

**DAVIE**<sup>™</sup>

**Modern Slavery Report 2025**

**Chantier Davie Canada Inc.**

Lévis, Québec 05/31/2026



# Modern Slavery Report 2025

Chantier Davie Canada Inc.

This Modern Slavery Report (the "Report") addresses the period from 1 January 2025 to 31 December 2025 ("Reporting Period") and has been prepared by Chantier Davie Canada Inc. ("Davie," "we," "us," or "our") in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (Canada) (the "Act")<sup>1</sup>.

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<sup>1</sup> *Fighting Against Forced Labour and Child Labour in Supply Chains Act, 2023 SC, c 9.*



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## 01. Introduction

Forced labour and child labour, each as defined in the Act, are serious crimes and fundamental violations of human rights. As a leading Canadian shipbuilder, Davie recognizes its responsibility to ensure that our operations and supply chains uphold the highest ethical standards, including the prevention and detection of forced labour and child labour at every level. This Report describes the steps taken during the Reporting Period to prevent and reduce the risk of forced labour or child labour in the production of goods in Canada or elsewhere, and in the importation of goods into Canada.

## 02. Our Business

Davie is a Québec corporation headquartered in Lévis, Québec, engaged in the design, engineering, construction, and repair of vessels. Davie provides 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's primary operations are located in Lévis, Québec, with additional corporate offices in Montréal, Québec, and Ottawa, Ontario. Davie employs approximately 994 people across Canada, comprising engineers, skilled labourers, and administrative and executive staff.

Davie's Supply Chain Department (our "Supply Chain Department") is responsible for obtaining the best value and quality for the materials, goods, and services that Davie procures, while maintaining ethical standards in its supplier relationships. Our Supply Chain Department is the sole authorized agent for procurement on behalf of Davie, and manages all purchases, purchase commitments, and related activities.

In 2025, we procured goods and services from approximately 831 suppliers and subcontractors, the vast majority of which were located in North America (and primarily Canada). There were a number of suppliers from Europe (including Romania) and Asia (Hong Kong). The suppliers we engage with include businesses that produce and provide goods, services, professional services, consultants, logistics services, IT supplies (software



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and digital solutions), rental providers, installation or construction service providers, indirect/MRO suppliers, including:

- personal protective equipment;
- consumables for welding, electrical, paint, assembly, etc.;
- tools;
- steel, valves, cables, pipes, hoses, gaskets, paint, lightning, actuators, connectors, bearings, fasteners, heat shrink, name plates, etc.;
- manufactured equipment; and
- specialized services, including engineers, designers, specialists with technical expertise, and skilled labourers.

Further information about our business can be found in our Economic and Social Contribution Study, available online at: [Davie Shipbuilding Economic and Social Contribution Study – Executive Summary](#).

## 03. Our Policies and Due Diligence

### Policies

In our Code of Business Conduct (the “Code”), we outline our values and expectations, setting the standard and expectations for our officers’, directors’, and employees’ conduct. We are committed to evolving and improving our approach. Our Code asserts our commitment to conducting our business in a lawful and ethical manner. Our Code sets out guiding principles on professional conduct and establishes that, in performing their job duties, Davie employees are expected to always act lawfully, ethically, and in keeping with the values and policies of Davie.

Over the course of the Reporting Period, Davie undertook significant efforts to revise and modernize the Code. Part of this exercise included enhancing the Code in light of the Act and other legal and ethical requirements. Davie finalized the revisions of the Code in the Reporting Period, with the intent to implement same, including communications and training, in the next reporting periods.



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During the Reporting Period, Davie also developed and finalized the Supplier Code of Conduct (“Supplier Code”), which is based on best practices in Canadian industry as well as Davie’s legal obligations under the Act. During the Reporting Period, Davie implemented and published the Supplier Code on our website (see [here](#)), and we require our suppliers to adhere to same.

## Due Diligence

Davie operates a Corporate Management System in accordance with Quality Management Systems ISO 9001:2015 and Environmental Management Systems ISO 14001:2015. As such, we expect the third parties with whom we work to adhere to business principles and values similar to our own and to comply with all applicable laws and regulations. We rely on the cooperation of our suppliers and business partners and expect them to meet the standards of quality and ethics set out in our policies and Supplier Code, as well as those established for those businesses that contract with the Government of Canada.

Before making any commitments toward third parties, we take steps to evaluate the relationship and mitigate certain risks by carrying out due diligence, that includes our Supplier Profile Survey, available online at [General Supplier Management Program \(davie.ca\)](#) (“Supplier Survey”). The Supplier Survey requires suppliers to provide exhaustive details surrounding their business portfolio, including third-party certification to several standards (ISO, Class, and OHSAS 18001) and whether they have done work or supplied major Canadian defence platforms to the Government of Canada. The latter question is of particular importance, as contractors to the Government of Canada must adhere to the Government of Canada’s [Code of Conduct for Procurement](#) (“Canada’s Code”). Section 10 of Canada’s Code outlines the requirements for Canada’s contractors and their subcontractors to “respect their workers’ workplace rights, and take steps to mitigate human trafficking risks and monitor compliance of labour and human rights in their supply chain.”<sup>2</sup>

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<sup>2</sup> Canada’s Code, s. 10, para 1. Online: [Code of Conduct for Procurement – Canada.ca](#).



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Businesses that contract with the Government of Canada, including prime contractors like Davie, and those in the supply chain, must also comply with the Government's Contract Security Program and the *Defence Production Act* (R.S.C., 1985, c. D-1); both of which require in-depth due diligence conducted by the respective departments within the Government of Canada.

In the Reporting Period, Davie took steps to develop its third-party vetting policy and process. We engaged multiple third-party vetting agencies regarding supporting risk-based due diligence on third parties on the basis of corruption, bribery, fraud, and forced labour or child labour. A policy on Third-Party Vetting ("Third Party Vetting Policy") was drafted during the Reporting Period, with the intent on finalizing and implementing same in the next reporting periods. The Third Party Vetting Policy operationalizes Davie's approach to assessing and managing supply chain risks, including the risk of forced and child labour in our supply chain. It establishes a methodology to identify risks based on supplier & supplies country of origin,<sup>3</sup> the type of goods/services being supplied, materiality (for example, overall spend), risk mitigation measures in place, and other factors which could lead Davie to reasonably suspect any unlawful conduct.

## 04. Assessing Our Risks

Given the steps we take with our direct suppliers, we are able to mitigate the direct risk of forced or child labour. With respect to indirect suppliers, although we take the steps described in this Report, we recognize that we may be indirectly linked to a risk of forced labour or child labour because of our business activities, and that some sectors in our indirect supply chain (including raw materials) may pose a risk of forced labour or child labour.

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<sup>3</sup> For example, Davie would consider "Low-Risk Countries" to include countries which (i) are not on [Global Affairs Canada's Sanctions List](#), (ii) have a modern slavery prevalence of 4.0 or less per 1000 people per [Walk Free's 2023 Global Slavery Index](#); (iii) score 65 or greater on [Transparency International's 2024 Corruption Perceptions Index](#) (representing the top 30 countries); and (iv) score 55 or greater on the [Yale School of Environment's 2024 Environmental Performance Index](#) (representing the top 40 countries).



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We rely on our policies and due diligence processes outlined in the Report to manage the risks of forced labour and child labour in our business and supply chains. The vast majority of Davie's immediate suppliers are based in Canada, which, along with its provinces and territories, generally have pre-existing and robust labour, employment, and human rights legislation that helps to mitigate the risk of modern slavery in our operations and supply chain.

The Supplier Survey provides Davie with an initial identification and assessment of supplier risk and allows us to manage it accordingly. We also currently map our supply chains to assist us in assessing our risk of forced labour and/or child labour in our business and supply chains.

In an effort to mitigate risk and provide legal recourse in the event of discovering forced labour or child labour in Davie's supply chain, Davie included corporate integrity and compliance contractual clauses ("Compliance Clauses") in its agreements with suppliers over the course of the Reporting Period. Any breach of the Compliance Clauses constitutes a material breach of the agreement, which, in turn, allows Davie to either suspend the agreement until the breach is satisfactorily remedied or terminate for default. The Compliance Clauses also allow Davie the ability to perform audits of the other party in order to ensure conformity with the Compliance Clauses, over the term of the agreement and for a period following termination. Specifically, the Compliance Clauses require third parties to:

- comply with the Supplier Code or equivalent code;
- comply with applicable anti-forced labour and child labour laws, including the Act;
- flow these requirements down their supply chain; and
- be accountable for the compliance of their downstream suppliers.

In the event that we become aware of any concerns within our supply chain that are not in compliance with our standards, we expect that the supplier will implement corrective



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measures. As provided in the Compliance Clauses, continued non-compliance will lead to additional remediation actions, up to and including termination of the business relationship.

The following are the processes and steps we now have in place to reduce the risk of forced and child labour in our supply chain:

- The Supplier Code, which applies to all suppliers and requires that suppliers have policies and procedures in place for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains;
- The Code, which outlines the ethical & business expectations required of all Davie employees, officers & directors, including but not limited to those relating to forced and child labour;
- Anti-forced labour and/or child labour contractual clauses in our agreements;
- Davie gathers information on worker recruitment and maintains internal controls to ensure that all workers are recruited voluntarily;
- Davie conducts internal assessments of risks of forced labour and/or child labour in Davie's activities and supply chain;
- Davie conducts periodic reviews of our policies and procedures related to forced labour and child labour, including the Code and Supplier Code; and
- Davie has the ability to audit and monitor suppliers for compliance to the Supplier Code and our Compliance Clauses generally.

Davie underwent efforts to advance development of the following initiatives over the course of the Reporting Period:

- Implementing a reporting mechanism through an anonymous whistleblower policy embedded within the Code, which will allow stakeholders to submit actual or perceived breaches of the Code, or applicable laws, including instances of forced and child labour, without fear of reprisal;
- Implementing Third Party Vetting Policy, which outlines risk-based due diligence processes for identifying, addressing, and prohibiting the use of forced labour and child labour in the organization's activities and our supply chain; and



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- Developing key performance indicators with respect to human rights, including forced labour and child labour.

The following are examples of processes we intend to integrate into a three-year plan to prevent and reduce risks of forced labour and child labour:

- Address practices in the organization's activities and supply chains that increase the risk of forced labour and/or child labour;
- Develop and implement an action plan for addressing forced labour and/or child labour; and
- Enact measures to provide for, or cooperate in, remediation of forced labour and/or child labour.

## 05. Our Commitments

Davie's Human Resources Department works diligently to ensure all workers are recruited voluntarily. We will not tolerate child, forced, or bonded labour in any of our operations or by our suppliers. We commit to making legitimate efforts, including through carrying out due diligence and spot audits, to monitor the performance of our suppliers and to prevent our activities from having a negative impact on human rights.

### Remediation Measures

Our Code requires all employees and contract workers of Davie to report actual or possible misconduct. We also undertake initial diligence efforts (as described in this Report) to mitigate the risk of forced labour and child labour in our business. Our Supplier Code and Compliance Clauses allow Davie to perform audits on suppliers to ensure compliance with anti-forced and child labour obligations. No instances of forced labour or child labour were identified in the Reporting Period, and we therefore did not take any remediation measures. In the event that we discover any forced labour or child labour in our business or supply



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chain, we commit to taking measures to remediate such forced labour or child labour, including the following:

- Suspension or termination and reporting of a supplier, sub-supplier, or contractor;
- Actions to prevent forced labour or child labour and associated harms from reoccurring; and
- Capacity-building measures, enhanced supervision, monitoring, and spot auditing of suppliers, sub-suppliers, or contractors.

## Training

Davie personnel at all levels are required to comply with the Code. Every new Davie employee must complete mandatory onboarding training on our values and policies (including our Code) and agree to comply with the Code and all applicable federal and provincial laws.

As part of our revision of the Code and familiarization with the Supplier Code, Davie intends on engaging in organization-wide communications and training to ensure all Davie stakeholders are aware of these expectations and obligations regarding forced and child labour.

## **06. Our Progress and Effectiveness**

As part of our overall business processes, we monitor compliance with our policies by reviewing any concerns raised through informal mechanisms and employee feedback. To date, no significant concerns or complaints have been identified.

## **07. Approval and Signature**

This Report was approved by Davie's Board of Directors on 29 May 2026, in accordance with paragraph 11(4)(a) of the Act, and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at [Publications | DAVIE](#).



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In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for Davie. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate, and complete in all material respects for the purposes of the Act, for the Reporting Period listed above.

James Davies   
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President and CEO, 29 May 2026

I have the authority to bind Davie.