



Supplier Code of Conduct

Chantier Davie Canada Inc.

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1. Introduction

Chantier Davie Canada Inc. ("Davie") is a ship design, engineering, construction, and repair company headquartered in Lévis, Québec. We provide modern solutions to the Government of Canada, including the construction of vessels for the Royal Canadian Navy, the Canadian Coast Guard, and other Canadian governmental entities. Davie has design, engineering, construction, repair, and corporate operations in Lévis, Québec, and offices in Montréal, Québec, and Ottawa, Ontario, within Canada.

Corporate integrity, responsible product sourcing, and the safety and well-being of workers across the global supply chain are of paramount importance to Davie. These principles apply to all aspects of Davie's business and encompass all manufacturers, distributors, vendors, other suppliers, and their respective subcontractors (each a "Supplier" and collectively the "Suppliers") that supply Davie with goods and/or services.

These principles are reflected in this Supplier Code of Conduct (the "Supplier Code"), which establishes the minimum standards that any Supplier must adhere to when conducting business with Davie regarding:

- the Supplier's treatment of workers;
- workplace safety;
- the impact of the Supplier's activities on the environment; and
- the Supplier's integrity and ethical business practices.

This Supplier Code applies to all Suppliers that provide goods and/or services to Davie, directly or indirectly, regardless of their location and/or the nature of the goods and services provided. The Supplier is responsible for compliance with the standards set out in this Supplier Code (the "Standards") throughout its operations and its entire supply chain. Suppliers are expected to maintain high standards of business ethics, labour practices, environmental sustainability, and anti-corruption measures in line with applicable laws, as well as applicable international standards.

Without limiting the Supplier's obligations hereunder, the Supplier shall comply with the Standards in:

- all of its Facilities (defined as facilities where goods and/or services destined for Davie are performed, manufactured, distributed, packaged, or otherwise handled) (the "Facilities"); and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labour, immigration, health, worker safety, and the environment.

Without limiting the Supplier's obligations hereunder, the Supplier is responsible for compliance with the Standards by all of its employees, suppliers, vendors, agents, subcontractors, and their respective Facilities (each a "Partner" and collectively the "Partners").

By entering into a business relationship with Davie, Suppliers agree to comply with the provisions outlined in this Supplier Code of Conduct and to ensure that their Partners also understand and comply with the Standards set forth herein. Non-compliance with the Supplier Code may result in corrective actions or termination of the business relationship.

The Supplier must comply to the Act and all applicable labour and employment laws, statutes, and regulations of the jurisdictions in which they operate. The Supplier shall not support, benefit from, or engage in any form of slavery, forced or involuntary labour, or human trafficking in any part of its supply chain.

2. Reporting and Accountability

Suppliers are required to maintain appropriate grievance mechanisms and reporting channels that allow workers and other stakeholders to safely and anonymously report concerns related to forced labour, child labour, or other unethical labour practices. Suppliers must take all such reports seriously and investigate them promptly and thoroughly. Davie also encourages Suppliers to report any actual or suspected violations of this Supplier Code or the Act directly to Davie. Reports can be submitted confidentially via email to the Vice-President, Supply Chain. Retaliation against individuals who report concerns in good faith is strictly prohibited.

3. Worker Conditions and Modern Slavery

Forced labour and child labour, each as defined in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* (S.C. 2023, c. 9) (the “Act”), are crimes and serious violations of human rights. As a leading shipbuilding and ship repair business, Davie recognizes the important role it plays in ensuring that its operations and products, and the supply chains that support these, adhere to the highest ethical standards, including the identification, prevention, and elimination of forced labour and child labour in our supply chain.

a. Human Trafficking

The Suppliers’ workers must be employed voluntarily and must not be subjected to any form of exploitation, such as human trafficking for the purpose of forced labour or sexual exploitation. Suppliers and their subcontractors shall not engage in any form of human trafficking activities.

Furthermore, all employment must be freely chosen, remunerated in accordance with applicable laws, and workers must have the right to leave their employment with reasonable notice. Suppliers must not engage in or support the use of child labour. The

minimum age for employment shall comply with local and national laws and regulations and adhere to the International Labour Organization standards, as applicable.

Without limiting the Supplier's obligations hereunder, the Supplier shall not support, engage in, or require any:

- compelled, involuntary, or forced labour;
- labour to be performed by children under the defined legal age in accordance with applicable legislation;
- bonded labour;
- indentured labour; and
- prison labour.

b. **Forced Labour**

Suppliers and their subcontractors will comply with in-country legislation's prohibition on the importation of goods produced, in whole or in part, by forced or compulsory labour. This includes forced or compulsory child labour and applies to all goods, regardless of their country of origin.

c. **Child Labour**

All workers must be of at least the minimum legal age based on the applicable laws and regulations. The Supplier shall implement a system of monitoring to ensure compliance with all aspects of appropriate work age, as follows:

- implement and maintain a reliable system to verify the eligibility of all workers, including:
 - age eligibility; and
 - legal status of foreign workers.
- implement and maintain a reliable record-keeping system regarding the eligibility of all workers.

d. **Hazardous Work**

Without limiting the Supplier's obligations hereunder, the Supplier shall not, and shall ensure that its Partners do not, support, engage in, or require any hazardous labour to be performed by any person. Hazardous labour involves any work that, by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the safety or health of the worker or coworkers *if adequate protections are not taken*.

e. **Identification Papers**

Without limiting the Supplier's obligations hereunder, the Supplier shall not require any worker to surrender control over their original personal:

- identification papers or documents giving a foreign worker the right to work in the country;
- identification papers or documents, such as a passport, giving a foreign worker the right to enter or leave the country; and
- documents, such as a birth certificate, evidencing the worker's age.

f. **Financial Obligations**

Without limiting the Supplier's obligations hereunder, the Supplier shall not, whether or not as a condition to the right to work or as a condition of obtaining employment, require any worker (or worker's spouse or family member) to, directly or indirectly:

- pay recruitment or other fees or other amounts (monetary or in-kind);
- incur debt;
- make financial guarantees; or
- incur any other financial obligation.

g. Freedom of Movement

Without limiting the Supplier's obligations hereunder, the Supplier shall ensure that workers have the right to freedom of movement without:

- delay or hindrance; or
- the threat or imposition of any disciplinary action, penalty, retaliation, fine, or other monetary obligations.

Worker freedom of movement rights include each worker's right to leave the Facilities without retaliation:

- at the end of each workday;
- based on reasonable health and safety-related justifications; and
- based on any reasonable circumstances, such as personal or family emergencies.

h. Freedom to Terminate Employment

Without limiting the Supplier's obligations hereunder, the Supplier shall allow workers to terminate their employment or work arrangement without:

- restriction; or
- the threat or imposition of any disciplinary action, penalty, retaliation, fine, or other monetary obligations.

i. Compensation and Benefits

The Supplier must compensate all workers with wages, including overtime pay, benefits, and working hours that meet or exceed the legal minimum wage in its respective jurisdiction, including but not limited to:

- the minimum wage and benefits established by applicable laws;
- collective agreements; and
- industry standards.

The Supplier shall make regular wage payments and provide benefits on a timely basis.

The Supplier's obligation to compensate and provide benefits applies to all workers at all times, including during periods of training, apprenticeship, and probation.

j. **Health and Safety**

The Supplier shall provide a safe, healthy, and sanitary work environment that complies with all applicable occupational health and safety regulations. The Supplier shall ensure that actual and potential risks to worker health and safety are identified, assessed, and eliminated or managed to mitigate their impacts. This includes implementing procedures and safeguards to prevent workplace hazards and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, that are not specifically addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of Facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and record-keeping.

The Supplier shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in their scope of work.

If the Supplier provides dining facilities for its workers, it shall provide safe, healthy, and sanitary facilities (including food preparation and storage areas) that comply with all the Standards set out in the *Health and Safety* section of this Supplier Code. Without limiting the Supplier's obligations hereunder, the Supplier shall obtain and maintain all food preparation permits and health certificates required by law.

4. Respectful and Harassment-Free Workplace

The Supplier must promote and provide inclusive, respectful, healthy, and safe workplaces that are free from harassment, discrimination, workplace violence, retaliation, and other disrespectful or inappropriate behaviours.

The Supplier must treat all employees and persons with whom they do business with dignity and respect, complying with legal obligations that prohibit discrimination and/or harassment.

5. Environmental Protection

a. Operation of the Supplier's Facilities

The Supplier shall operate its Facilities and must ensure that its operations are in compliance with all environmental laws, statutes, and regulations of the jurisdiction in which they operate, including international laws and treaties relating to:

- waste disposal;
- emissions;
- discharges;
- hazardous and toxic material handling.

This includes obtaining and maintaining all required environmental permits, licences, and registrations.

b. Inputs and Components

The Supplier must ensure that the goods it manufactures (including the inputs and components that it incorporates into its goods) comply with all environmental laws and treaties. The Supplier must ensure that the raw materials used are sourced responsibly, with consideration for the environment and local communities. This includes the use of packaging materials that comply with all environmental laws and treaties.

In providing goods and/or services to Davie, the Supplier must not use any minerals (or metals derived from such minerals) that have been illegally mined, transported, or traded in a manner that uses forced labour or child labour, or which directly or indirectly finances or benefits non-state armed groups or private security forces.

6. Corporate Integrity and Compliance with Applicable Laws

The following section provides guidance on how Suppliers can ensure they conduct business with integrity. Suppliers must operate transparently and ethically, avoiding any activities that could result in conflicts of interest, fraud, corruption, or other unethical practices.

a. Compliance with Laws

The Supplier must comply with all applicable laws, statutes, and regulations of the jurisdictions in which they and Davie operate.

b. Davie Code of Business Conduct

Davie's Code of Business Conduct (the "Code") outlines the values and expectations for all Davie officers', directors', and employees' ethical conduct. All Davie employees must adhere to the Code, and Suppliers must not engage in any business which could cause Davie employees to be in breach of the Code, including any activities that could result in conflicts of interest.

A conflict of interest is any situation where personal interests (family, close friendships, financial or social factors) present an actual, perceived, or potential conflict with the interests of Davie. Conflicts of interest occur where personal interests could compromise judgment or influence decisions or actions in the workplace. This includes situations where there is a personal interest or relationship between a Supplier and a Davie employee. The Supplier must conduct itself so as not to create actual, perceived, or potential conflicts of interest. The Supplier must further declare any actual, perceived, or potential conflicts of interest immediately to Davie, without delay via email, reporting any concern in writing to: supplychain@davie.ca.

c. **Data Privacy**

The Supplier will comply at all times with all applicable laws regarding the collection, retention, use, processing, disclosure, transfer, and protection of personal information, as well as all cyber incidents, information security, data breach notification, and record-keeping requirements under applicable provincial privacy laws.

d. **Gifts and Entertainment**

The Supplier must never offer, ask for, give, or receive any gift, gratuity, entertainment, hospitality, or benefit that may compromise, or appear to compromise, the receiver's ability to make ethical business decisions, or could interfere with, or appear to interfere with, the receiver's ability to act in the best interests of Davie. For the purpose of this section, gifts include physical items, services, and cash or gift certificates. Nominal gifts, such as sweets and/or advertising mementos (pens, calendar, etc.) with a value of CAD 100.00 or less, may be allowed. Hospitality includes meals, beverages, invitations to social or recreational outings, accommodations, and travel. All gifts and hospitality are strictly forbidden in the course of a tender process in which the Supplier is participating as a bidder.

If a Supplier is unsure whether a nominal gift or hospitality offer complies with the Supplier Code, the Supplier should consult with their contact at Davie.

e. **Anti-Corruption, Anti-Bribery, and Anti-Influence Peddling**

The Supplier must never offer, ask for, give, or receive any form of bribe, kickback, or any other type of improper payment, nor attempt to gain influence or competitive advantage through improper means. The Supplier must also never offer or give facilitation payments, i.e., payments or anything of value to public officials to expedite or secure the performance of any act of a routine nature that is part of that official's duties or functions.

Suppliers must ensure that the requirements of all applicable anti-corruption, anti-bribery and anti-influence-peddling laws, regulations, and policies are met, including but not limited to Canada's *Corruption of Foreign Public Officials Act* (S.C.1998, c. 34) and Canada's *Code of Conduct for Procurement* (<https://www.tpsgc-pwgsc.gc.ca/app-acq/cndt-cndct/cca-ccp-eng.html>). No payments, gifts, or other benefits may be given, directly or indirectly, to Davie employees, directors, or officers, nor to any public officials, political parties or candidates, or business partners, for the purpose of influencing decisions in favour of Davie or the Supplier, or to secure any other improper advantage.

The Supplier must ensure that payments made to agents or other third parties are not used, in whole or in part, to influence government decisions or secure any other improper advantage. Suppliers must not engage in any form of corruption, extortion, and/or embezzlement.

f. **Anti-Competitive Behaviour**

The Supplier must comply with all applicable laws, statutes, and regulations of the jurisdictions in which they and Davie operate regarding competition and insider trading. Suppliers must not engage in any behaviour which could be perceived as anti-competitive pursuant to the *Competition Act* (R.S.C. 1985, c. C-34).

7. Compliance With the Supplier Code

Suppliers who violate the Supplier Code, or who are aware of conduct by others that violates or appears to violate this Supplier Code, must report it to their point of contact at Davie immediately through: supplychain@davie.ca. All reports are taken seriously.

Suppliers can also submit questions and comments regarding the Supplier Code to their point of contact at Davie, or directly to the Vice-President, Supply Chain. There may be occasions when the Supplier Code does not have the answer to the ethical question Suppliers are facing, or an interpretation may be required with respect to the application of the Supplier Code. In these cases, Suppliers should consult with Davie's Vice-President, Supply Chain, for guidance.

Suppliers must maintain accurate records to demonstrate compliance with applicable laws and the Supplier Code. Suppliers must not destroy any records that may be relevant to any legal or regulatory proceeding.

Davie reserves the right to audit or investigate Suppliers with respect to Supplier Code compliance by providing adequate advance written notice to Suppliers of the scope of the audit. Suppliers must cooperate fully with any such audits or investigations.

Davie does not tolerate retaliation or reprisal, including threats for good faith reporting or participation in a complaint process. Retaliation or reprisal against any person for good faith reporting of breaches of the Supplier Code is prohibited.

Breaches of the Supplier Code are taken seriously by Davie. A failure to comply with the Supplier Code may result in suspension or termination, in whole or in part, of the Supplier's agreement(s) with Davie, and may include removal of the Supplier from Davie's vendor list. The Supplier Code is not to be read in lieu of but in addition to the Supplier's obligations as set out in any agreements between Davie and the Supplier. In the event of a conflict between the Supplier Code and an applicable agreement, the agreement will govern.