

## **Ensuring Compliance with Fighting Against Forced Labour and Child Labour in Supply Chains Act. S.C. 2023, c.9 (the “Act”)**

Report for the Financial Year: 2023

BWXT Canada Ltd. (“BWXT Canada”) is committed to ensuring compliance with the purpose and intent of the Act and have, or are in the process of implementing, practices, policies, and procedures designed to monitor, assess, mitigate, and prevent the risk of forced labour and child labour, as defined within the Act, within our supply chain.

When engaged in business with suppliers, BWXT complies with applicable Canadian law and its *BWXT Code of Business Conduct*, which includes an express obligation to conduct business in accordance with the principles of human rights and diversity, and to ensure no child labour or forced labour is condoned, facilitated, or used in our workplace or by our third party providers.

### **Structure, Activities and Supply Chains**

BWXT Canada Ltd. is ultimately owned by BWX Technologies, Inc., a NYSE listed company based in Lynchburg, Virginia.

#### **BWXT Canada Ltd.**

581 Coronation Blvd.

Cambridge, ON, N1R 3E9, Canada

BWXT Canada Ltd. supplies the nuclear industry with the fuel, equipment, components, engineering and field services necessary for the successful operation of CANDU® reactors.

BWXT Canada also has the following wholly owned subsidiaries:

#### **BWXT Nuclear Energy Canada Inc. (NEC)**

1160 Monaghan Rd,

Peterborough, ON K9J 08A, Canada

BWXT Nuclear Energy Canada Inc. (NEC) supplies nuclear fuel and fuel channel components, services, equipment and parts for the Canadian Deuterium Uranium (CANDU®) nuclear power industry.

#### **BWXT Precision Manufacturing Inc.**

835 Fourth Line

Oakville, ON, L6L 5B8 Canada

BWXT Precision Manufacturing Inc. supplies nuclear-grade materials and precision machined components for CANDU® nuclear power utilities around the globe.

**Intech International Inc.**

835 Fourth Line

Oakville, ON, L6L 5B8 Canada

Intech International Inc. supplies specialized non-destructive examination (NDE), maintenance and staff augmentation services, and provides advanced and conventional NDE and related solutions to a variety of high hazard and heavily regulated industries.

**BWXT Medical Ltd.**

447 March Rd,

Kanata, ON K2K 1X8, Canada BWXT Medical is a trusted source for the development and manufacturer of nuclear medicine for biotechnology, life sciences, pharmaceutical companies and academia partners.

BWXT Canada is filing this report on behalf of itself as well as the above-noted subsidiaries.

BWXT Canada and its subsidiaries each has its own procurement department, but each follow substantially the same procurement policies and procedures. All manufacturing activities are being performed by BWXT Canada and its subsidiaries in Ontario, and they will only purchase materials such as forgings, tube, and pipe etc., from foreign companies when necessary. Such companies are located primarily in Germany, France, Italy, Sweden, South Korea, USA and Japan, each of which have express legislation prohibiting forced labour and child labour.

**Policies and Due Diligence Processes**

*BWXT Policy No.0200-12 - Human Rights and Responsible Corporate Citizen* establishes BWXT's essential tenets for responsible corporate citizenship, including, among other obligations, respect for human rights. Engaging in any form of activity that violates the human rights of others, including human trafficking and the use of illegal child labour, procuring commercial sex acts, or the use of slave or forced labour, while in the performance of any BWXT contract by BWXT Canada and its subsidiaries, and their respective employees, agents, subcontractors or representatives on behalf of BWXT Canada and its subsidiaries, is expressly prohibited.

Further, the *BWXT Annual Sustainability Report* provides that BWXT "prohibit[s] participation in activities that violate human rights, including human trafficking and child, slave or forced labor" and explicitly states our expectation that "our employees and suppliers [will] conduct business with integrity and [] avoid any illegal or unethical conduct. (BWXT 2024 Sustainability Report, p. 45, Human Rights).

Material procurement activities are also governed by BWXT's *Code of Business Conduct*, which specifically details integrity in business relationships, including (i) always conducting due diligence on third parties to ensure that their reputation, background and abilities are appropriate and meet our ethical standards, (ii) prohibiting employees from contractually binding BWXT to another party until such party has been through the appropriate due diligence and approval procedures, and (iii) prohibiting the conduct of business with a supplier, business partner or other third party that may subject BWXT to criminal or other liability or cause reputational harm.

To reinforce the importance of BWXT's ethics and compliance program, in addition to BWXT's internal policies and procedures (some of which are proprietary), BWXT makes its *Code of Business Conduct* and principles of BWXT's Human Rights policy (which includes references to forced labour, child labour and human trafficking) publicly available on its website ([www.bwxt.com](http://www.bwxt.com)).

To ensure compliance with the above responsibilities, BWXT's due diligence efforts include third-party provider/vendor screening prior to use by BWXT to ensure such third parties are not sanctioned parties who have had their export privileges revoked (such as the U.S. denied parties list) or otherwise raise concerns. BWXT's Ethics & Compliance ("E&C") Department receives a daily report resulting from the automatic re-screening of records against daily changes to the denied parties list as compared to BWXT's current vendors. Providers with yellow or red flags must be cleared by the E&C Director before proceeding. E&C reports annually to the Audit and Finance Committee of the Board of Directors with respect to these compliance efforts.

In 2024, BWXT Canada and its subsidiaries updated the Terms and Conditions included on all Purchase Orders (where BWXT is a Buyer) at all Entity locations to specifically include the following:

*"The Seller represents and warrants that the goods and services covered by this order are not produced, sold or distributed wholly or in part in Canada or elsewhere by forced labour, including convict labour, indentured labour, or child labour. Further, the Seller must not during the performance of this order, directly or indirectly, produce, sell or distribute in Canada or elsewhere or, regardless of who acts as an importer, import goods or services into Canada the importation of which is prohibited from entry pursuant to applicable Laws, because it is produced, sold or distributed wholly or in part by forced labour, including convict labor, indentured labor, or child labour. For the purposes of this section, "forced labour" and "child labour" have the meaning set out in the Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023, c. 9) (Canada)."*

Further, BWXT is committed to further improving its due diligence efforts to more specifically address forced labour and child labour, as set out in *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and track implementation and results.

### **Forced Labour and Child Labour Risks**

No sectors or industries involving the production or importation of goods are assumed to be entirely free of forced labour and child labour risks. The risk for BWXT Canada and its subsidiaries is with respect to monitoring and ensuring compliance of the international supply chain. As noted above, BWXT mitigates this risk through its corporate policies, its contracting practices and due diligence. Further, as noted above, all manufacturing activities are being performed by BWXT Canada and its subsidiaries in Ontario and the majority of BWXT's supply chain is made up of companies located primarily in Germany, France, Italy, Sweden, South Korea, USA and Japan, each of which have express legislation prohibiting forced labour and child labour.

## **Remediation Measures**

As stated in *BWXT Policy No.0200-12 - Human Rights and Responsible Corporate Citizen*:

*BWXT monitors its supply chains for a variety of reasons, and not solely to determine compliance with the prohibition against human trafficking or forced labour. BWXT will promptly and thoroughly investigate any claims that a third party provider is engaging in human trafficking or slave labour and any such claim will be reported to the Audit & Finance Committee of BWX Technologies, Inc's Board of Directors, along with the resolution of the claim and/or the findings of the investigation.*

*If a third party provider is found to be engaging in human trafficking or slave labour, BWXT will take prompt remedial action to address the violation.*

BWXT Canada and its subsidiaries internal processes for investigating claims (both internal and external) as well as whistle blower protection. After there are various measures that may be taken that could be taken to address instances of forced labour or child labour.

In the event of a finding of a situation involving forced labour or child labour, examples of measures available to BWXT pursuant to its policies and procedures, as it relates to employees of BWXT Canada or its subsidiaries, range from retraining up to termination. Examples of measures related to instances of forced labour or child labour in our supply chain, range from removal of entities from BWXT's qualified supplier group, termination of contracts, or other legal measures.

BWXT Canada and its subsidiaries are unaware of any instances of forced labour or child labour either internally or within the existing supply chain.

## **Remediation of Loss of Income**

If there is any loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains are detected, BWXT will endeavour to try and mitigate and alleviate the negative impacts of such remediation efforts, on a case by case basis.

To ensure remediation actions have a direct impact on workers, BWXT will encourage suppliers to have a direct employment relationship in the production of goods rather than a contractor relationship which can be effective in remediating the issue due to the supplier taking ownership of issues with workers including training related to their legal rights and expectations and establishing a method for reporting concerns or grievances, among other actions.

## **Training**

All BWXT employees, including senior management and executive level staff, and the BWXT Board of Directors receive mandatory annual *Code of Business Conduct* training (30 minutes) that emphasizes their obligations with respect to being a responsible

corporate citizen and following human rights best practices. Such training includes knowledge checks and other assessments to ensure the audience is effectively absorbing the content. Further, key BWXT employees provide annual certification regarding their continuing compliance obligations with the *BWXT Code of Business Conduct*. Likewise, suppliers are required to comply with the *BWXT Code of Business Conduct*.

In addition, BWXT Canada and its subsidiaries anticipate incorporating further specific training modules to address issues of forced labour and child labour in the supply chain, within the next year.

### **Assessing effectiveness**

As BWXT is in the process of developing training with respect to force labour and child labour, such training will include metrics for assessing the effectiveness of that training, including variables such as retention of knowledge. Based on these assessments, as well as those related to existing policies and procedures, and supplier contracts, BWXT Canada and its subsidiaries will be able to further refine its policies and procedures to ensure compliance with the Act and modern day scenarios of forced labour and child labour.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Name: John MacQuarrie

Title: President & Director of BWXT Canada Ltd.

Date: May 31, 2024

  
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Signature

*I have the authority to bind BWXT Canada Ltd.*