

Labor Supplier Expectations Related to Human Rights

Philly Shipyard has a strong commitment to human rights and ethical business practices. As part of this commitment, we have defined a number of expectations for our labor services suppliers related to human rights and labor rights. We strongly encourage all suppliers to ensure that your labor services related to Philly Shipyard, including sourcing of talent to the shipyard, are done in a manner that is consistent with our expectations.

Our Policies and Practices

Philly Shipyard policies and employment practices include a respect for human and labor rights. We forbid forced labor, child labor and all forms of discrimination including, but not limited to forced, bonded or indentured labor, involuntary labor, child labor, or any other form of human trafficking. We are committed to providing a safe and healthy work environment void of discrimination.

Philly Shipyard will not tolerate any form of modern slavery or human rights violations in our operations and supply chains, including service providers and suppliers. Philly Shipyard respects human and labor rights, and we expect our suppliers to do the same.

Expectations of our Labor Suppliers

We expect that all Philly Shipyard suppliers comply with all applicable laws and regulations in the jurisdictions where they operate, and to adapt their practices and policies to reduce risks related to human rights violations, human trafficking, forced labor and child labor.

Human Rights experts have indicated that certain practices can result in risks related to human rights and modern slavery in the labor supply chain. For these reasons, we expect Philly Shipyard labor suppliers to avoid certain practices, or where they cannot be avoided, to adopt procedures to reduce your company's risk of contributing to human rights violations, human trafficking, forced labor and child labor.

DOs and DON'Ts:

- Don't withhold worker **identity** and immigration documents.
- Don't allow underage or unauthorized workers.
- Don't use recruiters or vendors that do not comply with labor laws in the U.S. or elsewhere.
- Don't charge workers or potential workers **recruitment fees** where it can contribute to the risk of debt bondage.
- Where workers do not speak English, do provide relevant documentation and work agreements to workers in a **language** understood by them
- Do conduct **document checks**, including legal age to work and right to work in the U.S. In situations where you believe documents may be false, conduct follow up to verify as appropriate.
- Do provide workers, including foreign workers, with **wages** that meet U.S. minimum wage legal requirements.
- Do offer the ability for workers, including foreign workers, to **cancel** their work contracts at any time without significant financial penalty, subject to giving reasonable notice in accordance with U.S. law and/or a collective bargaining agreement.
- Do respect workers' right to form and join **trade unions** and to bargain collectively.
- In cases where you provide or arrange **housing** for your foreign workers, do ensure these meet host country housing and safety standards.
- If you bring foreign migrant workers into the U.S. for the purpose of working for your organization or the Philly Shipyard, do provide **return transportation** to them at the end of their period of work. (Exceptions to this requirement include: i) workers who are legally permitted to remain in

the country of work and choose to do so, and ii) workers exempted by authorization from Philly Shipyard Human Resources.)

- Do comply with all applicable laws and regulations in the jurisdictions where you operate.
- Do require your **subcontractors and recruiters** to abide by these same standards.

While it is not possible to eliminate all cases of human rights violations in the labor supply chain, every company can adopt best practices to reduce the risks. We recognize that for some suppliers, the expectations we describe above may be new and different from your current practices. It may take time for you to adjust your company's processes and practices to align with Philly Shipyard's expectations related to human rights and modern slavery. We encourage you to take a thoughtful and practical approach to reducing your company's risk of contributing to human rights violations, human trafficking, forced labor and child labor.

In addition to the above expectations for labor suppliers, all suppliers should comply with the Philly Shipyard Supplier Code of Conduct (SCOC), as well as the terms and conditions (T&Cs) in your contracts. These are available at www.phillyshipyard.com/suppliers.