight



legal and regulatory compliance
- 

corporate communications



strategic plan
- 

risk management and internal controls



annual operating plan and budget
- 

corporate governance



financing activities
- 

oversight of corporate culture



execution compensation
- 

sustainability and ESG



major acquisitions and divestitures
- 

diversity and inclusion

The Board of Directors ensures proper risk management systems are in place to monitor the integrity of internal controls and critical information systems. Our full Board is responsible for risk oversight and has designated committees for oversight of certain key risks. The Audit Committee has the responsibility to review the effectiveness of systems pertaining to financial reporting. Our Board oversees management as it fulfills its responsibilities for the assessment and mitigation of risks and for taking appropriate actions.

Decisions of the Board and stakeholder engagement

Typically, matters before the Board are decided by a **majority vote of the Directors present at the meeting**, provided that the minimum quorum is met. Notwithstanding the previous sentence, the approval of any annual capital and operating budget(s) requires the approval of no less than **two-thirds of the members of the Board**.

Consultation between external stakeholders and the Board of Directors occurs both formally and informally **each year**. In addition, institutional holders and analysts can discuss ESG topics with leadership during quarter results conference calls, at investor conferences, and during scheduled sessions.

Conflict of interest

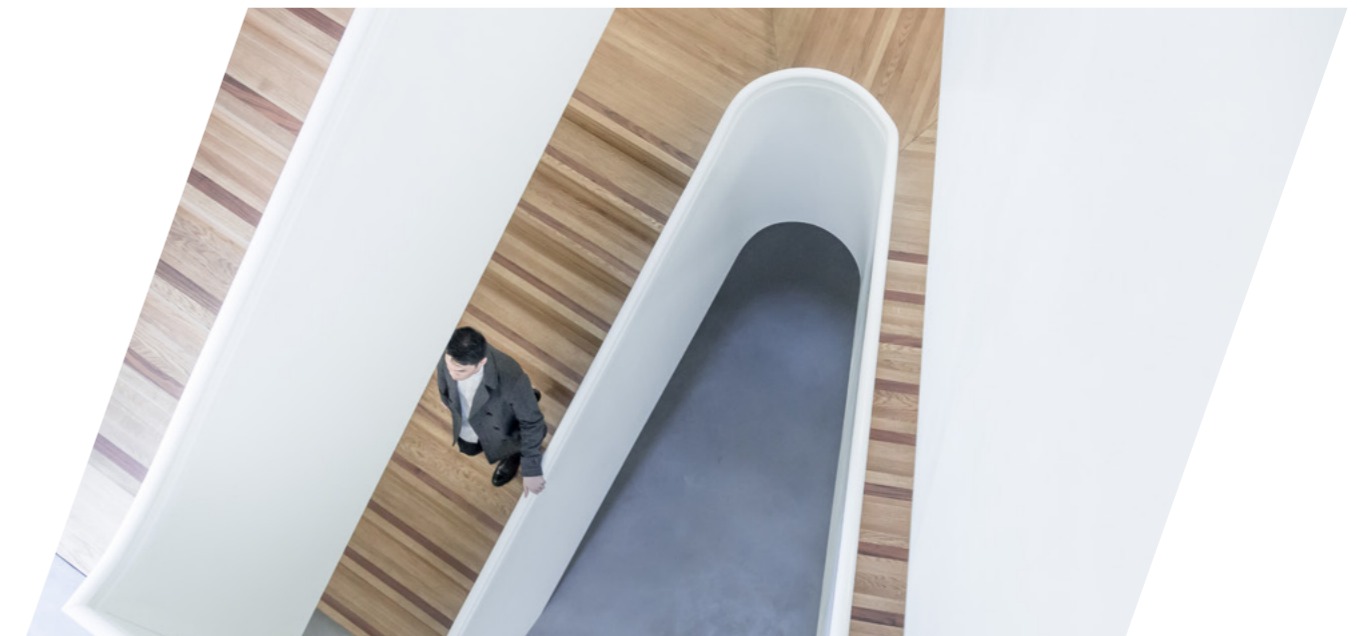
Directors must avoid conflicts of interest and even the appearance of a conflict of interest. The nature and intent of this conflicting interest will be noted in the minutes of the meeting of the Board. A Director who discloses a conflict of interest must refrain from taking part in any discussions or voting on any resolution in this matter. If a significant and persistent conflict exists and cannot be resolved, **the Director should immediately submit their resignation to the Board Chair for consideration by the Board.** Directors must maintain strict confidentiality about all Westport matters. Decisions must be made in good faith and with the long-term interests of Westport and its shareholders in mind. **A Director may not use his or her position** as a Director to make a profit on any transaction even if Westport did not participate in the transaction.

Our Code of Conduct addresses processes and policies for avoiding and managing conflicts of interest.

Conflicts of interest are disclosed for current Directors in each year's Annual Information Form and for all Directors up for nomination in our Management Information Circular.

2/3

of the members of the Board is required for the approval of the budget



GRI 2-19

Remuneration



THE BOARD ALSO ENCOURAGES DIRECTORS TO HOLD A SIGNIFICANT OWNERSHIP STAKE IN WESTPORT.

In 2022, the Board increased the minimum number of shares required to be held by non-employee Directors. According to the share ownership guidelines applicable to all non-employee Directors, each Director must acquire Common Shares or Units worth at least five times their annual cash retainer within a five-year period. All non-employee Directors had their five-year acquisition period reset due to the new share ownership requirement.

For further details, see the 2023 Management Information Circular

THE BOARD OF DIRECTORS' COMPENSATION STRUCTURE AIMS TO ATTRACT AND RETAIN HIGHLY SKILLED AND EXPERIENCED DIRECTORS,

which is crucial for the long-term success of the company. To achieve this, Directors must receive competitive and reasonable compensation. The Board has established that the compensation of Directors should be in line with that of comparable corporations, taking into account the required time commitment, responsibilities, and market trends in Director compensation. The HRC Committee, which is responsible for this matter, evaluates the time and effort needed to be an effective Director and considers external compensation consultants' advice and relevant market data to make recommendations to the Board.



GRI 2-9 GRI 2-13 GRI 2-14 GRI 2-17 GRI 2-24

Board committee composition

All Board committees are composed entirely of independent Directors, and each has a written charter that is reviewed and reassessed annually by the NCG Committee and posted on our website.

The Board has delegated specific responsibilities to each of its four committees. **Our Board Committee Charters were updated in 2022 to embed ESG responsibilities for all committees. Any responsibility not delegated to one or more of its committees remains with the Board of Directors.**

AUDIT COMMITTEE

- Oversight of Westport accounting and financial reporting processes and audits of its financial statements
- Compliance with legal and regulatory requirements and the promotion of legal and ethical conduct
- Oversight of risk identification assessment and risk management processes and the design, implementation, and operation of an effective system of internal control over financial reporting by Westport management, including climate-related and social risks
- Recommend to the Board of Directors the approval of the audited annual financial statements and related MD&A
- **Oversight of compliance with our Code of Ethics**
- **Reviewing and assessing the adequacy of the reporting systems and related internal controls relating to ESG matters**

HUMAN RESOURCES AND COMPENSATION COMMITTEE

- Primary responsibility for establishing Westport compensation philosophy and principles, including designing, developing, and overseeing the operation of Westport executive compensation program
- Responsible for executive oversight, including goal setting and performance evaluation for the CEO (working with the Board Chair)
- Executive succession planning and review of the corporation's talent development (working with the CEO) and Director compensation
- **Ensuring appropriate mitigation of compensation and talent risk, through review and approval of our compensation policies and practices**
- **Oversight of diversity and inclusion policies and human capital management, including diversity, equity, and inclusion initiatives**

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

- Primary responsibility of establishing and monitoring Westport corporate governance practices, including assessing the effectiveness of the Board of Directors, the standing committees and individual Directors, evaluating and recommending the appointment of Directors, succession planning, and reviewing and organizing ongoing Director education, as well as overseeing legal and regulatory compliance and shareholder engagement
- **Oversight of the principal policies that guide our overall corporate governance**
- **Reviewing and assessing corporate governance issues and policies including ESG-related matters**

TECHNICAL AND PRODUCT STRATEGY COMMITTEE

- Oversight of responsibilities with respect to Westport technology and product planning activities in order to inform and support Westport overall business strategy
- Reviewing and monitoring specific industry and other trends that could have a significant impact on Westport technology, product, and overall business strategies
- Assessing the scope and quality of Westport technology strategies, intellectual property, and product portfolio along with reporting to the Board on how such matters impact the development and implementation of Westport overall business strategy
- **Making recommendations to the Board for how to approach mitigation of risk or capture identified opportunities**

More information about our governance practices can be found in our 2023 Management Information Circular and on our website.

GRI 2-17 GRI 2-18 GRI 2-20

Among our governance practices:

- The Board must have a **majority of independent Directors**. As of the date of this report, all Directors except our CEO are considered to be independent.
- Any new appointees or nominees to the Board of Directors must have a demonstrated commitment to **high personal and professional integrity and ethical standards**, a favorable record of accomplishment in general business management, and special expertise in areas of strategic interest to our organization.
- If a nominated Director fails to achieve a majority of votes for their appointment in an uncontested election at AGM, that nominated Director is required to submit their resignation to the Board Chair **in accordance with Westport Fuel Systems Majority Voting Policy**.
- Annual election of Directors including our fourth annual "say-on-pay" vote was held at April 6, 2023. Our most recent vote, held at the 2022 AGM, resulted in **88.46% of voted shares in favor of the resolution accepting our approach to executive compensation**. Although there were no substantive changes to our executive compensation structure in 2022, in keeping with governance trends and in the interest of soliciting shareholders feedback, we continue to offer an annual "say-on-pay" advisory vote.
- Directors participate in continuous learning activities as part of the company's **Continuing Education Program**, which is overseen by the NCG Committee. Continuing education covers a range of topics including best practices in corporate governance, latest business and product information, cybersecurity, data privacy, and ESG matters. During 2022, **all Directors attended the education sessions provided**.
- In addition to continuing education topics addressed within a regular board meeting, at least **two separate education sessions are scheduled within a year**. During 2022, all Directors attended the education sessions provided by the Corporation.
- Westport Fuel Systems has established an **annual evaluation process** for the Board, each Board Standing Committee, and each Board member which is overseen by the NCG Committee.

[GRI 205-1](#) [GRI 416](#) [GRI 2-23](#) [GRI 3-3](#)

Enterprise risk management

At Westport, we place a significant emphasis on **prioritizing risk management and continuously improving in this area** to effectively address emerging risks that may affect our business. This has been an **important part** of Westport ESG strategy. This is why our Board and its Standing Committees play a key role in oversight of our risk culture, setting the “tone at the top” and holding management accountable for its maintenance of high ethical standards and mitigation of risks and for taking appropriate actions.

Our risk ownership culture is ingrained in our **three lines of defense approach**, with functional business units owning their respective risks based on our risk matrix. This matrix is **revisited annually** and incorporates a valuation process to prioritize risks.

By adopting a comprehensive approach to risk identification, we aim to gain a **deeper understanding of our vulnerability to potential losses** and enhance our ability to effectively prepare, respond, and mitigate any disruptive incidents that could affect our business continuity.

Please see "Risk Factors" in our Annual Information Form for 2022 (page 19).



Customer health and safety

The executive-level **Product Safety and Compliance Committee**, formed in 2020, is responsible for oversight of product safety- and compliance-related risk assessments, risk acceptance, and risk mitigation efforts, as well as proactive measures associated with Westport products and services, throughout the company, and sold or otherwise provided to third-party customers.



Additional risk management activities in 2022 included:



WE CONDUCTED A PRELIMINARY GLOBAL COUNTRY RISK ASSESSMENT

in early 2022 to support our understanding of risks related to countries in which we conduct business and to **determine any additional mitigation actions which require implementation**. Our process started with the completion of a summary analysis to prioritize the timing of potential future individual country risk assessments. In addition, we maintain an Internal Controls over Financial Reporting (ICFR) Program which confirms the design and operating effectiveness of internal controls on an annual basis.



GLOBAL RISK MATRIX HAS CONTINUED TO BE EMBEDDED THROUGHOUT THE ORGANIZATION

– to continue driving a culture of risk ownership, a **global risk matrix** was developed to define the severity of risks using various criteria, assessing probabilities, and determining the velocities of those risks. This matrix enables consistent evaluation of risks, which are subsequently consolidated and presented to the Board level on a quarterly basis.



CONTINUOUS RISK MANAGEMENT EDUCATION

– multiple discussions and group meetings were held to align all business unit leaders to **consistently evaluate our risks** using the same approach and criteria.

GRI 418 GRI 3-3

Cyber and information security



Data security is a **critical issue for both us and our customers**. The continuous development of IT tools, their universal and wide-ranging application, both in our products and in everyday work, brings with it many potential risks and dangers. Cybercriminals are using increasingly innovative and sophisticated ways to access our data, which **makes building our cyber resilience an ongoing process**.

IN 2022, WE CONTINUED TO WORK WITHIN THE MANAGEMENT TASK FORCE ESTABLISHED IN 2020, WHICH RESULTED IN SEVERAL CYBERSECURITY INITIATIVES, INCLUDING:

- **Completion of our IT disaster recovery initiative** for the whole organization, together with testing exercise for core mission critical systems.
- **Completion of the process of creating replication sites** for all locations.
- **Introduction of outsourced Security Operation Centers (SOC)** in some of our sites (with the rest to come in 2023), including SIEM (Security Information and Event Management), SOAR (Security Orchestration, Automation, and Response) and SUMO Logic (Real-Time Reporting) – implementation of SOC will allow us to secure, investigate, and respond to any threats and further learn from such situations and ensure compliance.
- **Further progress in building organizational cybersecurity culture** through trainings, quarterly e-mail campaigns, informative templates, etc. (the 2022 completion rate was 85%). No tool, not even the best one, can provide full security if the human factor is missing. Thus, at Westport Fuel Systems, we focus on education because we know that, at the end of the day, it is the vigilance of our employees that protects us best. We concentrate our training on practical and up-to-date topics, adapting the content to a changing reality. In 2022, our training concerned inter alia protection against phishing, security practices during travelling, remote work, connecting to public wi-fi, and how to deal with suspicious e-mail.

Protection of customers' data and privacy at Westport Fuel Systems

During our day-to-day business, we work with a **huge amount of data coming from our customers**, directly or through our brands' websites. **We take the utmost care to protect them** by, among other things, encryption, restricted access to customers data, and providing our employees with safe tools and platforms for exchange of information.

Moreover, **we protect our customers' privacy and internal data by following data protection regulations**. In our European locations, our cybersecurity team regularly works with local HR and stakeholders to ensure compliance with GDPR. We constantly monitor our digital public presence and adjust and update our privacy protocols and procedures when necessary. **In 2022, we engaged an external advisor** to help us assess our compliance with data protection regulations (mostly GDPR in EU) and identify potential gaps in our processes, procedures, and protocols. We are currently in the process of analyzing the results obtained and implementing appropriate solutions.

In 2022, we received

0 **SUBSTANTIATED COMPLAINTS**

concerning breaches of **customer privacy**. **We also did not identify** any leaks, thefts, or losses of customer data.



Plans for 2023

In 2023, we plan to focus even more on training initiatives – our goal is to achieve

100% rate of completion among employees.

We plan to work further on the newest developments and updates in our business technology, including protection of passwords, VPN Global protect, device trust enforcement, e-mail security, and mobile device management.

We will continue with certification processes (ISO27001, ISO9001, ISO21434, and IATF 16949) and meeting our customers' cybersecurity requirements.

As a response to growing demand from our customers, 2023 will be also dedicated to expanding Westport Fuel Systems' Cybersecurity Framework and Security Operations Center tools to Operational Technology (OT) and Electronic Control Units (ECU) environments. This means focusing on the following areas:

OPERATIONAL TECHNOLOGY



Manufacturing automation equipment, programmable logic controllers



Supervisory control data acquisition devices, internal/external connectivity to production environment



Smart devices and sensors (network connectivity)

ECU CUSTOMER TECHNOLOGY



In-vehicle ECU connectivity to internal/external networks



Customer and/or vehicle data collection



Remote vehicle diagnostics

GRI 2-23 GRI 2-24 GRI 2-25 GRI 2-26 GRI 3-3 GRI 205-1 RT-EE-510a.1

Business ethics

CODE OF CONDUCT (CC)

Over the past few years – with 2022 not being an exception – **we have worked hard to develop, update, and fully distribute our Code of Conduct**, so everyone in our organization and beyond can become familiar with it. Our values of integrity, respect, and perseverance guide our relationships and interactions with employees, customers, suppliers, and investors. These values are fundamental to our business partnerships and continued success in the marketplace and are a source of pride for our team.

Westport Code of Conduct reflects our **commitment to a culture of honesty, integrity, and accountability** and outlines the principles and policies to which all directors, officers, employees, contractors, agents, and consultants who act on behalf of Westport Fuel Systems must comply. The Code covers all of the crucial aspects of our operations and provides its readers clear directions on how to act properly both on day-to-day work and in suspicious or doubtful situations.

INTEGRITY
RESPECT
PERSEVERANCE

THE CODE OF CONDUCT CAN BE EASILY DOWNLOADED

on our website at <https://wfsinc.com/company/commitment-to-integrity> and **is available in six language** versions.

GRI 205-2 GRI 205-3 GRI 206-1 RT-EE-510a.2 TR-AP-520a.1 RT-EE-510a.3

Anti-Corruption and Prevention of Bribery

At Westport, we are committed to the **prevention of corruption and bribery** in the conduct of our global business and to the strict adherence to applicable anti-bribery laws and regulations of the local jurisdictions in which we operate. Every year, we make every effort **to educate and raise the awareness of all our employees and associates** about corruption issues. Through our Anti-Corruption and Prevention of Bribery Policy, we make a clear statement that any form of corruption is strictly prohibited and condemned.

We make sure that all of our employees are **aware of potential corruption risks**. For those roles where a higher level of potential exposure to corruption risk is identified, **mandatory training** including both structured classroom and online components are delivered to ensure that directors, executives, employees, and others acting on the company's behalf continue to be aware of and understand corporate policies and procedures specific to anti-corruption and bribery. This training includes the identification of the roles and responsibilities of key stakeholders, potential red flags, and risk management techniques, as well as the process to report violations or seek clarification.

In **2022**, there were

NO INCIDENTS OF CORRUPTION

in Westport or legal actions taken for bribery or corruption, anti-competitive behavior, anti-trust, or monopoly activities.



GRI 205-2 GRI 404-1

Trainings

CODE OF CONDUCT TRAININGS

An active ethics and compliance program includes **regular employee ethics training**, Code training, and certifications by employees. Thus, mandatory training on the Code **occurs annually**. All directors, officers, and employees must certify annually that they have read and understood the Code.

In 2022

100%

of our employees completed the CoC training.

ANTI-CORRUPTION TRAININGS

Basic anti-corruption training is **a part of annual CoC training** – this ensures that every person working with us, regardless of position, has up-to-date knowledge on this important subject.

Moreover, every year, we provide **a specific anti-corruption training to selected employees**, which includes an in-depth two-hour training session for employees within specific higher risk categories.

We ensure that our trainings are **as practical as possible**. In 2022, we refreshed our anti-corruption training materials and launched an updated version to selected staff groups in November, with further training to continue globally throughout the entire Westport organization in 2023.

[GRI 2-23](#) [GRI 2-24](#) [GRI 2-27](#) [GRI 3-3](#) [GRI 205-1](#) [SASB: RT-EE-510a.1](#)

Key sustainability policies and standards



RESPECT FOR INTERNATIONALLY RECOGNIZED HUMAN RIGHTS IS A FUNDAMENTAL VALUE

of Westport and our subsidiaries and affiliates. **We respect human rights** and will not knowingly be complicit in human rights abuses through our activities and value chain. **We are committed** to preventing, mitigating, and remediating any human rights abuses that are linked to our business activities, operations, products, and services.

All of the above commitments **are included** in our Human Rights Policy, which we put on paper with the utmost scrutiny in 2021. The Human Rights Policy, after a set of trainings over the organization, is available globally for all employees and is part of the onboarding process.

Key sustainability policies and standards

Our Human Rights Policy and other policies support Westport respect of human rights standards that are contained in the following international treaties:

- 1. The International Bill of Human Rights of the United Nations (UN)**
 - a. Universal Declaration of Human Rights
 - b. International Covenant on Civil and Political Rights
 - c. International Covenant on Economic, Social and Cultural Rights

- 2. The International Labour Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work**

- 3. The United Nations Convention on the Rights of the Child**

- 4. The UN Declaration on the Rights of Indigenous Peoples**

OUR SUSTAINABILITY STANDARDS ALLOW US TO CONTINUOUSLY AND FULLY COMPLY WITH APPLICABLE LAWS AND REGULATIONS.

Moreover, Westport **has not paid any significant fines** nor was otherwise sanctioned for non-compliance with environmental laws or regulations in the social and economic areas during the reporting period.



Onboarding of employees and companies

At Westport, we are focused on **the growth and development of our team and portfolio of green transport solutions**. We make sure that each and every one of our new employees and any new company that we acquire or establish, from the start of their association with the Westport group, is aware and rooted in our values. In each such case, **we carry out intensive onboarding**; however, this process is a continuous “work in progress,” and each year we do our best to improve it.



EMPLOYEES

During the onboarding phase, each employee must **undergo a series of training sessions and certifications** on our procedures and policies, including our Code of Conduct, Anti-Corruption Policy, Human Rights Policy, Cybersecurity, and Whistleblower Policy. This is an obligatory step which we never skip.



COMPANIES

The same procedure as described on the left applies to all employees of our new companies. We want to ensure that regardless of the location of our operations, whether in Europe, America, or Asia, our principles **are understood and applied uniformly**. We make no exceptions, especially in important matters such as anti-corruption, interactions with public officials, gifts and charity donations policy, human rights, etc.

IN 2021, WE APPLIED THE ABOVE PROCEDURE AND SUCCESSFULLY INTEGRATED OUR NEWLY ACQUIRED POLISH COMPANY STAKO SP. Z O.O.

In connection with our planned investment in a **global manufacturing facility in Changzhou Hydrogen Valley, China**, in 2023 and during next few years, we will work intensely on the **full integration of this facility into our group**. At this point, all the people located in China who are involved on our side in the investment have already been trained.

GRI 2-16 GRI 2-23 GRI 2-24 GRI 2-25 GRI 2-26 GRI 415-1

Key sustainability policies and standards

Our corporate governance encompasses Westport commitment to a **culture of integrity, ethical, and sustainable business practices**. We believe that effective corporate governance is vital to the continued and long-term success of Westport Fuel Systems, as well as various stakeholders, be it employees, investors, local communities, and many others.

See below a list of our policy commitments for **responsible business conduct**, based on authoritative intergovernmental instruments for responsible business conduct, including a strong commitment to respect human rights:

OUR POLICIES

[Code of Conduct](#)

- Reviewed and accepted by the Board of Directors
- Annual training with certification
- Applicable also to business relationships, communicated through 2022 ESG survey

[Anti-Corruption and Prevention of Bribery](#)

[Human Rights Policy](#)

[Diversity Policy](#)

- Reviewed and accepted by the Nominating & Corporate Governance Committee
- Annual training with certification
- Applicable also to business relationships, communicated through 2022 ESG survey

[Whistleblower Policy](#)

- Reviewed and accepted by the Audit Committee
- Annual training with certification
- Applicable also to business relationships, communicated through 2022 ESG survey

[Environmental Policy](#)

- Reviewed and accepted by the Board of Directors
- Applicable also to business relationships
- Communicated on our website

OTHER INTERNAL POLICIES:

- Respectful Workplace Policy
- IT-Information Security Policy
- Records and Data Retention Policy
- Corporate Purchasing Policy
- Due Diligence Handbook
- Meals Gifts and Entertainment Policy
- Travel Policy
- Interactions with Government Officials Policy
- Contract Management Policy

Key sustainability policies and standards

All our policies have been guided by **voluntary principles regarding business and human rights** that are outlined in:

1. The UN Global Compact
2. The UN Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework
3. The Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
4. The ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy

For details on approval processes, due-diligence processes, application of the precautionary principle, communication and enforcement methods, and grievance mechanisms or periodic audits, please see individual policies, which are available for employees on the intranet and on-site and are subject to trainings and certifications.

Asking questions and reporting concerns

ethics•point
integrity at work

The Whistleblower Policy is in place to enable our employees to resolve issues within the Company without fear of retaliation.

Furthermore, the Ethics Hotline web portal and phone line are available **24 hours a day, 7 days a week**. Trained specialists from an independent third-party provider of corporate compliance services will answer calls, document concerns, and forward a written report to Westport for further investigation.

Website Access - www.westport.ethicspoint.com

E-mail: alert@wfsinc.com

The Ethics Hotline Details (by region) can be found in the Code of Conduct.

For communication of critical concerns, there is also the possibility of directly contacting the Board at boardchair@wfsinc.com.

During 2022, there were no critical concerns raised.

GRI 2-2 GRI 2-3 GRI 2-5

About this report

This is Westport Fuel Systems' fifth annual ESG report, which covers the 2022 calendar year with additional indication of some important events and initiatives which took place at the first quarter of 2023. Data figures (numbers) cover the calendar year 2022 only.

Unless otherwise noted, the information presented here is as of December 31, 2022, and all amounts are in U.S. dollars. Performance data is company-wide and covers all offices, production plants, and technology sites where our employees work. It does not include joint ventures, unless otherwise stated.

The list of entities included in Westport Fuel Systems consolidated financial reporting are also fully included in this sustainability reporting. The sustainability reporting period aligns with the financial reporting.

Report content is supported by the findings of a materiality assessment conducted in early 2021, which was still valid for 2022. Westport Fuel Systems did not conduct a new materiality study for 2022. See page [38] for our process and priority topics.

We have prepared this report in accordance with the 2021 Global Reporting Initiative (GRI) Universal Standards and have also addressed metrics related to the Sustainability Accounting Standards Board's (SASB) Auto Parts and Electrical & Electronic Equipment Standards.

Internal reviews and processes are in place to ensure the integrity and the credibility of the data contained within; however, we have not sought external verification of the ESG Report. The report was reviewed and approved by our ESG Steering Committee, which consists of senior directors.



**We welcome your questions and feedback on our report or performance.
Please send your questions or comments to sustainability@wfsinc.com.**

GRI 3-2

GRI and SASB content index

We prepared this report in accordance with the GRI Universal Standards and the Sustainability Accounting Standards Board's (SASB) Sustainability Accounting Standards for the Auto Parts and Electrical & Electronic Equipment industry classifications. The following index provides readers with references for where they can find information in this report and other public documents addressing GRI disclosures relevant to our business, which are based on the materiality assessment conducted by Westport.

Please visit the GRI website at <https://www.globalreporting.org/standards/> for the full list of disclosures and other information on the GRI reporting framework and <https://www.sasb.org/> for the full list of disclosures under the Auto Parts and Electrical & Electronic Equipment SASB Sustainability Accounting Standards.

REQUIREMENT	NOTES
Statement of use	Westport Fuel Systems has reported in accordance with the GRI Standards for the period 1 January 2022 – 31 December 2022. Report contains additional indication of some important events and initiatives which took place at the first quarter of 2023.
GRI 1 used	GRI 1: Foundation 2021.
Applicable GRI sector standards	Not currently available.

GRI 2 GENERAL DISCLOSURES 2021 | SASB: 000

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
The Organization and its Reporting Practices			
2-1 Organizational details	<ul style="list-style-type: none"> Westport Fuel Systems Inc. 1691 W75th Avenue, Vancouver, BC, Canada Westport Website – Locations 2022 Annual Information Form (page 1) – Corporate structure ESG Report – About Westport Fuel Systems 	8	
2-2 Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> ESG Report – Our sites ESG Report – About this report 2022 Annual Information Form (page 1) – Corporate structure 2022 Annual Report (page 41) – Significant Accounting Policies 	9, 10, 105	
2-3 Reporting period, frequency, and contact point	<ul style="list-style-type: none"> ESG Report – About this report 	105	
2-4 Restatements of information	<ul style="list-style-type: none"> Information was not restated from the previous reporting period 		
2-5 External assurance	<ul style="list-style-type: none"> We secure external assurance for all financial reporting information as part of our Audited Financial Statements. ESG Report – About this report 2022 Annual Report (pages 26-29) – Reports 	105	
Activities and Workers			
2-6 Activities, value chain, and other business relationships	<ul style="list-style-type: none"> No significant changes from the previous report Total average workforce of 1,824 people in 2022 Total of 14 operating sites as of December 31, 2022 2022 revenue: \$305.7 M USD Total market capitalization as of December 31, 2022: ~\$406.8 M USD ESG Report – About Westport Fuel Systems ESG Report – Our products ESG Report – Our global workforce ESG Report – Responsible sourcing 2022 Annual Information Form (pages 14-17) In 2022, we continued participation in joint venture – Minda Westport Technologies Limited, India with 50% participation. 	8, 9, 10, 11, 12, 58, 74	
2-7 Employees	<ul style="list-style-type: none"> In 2022, our total direct employees was on average 1,532 (in 2021: 1,539). During the reported period, there were the following significant fluctuations in the number of employees: <ul style="list-style-type: none"> In Vancouver, the minimum employment was 155 in January 2022, and the maximum was 198 in December 2022. The average employment was 177. In Poland, the minimum employment was 289 in July 2022, and the maximum was 305 in October 2022. The average employment was 296. There were no significant changes in employment at the other locations during the reported period. All above statistics are calculated as head count. Data regarding Employee Workforce Gender Diversity and Management Gender Diversity are calculated for the total workforce, including direct employees, individuals contracted directly for twelve months or longer, and temporary or seasonal workers. ESG Report – Our global workforce 2022 Annual Information Form (page 18) 	58	<p>Information incomplete</p> <p>Westport does not have all the required data at the time of publication of the ESG Report – lack of information on employees by permanent, temporary, non-guaranteed hours, employee' categories breakdown and by region and by gender.</p> <p>However, internal activities are underway to provide such data in the future.</p>

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
Activities and Workers			
2-8 Workers who are not employees	<ul style="list-style-type: none"> • The total number of workers who are not employees was on average 292 in 2022 (in 2021: 258 workers) which includes individuals contracted directly for 12 months or longer, and temporary or seasonal workers. Of these, 15 were as direct contracts and 277 third-party. • During the reported period, there were the following significant fluctuations in the number of third-party workers: <ul style="list-style-type: none"> ◦ In India, the minimum involvement of third-party was 41 in December 2022, and the maximum was 89 in April 2022. The average of third-party was 75. ◦ In Poland, the minimum involvement of third-party was 28 in June 2022, and the maximum was 57 in January 2022. The average of third-party was 40. • There were no significant changes in workers who are not employees at the other locations during the reported period. • All above statistics are calculated as head count. • ESG Report – Our global workforce 	58	Information incomplete Westport does not have the required data at the time of publication of the ESG Report – lack of information on employees by category describing the type of work. However, internal activities are underway to provide such data in the future.
SASB: RT-EE-000.B Number of employees	<ul style="list-style-type: none"> • ESee response to GRI 2-7 • ESG Report – Our global workforce 	58	
Governance			
2-9 Governance structure and composition	<ul style="list-style-type: none"> • ESG Report – Corporate governance • ESG Report – Board committee composition • 2023 Management Information Circular (pages 13-24, 33-36) • Westport Website – Committee composition • Westport Website – Committee Charter details • Westport Website – Board of Directors Charter • Westport Website – Leadership 	81, 83, 90	
2-10 Nomination and selection of the highest governance body	<ul style="list-style-type: none"> • ESG Report – Corporate governance • 2023 Management Information Circular – Nomination of Directors (pages 13, 33) • Westport Website – Board of Directors Charter (pages 2-3) • Nominating and Corporate Governance Committee Charter 	81, 83	
2-11 Chair of the highest governance body	<ul style="list-style-type: none"> • ESG Report – Corporate governance • 2023 Management Information Circular (page 16) 	81	
2-12 Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> • ESG Report – Corporate governance • 2023 Management Information Circular (pages 53-55, 58) • Audit Committee Charter 	87	
2-13 Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> • ESG Report – ESG governance • ESG Report – Board committee composition • 2023 Management Information Circular (pages 19-21) • Westport Website – Committee composition • Westport Website – Committee Charter details 	19, 20, 90	
2-14 Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> • ESG Report – ESG governance • ESG Report – ESG strategy • ESG Report – Role and responsibility of the Board • ESG Report – Board committee composition • 2023 Management Information Circular (page 56) 	19, 20, 21, 87, 90	Information incomplete Westport does not have the required data at the time of publication of the ESG Report – lack of information on employees by category describing the type of work. However, internal activities are underway to provide such data in the future.

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
Governance			
2-15 Conflicts of interest	<ul style="list-style-type: none"> • ESG Report – Conflicts of interest • 2023 Management Information Circular (pages 29, 34, 56-57) • 2022 Annual Information Form (page 33) 	88	
2-16 Communication of critical concerns	<ul style="list-style-type: none"> • ESG Report – ESG governance • ESG Report – Key sustainability policies & standards • Code of Conduct (pages 7-9) – Asking questions and reporting concerns – the ethics hotline • Whistleblower Policy • Westport Website – Ethics Hotline • During 2022, there were no critical concerns communicated to the highest governance body. 	19, 103	
2-17 Collective knowledge of the highest governance body	<ul style="list-style-type: none"> • ESG Report – Among our governance practices • ESG Report – Board skill diversity 	83, 91	
2-18 Evaluation of the performance of the highest governance body	<ul style="list-style-type: none"> • ESG Report – Among our governance practices • 2023 Management Information Circular (page 35, 37-43, 59) 	91	
2-19 Remuneration policies	<ul style="list-style-type: none"> • ESG Report – Remuneration • 2023 Management Information Circular (pages 37-45) 	87, 89	
2-20 Process to determine remuneration	<ul style="list-style-type: none"> • ESG Report – Equality in compensation treatment • ESG Report – Among our governance practices • 2023 Management Information Circular (pages 37-45) 	63, 91	
2-21 Annual total compensation ratio	<ul style="list-style-type: none"> • ESG Report – Equality in compensation treatment • Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. 	63	Information incomplete Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.
Strategy, Policies, and Practices			
2-22 Statement on sustainable development strategy	<ul style="list-style-type: none"> • ESG Report – Message to our stakeholders 	4, 5	
2-23 Policy commitments	<ul style="list-style-type: none"> • ESG Report – Our purpose • ESG Report – 2022 ESG performance highlights • ESG Report – What we stand for • ESG Report – Enterprise risk management • ESG Report – Business ethics • ESG Report – Key sustainability policies & standards • 2023 Management Information Circular (pages 29-32) • Code of Conduct • Human Rights Policy • Westport Website – Commitment to integrity 	2, 7, 18, 92, 97, 100, 103	
2-24 Embedding policy commitments	<ul style="list-style-type: none"> • ESG Report – ESG strategy • ESG Report – ESG governance • ESG Report – Board committee composition • ESG Report – Responsible sourcing • ESG Report – Business ethics • ESG Report – Key sustainability policies & standards 	19, 20, 21, 74, 90, 97, 100, 103	

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
Governance			
2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> • ESG Report – Key sustainability policies & standards • 2022 Annual Information Form • Westport Website – Ethics Hotline • Whistleblower Policy • Code of Conduct 	97, 103	
2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> • ESG Report – Business ethics • ESG Report – Key sustainability policies & standards • Westport Website – Commitment to Integrity • Westport Website – Ethics Hotline • 2023 Management Information Circular (pages 27-30) • Whistleblower Policy • Human Rights Policy • Code of Conduct 	97, 103	
2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> • ESG Report – Key sustainability policies & standards 	100	
2-28 Membership associations	<ul style="list-style-type: none"> • ESG Report – Stakeholder engagement • ESG Report – Industry Associations 	27, 34	
Stakeholder Engagement			
2-29 Approach to stakeholder engagement	<ul style="list-style-type: none"> • ESG Report – Our Approach • ESG Report – Stakeholder engagement • ESG Report – 2022 ESG performance highlights • ESG Report – Cooperation with the local communities 	6, 17, 27, 28, 73	
2-30 Collective bargaining agreements	<ul style="list-style-type: none"> • ESG Report – Stakeholder engagement • Percentage of Employees Covered by Collective Bargaining by Location <ul style="list-style-type: none"> ◦ Argentina 72.7% ◦ Calgary 0.00% ◦ Cambridge 0.00% ◦ Italy 100.0% ◦ Eindhoven 88.7% ◦ India 0.00% ◦ Poland 0.00% ◦ Sweden 0.00% ◦ Vancouver 0.00% 	27, 28	

GRI 3: MATERIAL TOPICS 2021

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-1 Process to determine material topics	<ul style="list-style-type: none"> ESG Report – Our approach ESG Report – Stakeholder engagement ESG Report – Materiality assessment 	17, 28, 37	
3-2 List of material topics	<ul style="list-style-type: none"> ESG Report – Materiality assessment ESG Report – GRI / SASB index There were no significant changes from the previous reporting period. 	37, 106	

GRI 201: ECONOMIC PERFORMANCE 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> We report on the operating structure of our organization, changes in this structure and our financial and economic performance primarily through our Annual Reports and Interim Financial Reports. These are posted to the SEC filings site, EDGAR, and the Canadian filings site, SEDAR, and can be found at: https://investors.wfsinc.com/investors/default.aspx In addition, in accordance with applicable national regulations, we also fulfill our financial reporting obligations for each individual company belonging to Westport group (if required) 2022 Annual Report (pages 36 - 60) 		
201-1 Direct economic value generated and distributed	<ul style="list-style-type: none"> 2022 Annual Report (pages 36-37) 		
201-2 Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none"> ESG Report – Regulatory Environment 2022 Annual Information Form (pages 19-20, 26) 		
201-3 Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none"> In India, there is no pension plan, but there are 2 other Social Security Programs, both mandated by law: <ul style="list-style-type: none"> Provident Fund – it is a fund wherein both the Employee and Employer make equal monthly contributions (12% of a portion of the Employee's Basic Salary, which would roughly be about 1/3 or 1/4th of the Base Salary of the employee) and Gratuity – book provision of 15 days of Basic Salary per year of service, paid at the time of resignation (after the minimum eligible years of service) or upon retirement. In Argentina and North America (Vancouver, Calgary, Cambridge), there are no pension plans (neither mandatory nor voluntary). In Poland, there is no pension plan, but there is Social Security Program run by Government – the program is voluntary, the employee decides whether he/she wants to join it. If he/she joins the program – the employer transfers 1.5% of his/her salary to the employee's retirement account every month. 		<p>Information incomplete</p> <p>Not all quantitative and descriptive data required by this disclosure 201-3 is available for 2022 and if some are available – it is not for all locations. The 2022 Westport did not analyze this issue in detail and did not collect detailed data from individual locations.</p> <p>However, internal activities are underway to provide such data in the future.</p>
201-4 Financial assistance received from government	<ul style="list-style-type: none"> In 2022, Westport did not receive any financial assistance from governments. Shareholding structure of Westport is void of government presence. 		

GRI 202: MARKET PRESENCE 2016 | SASB: 000

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION								
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. In addition, we are working to implement appropriate systems that will help us report in the future the particular data that we were unable to provide this year. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Governance 	27, 37, 80									
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none"> ESG Report – Equality in compensation treatment Significant locations include the corporate head office, support offices, production facilities, and tech centers. 	63	Information unavailable The quantitative data required by this disclosure 202-1 is not available for 2022. However, internal activities are underway to provide such data in the future.								
202-2 Proportion of senior management hired from the local community	<ul style="list-style-type: none"> Westport defines local communities as those located in greater regional areas or within the same country as the Westport hiring office. Significant locations include the corporate head office, support offices, production facilities, and tech centers. ESG Report – About Westport Fuel Systems ESG Report – Our global workforce ESG Report – Governance 	8, 58, 80	Information unavailable The quantitative data required by this disclosure 202-2 is not available for 2022. However, internal activities are underway to provide such data in the future.								
SASB: RT-EE-000.A Number of units produced by product category	<ul style="list-style-type: none"> At the time of the publication of this ESG Report, Westport has the data about the number of units produced by product category only for the manufacturing facility in India, which are the following: <table border="1" data-bbox="992 909 1549 1078"> <thead> <tr> <th>Product</th> <th>Number of units</th> </tr> </thead> <tbody> <tr> <td>Zenith MS Regulator</td> <td>235,517</td> </tr> <tr> <td>VMA 3 Solenoid Valve</td> <td>154,263</td> </tr> <tr> <td>Final Regulator Assembly</td> <td>146,749</td> </tr> </tbody> </table> See also Disclosure TR-AP-000.A Number of parts produced 	Product	Number of units	Zenith MS Regulator	235,517	VMA 3 Solenoid Valve	154,263	Final Regulator Assembly	146,749		Information incomplete/unavailable For most of our manufacturing plants, the quantitative data required by this disclosure RT-EE-000.A is not available for 2022. Not all of the plants have gathered this data in 2022 or the methodology applied was incorrect. The data is available only for the manufacturing facility in India. However, internal activities are underway to provide such data in the future also for other remaining locations.
Product	Number of units										
Zenith MS Regulator	235,517										
VMA 3 Solenoid Valve	154,263										
Final Regulator Assembly	146,749										
SASB: TR-AP-000.A Number of parts produced	<ul style="list-style-type: none"> Presented below is the total volume of main product categories produced at each of our production plants: <ul style="list-style-type: none"> Cherasco: 6.908.937 pcs Buenos Aires: 119.393 pcs India: 536.539 pcs 		Information incomplete/unavailable For some of our manufacturing plants, the quantitative data required by this disclosure TR-AP-000.A is not available for 2022. Not all of the plants have gathered this data in 2022 or the methodology applied was incorrect. The data is available only for the manufacturing facilities in Cherasco, Buenos Aires, and India. However, internal activities are underway to provide such data in the future also for other remaining locations.								
SASB: TR-AP-000.B Weight of parts produced	<ul style="list-style-type: none"> The weight of our total parts produced is currently unavailable. 		Information unavailable The quantitative data required by this disclosure TR-AP-000.B is not available for 2022. However, internal activities are underway to provide such data in the future.								
SASB: TR-AP-000.C Area of manufacturing plants	<ul style="list-style-type: none"> The area of manufacturing plants is currently unavailable. 		Information unavailable The quantitative data required by this disclosure TR-AP-000.C is not available for 2022. However, internal activities are underway to provide such data in the future.								

GRI 204: PROCUREMENT PRACTICES 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> Our suppliers are crucial partners in delivering our innovative transportation solutions for a cleaner world. As a priority topic identified in our materiality assessment, in part because of the extent to which we purchase what we sell, we recognized the need to do more work on the responsible sourcing front. In 2022, supported by management, we have reached out to all our suppliers to embed part of our ESG efforts also into our supply chains operations. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Responsible sourcing ESG Report – Governance 	27, 37, 74, 80	
204-1 Proportion of spending on local suppliers	<ul style="list-style-type: none"> Westport defines local suppliers in two aspects – as those based in areas that are local to the facility and from where a procurement order (issued by a Westport plant) does not incur customs or from the same country where the production plant is based. Significant locations include the corporate head office, support offices, production facilities and tech centers. ESG Report – About Westport Fuel Systems ESG Report – Responsible sourcing 	8, 74	Information incomplete/unavailable For some of our locations, the quantitative data required by this disclosure 204-1 is not available for 2022. Not all of the plants have gathered this data in 2022 or the methodology applied was incorrect. The data is available only for our facilities in Brescia, Cherasco, Eindhoven, and Slupsk, as well as for our HPDI brand. However, internal activities are underway to provide such data in the future also for other remaining locations.

GRI 205: ANTI-CORRUPTION 2016 | SASB: 510

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> Our operations are governed by, and involve interactions with, many levels of government in numerous countries. We are required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act and the U.S. FCPA, as well as similar laws in the countries in which we conduct business. Our Code of Conduct, Anti-Bribery and Corruption policies and programs mandate compliance with anti-bribery and corruption laws. ESG Report – Business ethics 	97	
205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none"> In 2022, significant work has been conducted to ensure compliance with legal sanctions in specific high-risk jurisdictions (i.e., Russia), and future country risk assessments are continuously being assessed for prioritization amongst other risk management activities. ESG Report – Enterprise risk management ESG Report – Business ethics ESG Report – Key sustainability policies & standards Anti-Corruption & Prevention of Bribery Principles Whistleblower Policy 	92, 97, 100	Information incomplete The quantitative data required by this disclosure 205-1, i.e., total number and percentage of operations assessed for risks related to corruption, is not available for 2022. However, internal activities are underway to provide such data in the future.
205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none"> ESG Report – Responsible sourcing ESG Report – Business ethics ESG Report – Key sustainability policies & standards 	97, 98, 99, 103	Information incomplete Some of the quantitative data required by this disclosure 205-2, i.e., total number and percentage of governance body members/employees that have received training on anti-corruption, broken down by region, is not available for 2022. However, internal activities are underway to provide such data in the future.

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> During 2022, there were zero incidents of corruption. 	98	
SASB: RT-EE-510a.1 Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behavior	<ul style="list-style-type: none"> ESG Report – Business ethics ESG Report – Key sustainability policies & standards 	97, 100	
SASB: RT-EE-510a.2 Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	<ul style="list-style-type: none"> In 2022, Westport did not participate in any proceedings associated with bribery or corruption. 	98	

GRI 206: ANTI-COMPETITIVE 2015 | SASB: 520, 510

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. We believe in free and open competition and never engage in improper practices that may limit competition. We never look to gain competitive advantages through unethical or illegal business practices. Our approach toward fair competition is clearly stated in the Code of Conduct. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Business ethics Code of Conduct (pages 18 -19) 	27,37,97	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<ul style="list-style-type: none"> There were no legal actions taken for anti-competitive behavior, anti-trust, or monopoly activities. 	98	
SASB: TR-AP-520a.1 / RT-EE-510a.3 Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	<ul style="list-style-type: none"> There were no monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations. 	98	

GRI 301: MATERIALS 2016 | SASB: 440

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Responsible sourcing ESG Report – Materials and waste management Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. 	27, 37, 52, 74, 97	
SASB: TR-AP-440a.1 / SASB: RT-EE-440a.1 Description of the management of risks associated with the use of critical materials	<ul style="list-style-type: none"> Consistent with the leadership approach taken by our customers, suppliers, and other fellow members of the Automotive Industry Action Group with respect to “conflict minerals”, we are engaged in an annual process of determining whether any products which we make or buy contain such “conflict minerals”. We continue to work with our suppliers to increase awareness, and accuracy, of “conflict minerals” reporting requirements and, through our membership in the Responsible Minerals Initiative (RMI) (formerly the Conflict-Free Sourcing Initiative), support continuing cross-industry efforts to identify and validate conflict-free smelters and refiners. 2021 Conflict Minerals Report ESG Report – Responsible sourcing 	74	

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
SASB: TR-AP-440b.2 Percentage of input materials from recycled or remanufactured content	<ul style="list-style-type: none"> Data on percentage of input materials from recycled or remanufactured content is currently unavailable. As we expand our reporting systems, we will consider disclosing in the future. ESG Report – Materials and waste management 	52	Information unavailable Westport does not have the required data at the time of publication of the ESG Report. Not all locations collect the required data, so it is not available in an all-organizational view. However, internal activities are underway to provide such data in the future.
301-1 Materials used by weight or volume	<ul style="list-style-type: none"> Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. ESG Report – Materials and waste management 	52	Information unavailable Westport does not have the required data at the time of publication of the ESG Report. Not all locations collect the required data, so it is not available in an all-organizational view. However, internal activities are underway to provide such data in the future.
301-2 Recycled input materials used	<ul style="list-style-type: none"> Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. ESG Report – Materials and waste management 	52	Information unavailable Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.

GRI 302: ENERGY 2016 | SASB: 130

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Environment ESG Report – Environmental management ESG Report – Our carbon footprint and environmental impact 	27, 37, 39, 45, 47	
302-1 Energy consumption within the organization	<ul style="list-style-type: none"> Production facilities in Poland, Italy, and the Netherlands generate energy from on-site solar. Total electrical energy consumed is 56,870 GJ with 1,728 GJ coming from renewables (on-site solar). ESG Report – 2022 performance 	53-56	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. Currently, no quantitative data is available on heating consumption, cooling consumption, steam consumption. However, internal activities are underway to provide such data in the future.
SASB: TR-AP-130a.1 / RT-EE-130a.1 (1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	<ul style="list-style-type: none"> ESG Report – 2022 Performance 	53-56	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. Currently, no quantitative data is available on heating consumption, cooling consumption, steam consumption. However, internal activities are underway to provide such data in the future.
302-3 Energy intensity	<ul style="list-style-type: none"> ESG Report – 2022 Performance 	55	

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
302-4 Reduction of energy consumption	<ul style="list-style-type: none"> • ESG Report – Our carbon footprint and environmental impact • ESG Report – 2022 performance 	47, 53	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. Currently, no quantitative data is available on heating consumption, cooling consumption, steam consumption. No quantitative data is available for the amount of energy consumption reductions achieved as a direct result of initiatives. However, internal activities are underway to provide such data in the future.

GRI 305: EMISSIONS 2016 | SASB: 110, 410

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> • By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. • ESG Report – Stakeholder engagement • ESG Report – Materiality assessment • ESG Report – Environment • ESG Report – Environmental management • ESG Report – Our carbon footprint and environmental impact 	27, 37, 39, 45, 47	
305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> • Gross Scope 1 emissions were 4,054.87 tons CO₂e. • 2021 was selected as the base year. The combination of the return of operations in our facilities coupled with the addition of the Polish facility, Stako, has resulted in Westport's Scope 2 emissions seeing a significant increase from 2020 to 2021. • Consolidation includes full data for each location. • CO₂ emissions were calculated using tools provided by the Greenhouse Gas Protocol, specifically the tool cited from <i>World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.</i> • ESG Report – 2022 performance 	54	
SASB: EM-MM-110a.1 (1) Gross global Scope 1 emissions, (2) Percentage covered under emissions-limiting regulations	<ul style="list-style-type: none"> • Gross Scope 1 emissions were 4,054.87 tons CO₂e. CO₂ emissions were calculated using tools provided by the <i>Greenhouse Gas Protocol, specifically the tool cited from World Resources Institute (2015). GHG Protocol tool for mobile combustion. Version 2.6.</i> 	54	Information pertaining to the percentage of Scope 1 emissions covered under emissions-limiting regulations is currently unavailable. Identifying an approach to collecting this information will be considered for future reporting.
SASB: EM-MM-110a.2 Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets	<ul style="list-style-type: none"> • ESG Report – ESG strategy • ES Report – Environmental management • ESG Report – Our carbon footprint and environmental impact 	45, 47, 54	
305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> • Gross Scope 2 emissions were 5,050.42 tons CO₂e. • Consolidation includes full data for each location. • CO₂ emissions from use of purchased electricity are calculated using tools provided by the <i>World Resources Institute "CO₂ emissions from purchased electricity (indirect emissions)"</i> https://www.wri.org/working-9-5-climate-change. • See response to GRI 305-1 • ESG Report – 2022 performance 	53, 54	

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> GHG emissions for Scope 3 are currently unavailable, however, efforts are in place to disclose in the future. ESG Report – Environmental management ESG Report – Our carbon footprint and environmental impact 	45, 47	Information unavailable Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.
305-4 GHG emissions intensity	<ul style="list-style-type: none"> GHG intensity was 29.79 tons CO₂-eq/US\$ Million of Revenue including both Scope 1 and 2 CO₂ emissions. A 2021 baseline was chosen to compare year-over-year emissions reduction. Westport is working to formally identify a baseline year for future reporting. ESG Report – 2022 performance 	53, 55	
305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> In 2022, we saw an increase in Scope 1 direct emissions. Compared to 2021, there was a 14.7% increase in Scope 1 emissions. In the Scope 2 emissions, we recorded a decrease of 7.0% compared to 2021, thus close to pre-2020 levels. In Total GHG impact, there was a 1.6% increase in CO₂-eq emissions compared to 2021. A 2021 baseline was chosen to compare year-over-year emissions reduction. Westport is working to formally identify a baseline year for future reporting. See response to GRI 302-4 ESG Report – Environmental management ESG Report – Our carbon footprint and environmental impact ESG Report – 2022 performance 	45, 47, 53	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. Currently, no quantitative data is available for the amount of GHG reductions achieved as a direct result of initiatives, if any. However, internal activities are underway to provide such data in the future.
305-6 Emissions of ozone-depleting substances (ODS)	<ul style="list-style-type: none"> Westport does not produce, import, or export ozone-depleting substances (ODS). 		
SASB: TR-AP-410a.1 Revenue from products designed to increase fuel efficiency and/or reduce emissions	<ul style="list-style-type: none"> 2022 Fiscal Year Revenue was US\$ 305.7 Million (2021: US\$ 312.4 Million). 		

GRI 306: WASTE 2020 | SASB: 150

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Environmental management ESG Report – Materials and waste management 	27, 37, 45, 52	
306-1 Waste generation and significant waste-related impacts	<ul style="list-style-type: none"> Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. ESG Report – Environmental management ESG Report – Materials and waste management 	45, 52	Information unavailable Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.
306-2 Management of significant waste-related impacts	<ul style="list-style-type: none"> Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. ESG Report – Environmental management ESG Report – Materials and waste management 	45, 52	Information unavailable Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
306-3 Waste generated	<ul style="list-style-type: none"> Westport only has data for production facilities located in Europe and the facility located in Argentina. 		Information incomplete Westport does not have the required data of all locations at the time of publication of the ESG Report. The data are available only for the manufacturing facilities in Europe and in Argentina. However, internal activities are underway to provide such data in the future.
SASB: TR-AP-150a.1. (1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	<ul style="list-style-type: none"> The total amount of waste was 28,409 tons, of which 25,300 tons was recycled, representing 89.1% of all waste (concerning only production facilities located in Europe and a facility located in Argentina). 	52	Information incomplete Westport does not have the required data of all locations at the time of publication of the ESG Report. The data are available only for the manufacturing facilities in Europe and in Argentina. Westport does not collect data on hazardous waste. However, internal activities are underway to provide such data in the future.
SASB: RT-EE-150a.1. Amount of hazardous waste generated, percentage recycled	<ul style="list-style-type: none"> Westport does not collect data on hazardous waste. 		Information unavailable Westport does not have the required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.

GRI 401: EMPLOYMENT 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment 	27, 37	
401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> ESG Report – Our global workforce 	58	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. In particular, there is no breakdown into age groups. However, internal activities are underway to provide such data in the future.
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> ESG Report – Our global workforce 	58	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. In particular, there is no division into significant locations of operation and full-time employees or part-time / temporary employees.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018 | SASB: 320

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Occupational health and safety 	27, 37, 66	
403-1 Occupational health and safety management system	<ul style="list-style-type: none"> ESG Report – Occupational health and safety 	66	
403-2 Hazard identification, risk assessment and incident investigation	<ul style="list-style-type: none"> ESG Report – Occupational health and safety 	66	
403-3 Occupational health services	<ul style="list-style-type: none"> ESG Report – Occupational health and safety 	66	
403-4 Worker participation, consultation, and communication on occupational health and safety	<ul style="list-style-type: none"> ESG Report – Occupational health and safety 	66	
403-5 Worker training on occupational health and safety	<ul style="list-style-type: none"> ESG Report – Occupational health and safety 	66	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<ul style="list-style-type: none"> ESG Report – Occupational health and safety 	66	
403-8 Workers covered by an occupational health and safety management system	<ul style="list-style-type: none"> Only employees who are remote workers or work at offices with less than 20 total employees are not covered by any JHSC. For employees not covered by a JHSC, there are processes in place to support direct communication to management regarding occupational health and safety concerns. The occupational health and safety management system is not currently audited or certified externally. We are taking steps to improve and standardize our approach to health and safety. ESG Report – Occupational health and safety 	66	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future. In particular, not all of the quantitative data required by this disclosure 403-8 is available.
403-9 Work-related injuries	<ul style="list-style-type: none"> There were no fatalities in 2022. Out of the 3,064,833 total hours worked in 2022, there were 15 reportable injuries. Based on 200,000 annualized working hours, the total recordable injury frequency rate was 0.98. Of these 15 reported injuries, 9 occurred at our Italian facility, 4 at our Polish facility and one each at the India and Vancouver facilities. All of our other 5 facilities had no Lost Time Injury (LTI). Work-related injuries are not currently tracked for workers who are not employees. As we improve and standardize our approach, we will consider disclosing this data in future reporting. ESG Report – Occupational health and safety 	66	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.
SASB: RR-FC-320a.1 (1) Total recordable incident rate (TRIR), (2) Fatality rate	<ul style="list-style-type: none"> Total recordable injury rate in 2022 was 0.98. There were no fatalities in 2022. Work-related injuries are not currently tracked for workers who are not employees. As we improve and standardize our approach, we will consider disclosing this data in future reporting. ESG Report – Occupational health and safety 	66	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. However, internal activities are underway to provide such data in the future.

GRI 404: TRAINING AND EDUCATION 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Our global workforce 	27, 37, 58	
404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> ESG Report – Our global workforce ESG Report – Trainings 	58, 99	Information incomplete Not all of the quantitative data required by this disclosure 404-1 is available for 2022. In 2022, Westport did not gather required data by gender and employee category, or the data was collected inconsistently within the organization. However, internal activities are underway to provide such data in the future.
404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> Trainings that took place in 2022 were largely focused on occupational health and safety, compliance, and business ethics. ESG Report – Our global workforce 	58	
404-3 Percentage of employees receiving regular performance and career development reviews	<ul style="list-style-type: none"> 165 employees, which is 11% of total employees, received regular performance and career development reviews. ESG Report – Our global workforce 	58	Information incomplete Not all of the quantitative data required by this disclosure 404-3 is available for 2022. In 2022, Westport did not gather required data by gender and employee category, or the data was collected inconsistently within the organization. However, internal activities are underway to provide such data in the future.

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016 | SASB: 330

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Diversity, equality, and inclusion 	27, 37, 61	
405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> ESG Report – Diversity, equality, and inclusion ESG Report – Corporate governance Information on racial/ethnic group representation, employee category, or age group is currently unavailable. As we expand our reporting systems, we will consider disclosing in the future. 	61, 81	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. Quantitative data by age group of employees is not available. However, internal activities are underway to provide such data in the future.
SASB: TC-SI-330a.3 Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	<ul style="list-style-type: none"> Management diversity in 2022 was on average 83% male, 17% female. Global workforce diversity in 2022 was on average 68% male, 32% female. Information on racial/ethnic group representation, employee category, or age group is currently unavailable. As we expand our reporting systems, we will consider disclosing in the future. 	61, 81	Information incomplete Westport does not have all required data at the time of publication of the ESG Report. Quantitative data by racial/ethnic group representation and employee categories is not available. However, internal activities are underway to provide such data in the future.

GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. ESG Report – Stakeholder engagement ESG Report – Materiality assessment 	27, 37	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> Within our own operations, there are no locations at risk of losing the right to freedom of association and collective bargaining. ESG Report – Stakeholder engagement 	27, 28	Information incomplete Some of the data required by this disclosure 407-1, i.e., description of suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk, is not available for 2022. Risks within our supply base are unavailable because they are not currently reported on. As we expand our reporting systems, we will consider disclosing this in the future.

GRI 415: PUBLIC POLICY 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> Westport has established an Interaction with Government Officials Policy which, among other things, describes expectations of the business when conducting business with government officials, ensuring compliance with applicable local, national, and international laws and regulations covering all jurisdictions in which Westport operates. This policy was reviewed and implemented through Westport Compliance Committee and is subject to re-review on a defined basis. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Key sustainability policies & standards 	27, 37, 100	
415-1 Political contributions	<ul style="list-style-type: none"> Westport has established its Interaction with Government Officials Policy which states that no political contributions are permitted, which means that total monetary value of political contributions made by Westport equals zero. 	103	

GRI 416: CUSTOMER HEALTH AND SAFETY 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
3-3 Management of material topics	<ul style="list-style-type: none"> The executive-level Product Safety and Compliance Committee, formed in 2020, is responsible for oversight of safety- and compliance-related risk assessments, risk acceptance, and risk mitigation efforts, as well as proactive measures associated with Westport products and services, throughout the company, and sold or otherwise provided to third-party customers. ESG Report – Stakeholder engagement ESG Report – Materiality assessment ESG Report – Enterprise risk management 	27, 37, 92	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> In 2022, we did not identify any incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of our products and services. 	92	

GRI 418: CUSTOMER PRIVACY 2016

GRI DISCLOSURE	DISCLOSURE RESPONSE (DOCUMENT / URL / DIRECT ANSWER)	PAGE(S)	OMISSION
<p>3-3 Management of material topics</p>	<ul style="list-style-type: none"> • By engaging with our stakeholders on a regular basis, we have identified a list of key initiatives and focus areas for 2022 that will enable Westport to effectively address the most significant material topics. • ESG Report – Stakeholder engagement • ESG Report – Materiality assessment • ESG Report – Cyber and information security 	<p>27, 37, 94</p>	
<p>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>	<ul style="list-style-type: none"> • During 2022, there were zero incidents of substantiated complaints received concerning breaches of customer privacy. • ESG Report – Cyber and information security 	<p>94</p>	



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