

2025

Ships for Canada, by Canadians
Canada's National Shipbuilder



IRVING

Irving Shipbuilding Inc.

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A MESSAGE FROM OUR PRESIDENT

In 2025, we continued to increase capability in every part of Irving Shipbuilding Inc., and that capability is delivering the objectives of Canada's National Shipbuilding Strategy. In addition to sustaining the existing fleet, we're efficiently and reliably delivering new ships for Canada. This work underway building and maintaining ships for Canada sustains a marine industry providing full time employment for over 10,600 Canadians across the country and supports nearly 700 Canadian suppliers.

Our entire team is united in delivering naval readiness through docking and repairing the Halifax-class. Refit work continues on HMCS *Halifax*, and we've recently received HMCS *Fredericton* for simultaneous refit work.

Our work on the Arctic and Offshore Patrol Ship program has been remarkable. We successfully reduced the construction duration of AOPS 6, delivering it two full years faster than it took us to build AOPS 1. We have now completed and delivered the AOPS program to the Royal Canadian Navy and are continuing to make steady progress on the variants for the Canadian Coast Guard.

On the River-class destroyer project, we're now building the future HMCS *Fraser*, putting Canada back in the business of building surface combatant ships after 30 years.



Dirk Lesko
President



Irving Shipbuilding Senior Leadership Team

It takes a great team working together to make all of this happen. This report highlights some of our team members, but we want to acknowledge the hard work and commitment of all our people. Without them, our achievements in 2025 would not be possible.

Our Mission

- EMPOWER PEOPLE
- BUILD SOVEREIGN CAPABILITY
- EARN TRUST

Selected in 2011 through a competitive process under the National Shipbuilding Strategy, Irving Shipbuilding was designated the winning shipyard for the combat vessel package, making it **Canada’s sole source** for construction of naval combatants.

Since then, Irving Shipbuilding has served as a **national champion** in combat ship construction and sustainment. Our proven record in world-class new construction and ship repair ensures Canada’s naval fleet is built and maintained to the highest standards, supporting operational readiness at all times.

Through technical innovation, we’ve integrated advanced technologies and modern processes to meet evolving defence needs.

We are proud to be Canada’s National Shipbuilder and **we are delivering** unique, sovereign capability that enables the efficient use of internal and external capacity and end-to-end service to Canada’s naval fleet.



We Have Delivered

A High Performing Workforce and Robust Canadian Supply Chain

We are focused on growing and supporting a highly skilled workforce through investments in training and apprenticeships, and partnerships with local colleges, universities, and communities.

World-Class Shipbuilding Facilities

Through ongoing modernization of Halifax Shipyard and our offsite fabrication facilities, we have strengthened our capabilities and capacity to build and sustain Canada’s naval fleet. We have implemented advanced industrial processes designed to support long term fleet recapitalization.

Arctic and Offshore Patrol Ships

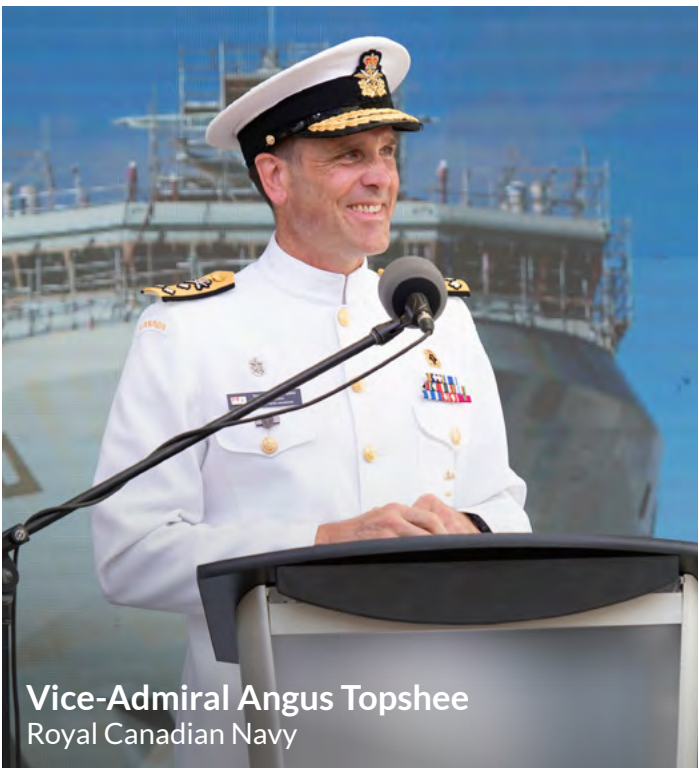
Six Arctic and Offshore Patrol Ships have been delivered to the Royal Canadian Navy, with two AOPS variants in production for the Canadian Coast Guard.

The River-Class Destroyer

With the first River-class destroyer in production, Canada is back in the business of building combatants for the first time in over thirty years. This is an important milestone in restoring sovereign capability and building confidence in Canada’s ability to deliver complex defence programs.

Sovereign Capability for Canada

Irving Shipbuilding is more than just a shipyard—we provide solutions. Our capacity is not limited by facility or workforce and has been built through demonstrated performance as a key stakeholder in combatant programs. We have delivered a sovereign capability, providing complex naval solutions for Canada.



“This is a genuine sovereign capability for Canada and no doubt, the best shipyard in North America.”



Watch the full speech by scanning the QR code.

2025 HIGHLIGHTS



✓ HMCS *Robert Hampton Gray* delivered



✓ First steel cut on the future HMCS *Fraser*



Aft Engine Room Insert for HMCS *Halifax*



HMCS *Fredericton* arrived for refit period



Implementation contract signed for first three River-class destroyers



First River-class destroyer plate work at Halifax Shipyard



Keel laid for the future CCGS *Sermilik*



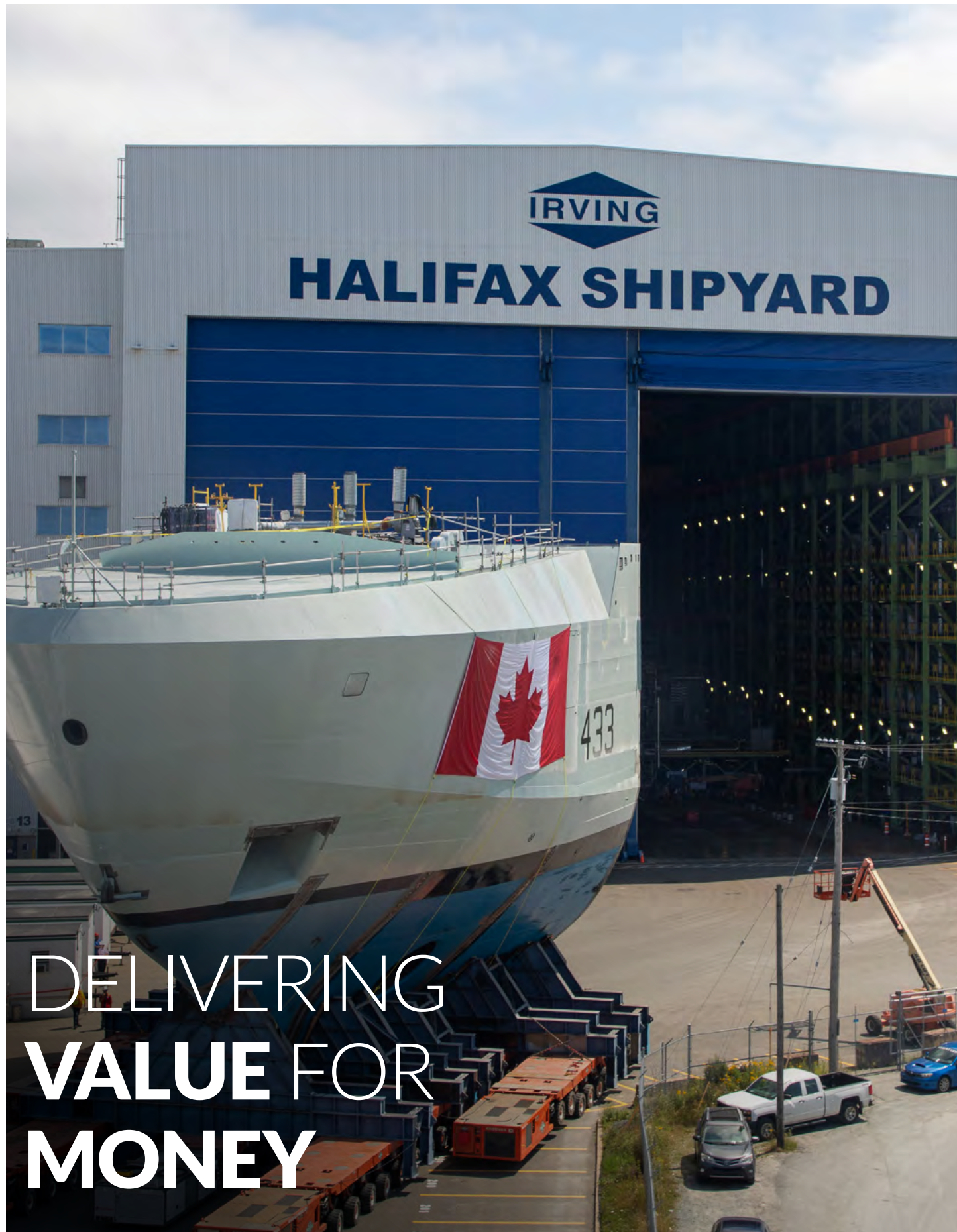
The future CCGS *Donjek* formed at Land Level



River-class destroyer skeg installation crew



River-class destroyer skeg progress

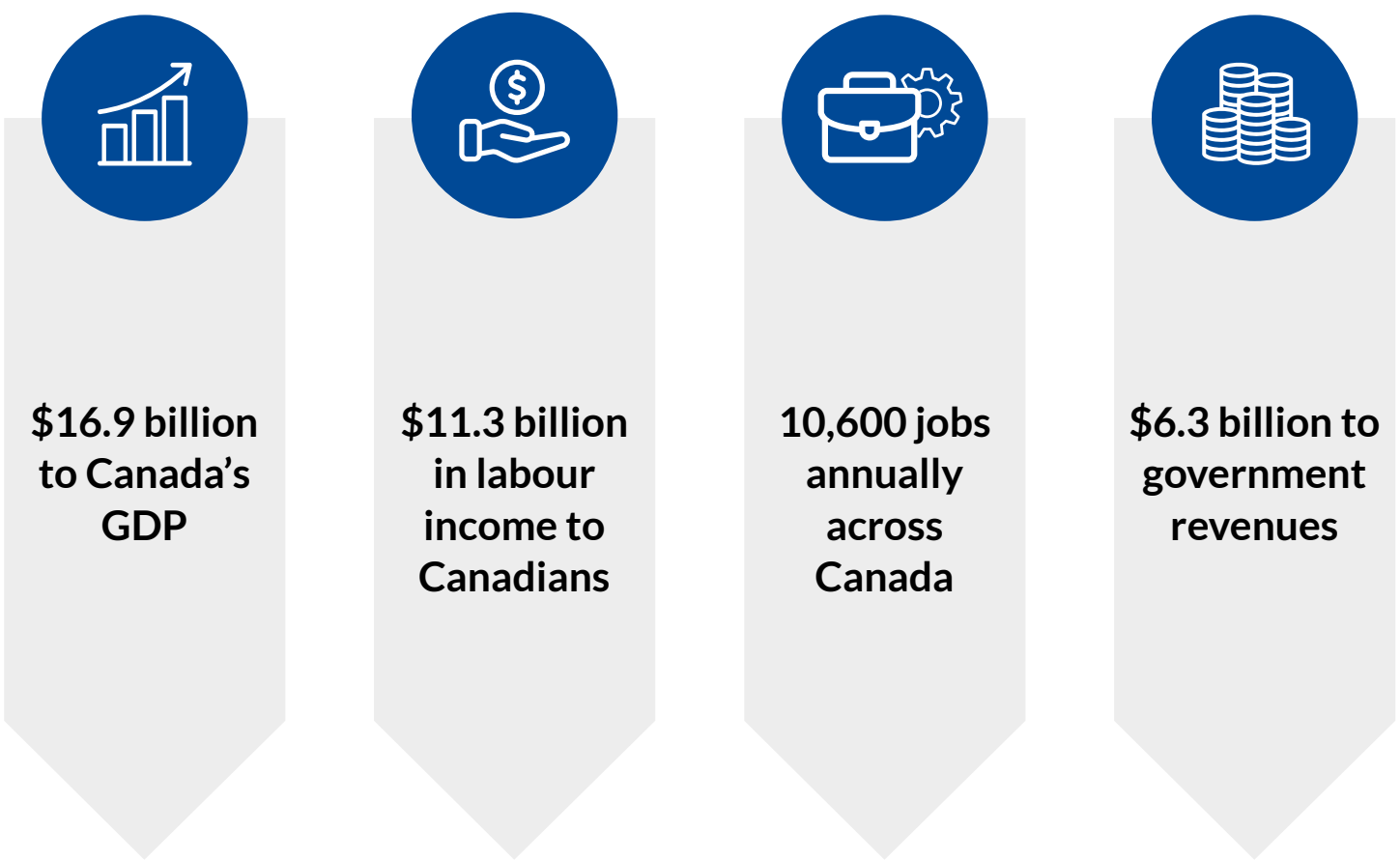


Key findings of the 2025 Conference Board of Canada Report

The Conference Board of Canada Report, “Value for Money, Impact of Shipbuilding at the Halifax Shipyard – 2025,” provides an assessment of the economic impacts of the National Shipbuilding Strategy, delivered through Irving Shipbuilding Inc. programs.

As the designated site for combat vessel construction under the NSS, Halifax Shipyard is impacting businesses and communities across the country, with an estimated **\$15 billion in spending commitments going to nearly 700 Canadian organizations.**

Between 2013 and 2027, the work at Halifax Shipyard is projected to contribute :



[Read the full report](#)

Source: Hermus, Gregory and Alan Chaffe. Value for Money: Impact of Shipbuilding at the Halifax Shipyard – 2025 Ottawa: The Conference Board of Canada, 2025.

Canadian Companies Building Canadian Industry

Across the country, suppliers are designing and fabricating components, advancing technologies, and providing specialized services that bring each vessel to life. From large, established manufacturers to small, innovative firms, these companies are helping **modernize Canada's marine sector while strengthening local economies.**

By engaging suppliers nationwide, we are ensuring that the economic benefits of the National Shipbuilding Strategy are widely shared. Each contract awarded to a Canadian company **supports jobs, fosters homegrown innovation, and helps grow industrial capabilities** that last far beyond a single project. This Canadian approach is also building a resilient domestic supplier base that supports sovereignty, ensuring Canada has the skills, infrastructure, and expertise to maintain and modernize its naval fleet here at home. The result is **more than ships**. It's a stronger, more connected national industrial ecosystem, one where Canadian businesses play a central role in delivering essential capabilities for Canada, while gaining the experience and partnerships they need to compete globally. Canada's suppliers are shaping a future where Canadian industry leads, innovates, and thrives.

Maximizing Benefit for Canada

We are committed to maximizing Canadian content and economic benefits through our work building ships for Canada. There are three main ways that Canada's economy benefits:

1. Direct Industrial and Technological Benefits (ITBs):

Work that a Canadian supplier does with us directly related to the AOPS, RCD, and Repair programs.

2. Indirect Industrial and Technological Benefits:

Offsetting any work performed outside of Canada by making investments in Canada to ensure that 100% of the value of the AOPS, RCD, and Repair contracts is spent here at home. Indirect ITB transactions create opportunities for all Canadian industries to benefit from defence procurement, help to grow our overall economy and make Canada more innovative.

3. Value Proposition:

These are investments focused in the areas of workforce development, technology, and commercialization to strengthen Canada's greater marine industry.

Supplier Spotlight: Score

An \$89 million contract awarded to Newfoundland-based engineering firm Score will contribute to more than \$190.4 million in contracts delivered to Newfoundland and Labrador.

The contract supports construction of Canada's future River-class destroyer fleet. Under the agreement, Score will supply all valves for the first three RCD ships. These components will be used in critical piping systems transporting hydraulic oil, high-pressure air, water, and other fluids essential to ship operations and performance. Founded in Peterhead, Scotland in 1982, Score is a global leader in advanced engineering services across energy, defence, and aerospace. In Canada, the company operates facilities in Edmonton, Alberta, and Paradise, Newfoundland, where it employs approximately 60 people. This contract has already created 10 new local jobs,

with the potential for more as the project advances.

Work under the RCD program at the Paradise facility will involve highly skilled technical roles, including project management, testing, inspection, integration, and manufacturing support. The contract also supports Score's plans to expand operations into Nova Scotia.

Score was selected based on its strong Canadian presence and experience supporting the Global Combat Shipbuilding Program, including work on the Type 26 and Hunter-class frigates, upon which Canada's RCD design is based.

With this award, Score joins more than 700 Canadian companies participating in the National Shipbuilding Strategy work at Halifax Shipyard.



Over \$12 billion in spending commitments with more than 700 organizations across Canada

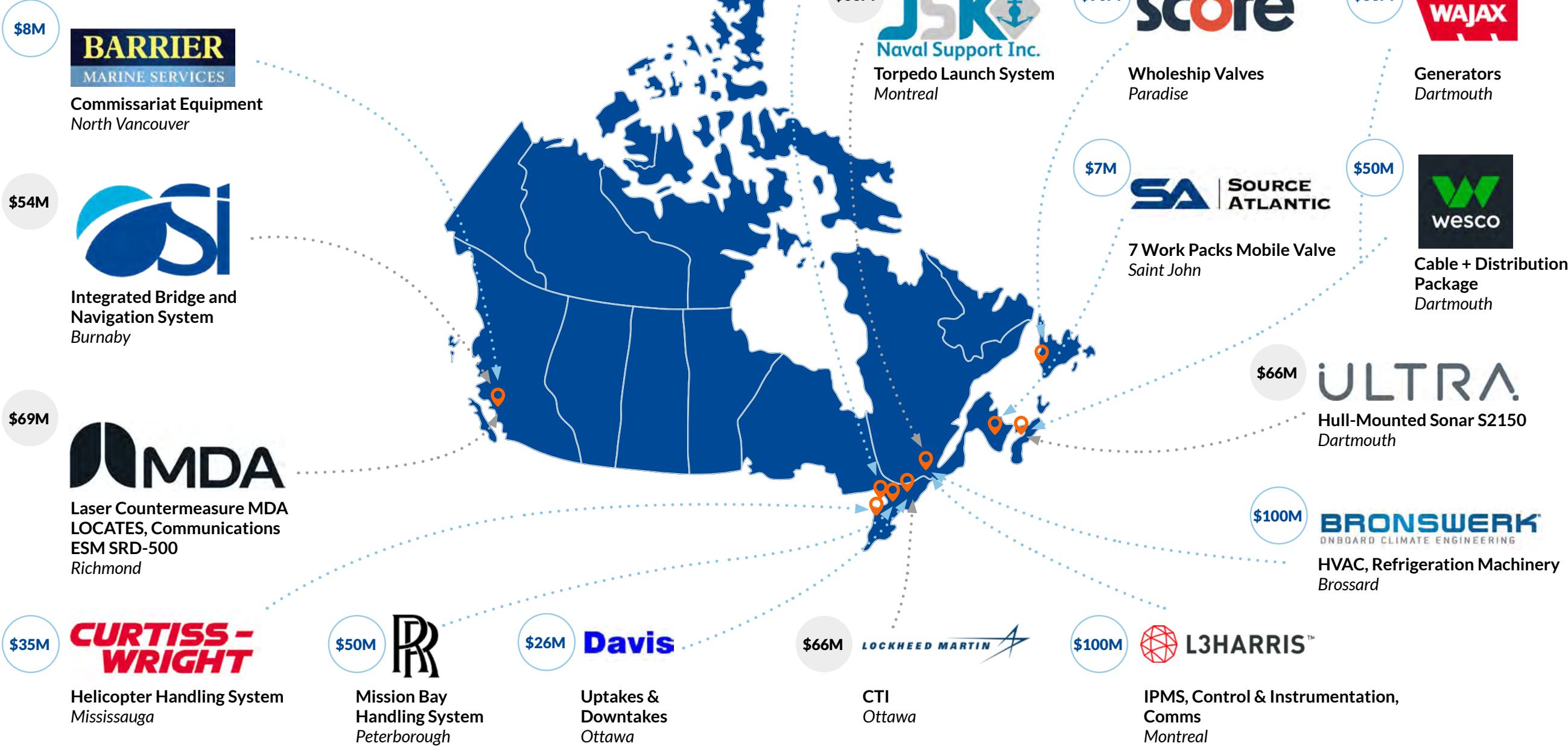
For every \$1 billion spent in Canada on shipbuilding, up to \$1.3 billion is achieved in benefits to the national economy.

Source: PwC: Value for Canada – National Shipbuilding Strategy.

\$638M+ Non-Combat Systems

\$622M+ Combat Systems

Our work is powered by an extensive and diverse Canadian supply chain. Hundreds of Canadian companies are contributing their expertise, technologies, and talent to build the country’s next generation of ships. Driving this work is a powerful national commitment: Canadian companies building Canadian industry.



Canadian Impact: Our Suppliers

A History of Proven Excellence: Trident Maritime Systems Canada

Trident Maritime Systems Canada (formerly Aircraft Appliances and Equipment Limited) was founded in 1949 and provided repair and distribution services to the Department of National Defence. In 1959, operations expanded into the design and manufacturing of bespoke marine filtration equipment. Trident's work for the Royal Canadian Navy includes support to the Victoria-class In-

Service Support Contract, and support to the Joint Support Ship program. It is this longstanding experience and proven excellence that Trident is bringing to the River-class destroyer project. This latest contract contributes to the **over \$6.6 billion in contracts and investments that we, through the National Shipbuilding Strategy, are delivering to Ontario alone.**



Strengthening Existing Partnerships: L3Harris

Located in Quebec, L3Harris has been awarded two contracts valued at **over \$170 million** to supply and install the Integrated Platform Management System (IPMS) and Control & Instrumentation System for the River-class destroyer ships. The IPMS is a sophisticated system for managing the ship's propulsion, power generation, and auxiliary, and will enhance the performance, reliability, and safety of the new combat

ships. This work continues our **30+ year partnership** with L3Harris, which began in the 1980s through work completed on the IPMS on the Halifax-class fleet. The work will take place at L3Harris' Montreal facility and will provide skilled jobs to the region, including systems engineers, project managers, technicians, quality assurance specialists, procurement, and customer support specialists.



Building Family Businesses: W.R. Davis Engineering Limited

Ottawa-based W.R. Davis Engineering Limited has joined Irving Shipbuilding's supply chain to support the construction of the River-class destroyers.

Irving Shipbuilding awarded W.R. Davis a contract totalling over \$30-million to design and implement the full engine intake and exhaust system, as well as the infrared suppression devices for the exhaust. This contract will support jobs in the Ottawa-region and will be carried out on the first three destroyers. Importantly, this contract will deliver new jobs to the local community and area workforce.

W.R. Davis Engineering Limited was established in 1975 in Ottawa by Rolly Davis and is now run by his son, Tom Davis. The company remains a family-controlled business, with three of Rolly's four children holding senior positions.



Supporting Small Business: Patlon Aircraft & Industries Limited

Based in Halton Hills, Ontario, Patlon Aircraft & Industries Limited is a small business that has been an active member of our supply chain for **over 30 years**, supporting with the retrofitting of vessels for the Royal Canadian Navy. We have awarded Patlon contracts valued **over \$30 million** to supply and quality check the hose systems and bellows on the first three River-class destroyers. Building on the longstanding relationship between Patlon and ISI, this work will further support the growth and skill development of their Ontario workforce.



Value Proposition Success Story – COVE

We are committed to investing in research and initiatives to support a vibrant and sustainable marine industry in Canada. Through this commitment and investment, we are proud to be a founding partner of COVE.

COVE is a global innovation hub for marine technology located in Dartmouth, Nova Scotia. COVE brings together people, ideas, industry, and research to enable community and members to work in new ways. As part of its programming, COVE fosters the development of an engaged workforce for ocean industries to meet today's and future needs and takes advantage of both on- and offshore shared infrastructure to enable new ocean products and services.

We have committed over \$10M to COVE through 2026—an investment that supports a unique catalyst which has grown to over 70 emerging enterprises that are focused on innovative solutions to problems like climate change and the health of our oceans.

COVE's mission is focused on the commercialization of high-tech innovation for the sustainable use of the ocean. Today, COVE remains one of the only purpose-built commercialization facilities in the world that is industry-led and ocean industry focused. Its vision is to be where ocean technology leaders develop solutions for a better and sustainable world, a key driver for enabling a strong Blue Economy in the following areas:

- Developing Canada's future workforce
- Enabling development of new products and services through on- and off-water shared infrastructure
- Scaling businesses and new ventures
- Partnering with other global hubs to advance commercialization



SuperNOVA

We are proud to **support more than 1,000 youth in STEM** through our sponsorship of SuperNOVA Camps across Atlantic Canada.

Through the Irving Shipbuilding Centre of Excellence funding at Nova Scotia Community College, the sponsorship annually funds the July and August Shipbuilding STEM Camps for youth ages 5 to 14 across Nova Scotia. These camps are designed to teach children about how ships are built, who builds them, and principles like buoyancy, propulsion, electricity, and ocean sciences.

SuperNOVA is a not-for-profit initiative of Dalhousie University that promotes science, technology, engineering and mathematics (STEM) to youth in Atlantic Canada. It offers engaging and innovative workshops, summer camps, clubs, and community events that provide youth with rewarding experiences in STEM and nurture a life-long love of exploration, creativity, and academic achievement.



24
OUTREACH
CAMPS
DELIVERED



1,024
YOUTH
REACHED

Boat School

Against the backdrop of Halifax's historic waterfront, where wooden boats once lined the harbour, a new investment in the Maritime Museum Boat School will blend traditional craft with the skills and opportunities young people need.

We are contributing \$2.5 million to Canadian Maritime Heritage Foundation for the Maritime Museum Boat School, supporting the creation of essential infrastructure for the Boat School program, including the building, small boat marina, and operational costs.

The Maritime Museum Boat School plays a vital role in **educating future generations** by offering hands-on learning and experiences in maritime skills, fostering a deeper appreciation for the region's maritime history. It promotes sustainability through teaching traditional boat-building techniques while incorporating modern practices. The Boat

School will provide expanded capacity at the museum for its **Building Boats, Changing Lives** workshops. The school will serve as the hub of a network of youth-empowering workshops for youth from underrepresented groups in communities throughout Nova Scotia.



Marine Career Skills Training at All Ages

Career
Irving Shipbuilding Inc., and
the marine industry



College
Nova Scotia Community College
Trades and Staff



High School
Skills Canada



Middle School
Boat School



Connecting Students with Marine and Skilled Trades Careers in Partnership with Skills Nova Scotia

We continue to strengthen our commitment to workforce development and youth engagement through a recently expanded partnership with Skills Nova Scotia. Building on an already successful collaboration focused on in-school outreach, this partnership has significantly increased awareness of trades and technology careers among students across the province. Through Discovering Skills presentations delivered in classrooms, **up to 10,000 students** have received in-person exposure to skilled trades pathways, while an **additional 3,500 students** have engaged with Skills Nova Scotia's Skills 101 video series. These initiatives have provided teachers and students with accessible, relevant, and engaging resources that highlight the breadth of opportunities available in skilled trades. In 2025,

the partnership advanced further with the launch of **Discover Marine Trades**, a new joint initiative designed to introduce Nova Scotian students to the wide range of careers within the marine sector. The program aims to address gaps in awareness about high demand roles across marine technology, shipbuilding, maintenance, and specialized trades. Our partnership is a shared commitment to investing in the future workforce and ensuring young Nova Scotians are equipped with the knowledge and inspiration they need to pursue meaningful careers in the marine industry. By combining our industry expertise with Skills Nova Scotia's educational reach, the partnership is expanding its impact province wide and helping to build a stronger, more resilient talent pipeline for the marine sector.



Building a More Inclusive Marine Workforce with Techsploration

In 2025, we deepened our longstanding collaboration with Techsploration through a **new four-year, \$789,000 initiative** that will create a Marine Industry Division (MID) within Techsploration’s award-winning program for young women and gender-diverse youth in Grades 9-12. This expanded partnership builds on years of shared commitment to equity and inclusion in Skilled Trades and STEM careers, while addressing the gender gap in Nova Scotia’s growing marine sector. The MID will engage approximately **225 students** from eight Nova Scotia schools, primarily in the Halifax Regional Municipality and surrounding areas. Beyond the classroom, the **program will reach more than 4,000 youth** through conferences, school presentations, and outreach activities. For the first time, Techsploration will deliver sector-specific programming at this scale, with marine-focused content integrated into its Grade 9 program and alumnae conferences for older students. **“Canada’s marine industry depends on a skilled and diverse**



workforce,” said Nadine O’Neill, Vice President of Human Resources at ISI. “Increasing the participation of women in STEM and skilled trades is critical. Techsploration provides an important platform to inspire and prepare young women for these careers.”

The impact of Techsploration’s mentorship is already evident. Victoria Henneberry, a Techsploration alumna and current Irving Shipbuilding Apprentice Pipefitter, credits the program for sparking her career ambitions. “As a Techsploration student in 2012, I had role models who ignited the spark in me to pursue a career in the skilled trades,” she said. Today, Victoria mentors the next generation of young women entering the marine sector.

With this new Marine Industry Division, Techsploration and Irving Shipbuilding Inc. are paving the way for a **more equitable, resilient, and representative workforce for the future.**



Investing in Nova Scotia Community College and the Future of Skilled Trades

We are investing in Nova Scotia Community College (NSCC) to enhance the quality of education delivered to Nova Scotia’s trades workers, the future of Canada’s marine industry. **Our \$3.2 million in funding** for classroom and shop upgrades is supporting new equipment, improved ventilation, upgraded

mechanical systems, and a dedicated grinding room at NSCC’s Akerley Campus. These upgrades are enhancing safety and expanding capacity for training future trades professionals. Two new classrooms have been added, including 54 new welding and metal fabrication stations.

Marine Trades Initiative

A sustainable marine industry requires a skilled and resilient workforce. In 2025, we took a significant step to support that need through a **new \$3.306 million partnership with Nova Scotia Community College** that will expand access to specialized marine trades training across Nova Scotia. **The Irving Shipbuilding Marine Trades Initiative created 80 new, fully funded skilled trades seats at NSCC** beginning in September 2025.

The initiative is delivering specialized training in **welding, metal fabrication, and pipe trades**, providing students with the practical skills required to meet the evolving demands of the marine sector. By removing financial barriers and expanding access to high quality, industry aligned training, the program supports the development of a new generation of skilled marine tradespeople while contributing to the long-term sustainability of Canada’s marine workforce. Under the program, we are covering the **full cost of tuition, training, and associated materials for all 80 participants** enrolled in the two-year diploma programs. We are committed to investing in research and initiatives to support a vibrant and sustainable marine

industry in Canada. The Marine Trades Initiative builds on this commitment by aligning industry needs with education and training, while supporting broader community and economic benefits. Through continued collaboration with NSCC and other partners, we are helping to develop a workforce that will support shipbuilding and marine industries across Canada for decades to come.





WORKFORCE
DEVELOPMENT
ENABLES
WORKFORCE
ACCOMPLISHMENT

Workforce Development

Our ability to deliver on Canada's shipbuilding needs is defined by our people. Through strategic workforce development, we have built a team that is uniquely capable of meeting the demands of the National Shipbuilding Strategy.

By investing in apprenticeship programs, training, and career development, we have cultivated internal talent and fostered a culture of collaboration. Our commitment to our people ensures that we **work as one team, united by purpose, to deliver ships for Canada.** The results speak for themselves.

Our attrition rate is **50% lower than the Canadian manufacturing average** and approximately **70% lower than the North American shipbuilding average**, demonstrating the stability and engagement of our workforce. Operational efficiency has improved, with a 10% reduction in required support staff and measurable gains in safety, quality, schedule, and cost performance. These achievements reflect the strength of a workforce that is skilled, motivated, and aligned with our mission.



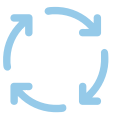
Jack Lynds
Mechanical Engineer



2,400+
EMPLOYEES ACROSS
IRVING SHIPBUILDING
INC. AND FLEETWAY INC



500+
SUBCONTRACTORS
SUPPORTING SHIPBUILDING
OPERATIONS



10,600
JOBS SUSTAINED
ACROSS CANADA



OVER \$220 MILLION
INVESTED IN WORK-
FORCE DEVELOPMENT

Shipbuilders by the Numbers

2025 Highlights

 **1,400**
SKILLED
TRADESPEOPLE

 **85%**
OF PRODUCTION
SUPERVISORS HIRED
INTERNALLY

 **32,669**
TRAINING HOURS
COMPLETED BY
PRODUCTION

 **316**
APPRENTICES
EMPLOYED

 **108**
RED SEALS
ACHIEVED



Megan Thomas
Welder Apprentice

Apprenticeship

With one of Canada's largest apprenticeship programs, we support our 300+ apprentices as they work toward successful Red Seal certification. Every apprentice is financially supported and encouraged throughout the entirety of their apprenticeship. We are continuously developing our apprenticeship program and training, currently offering support through a dedicated Apprenticeship Team, skills coaches for all trades, a mentorship program, and virtual learning strategy support. The desire from our apprentices to grow and improve can be seen through our number of Red Seal graduates. In 2025, we had 108 apprentices earn their Red Seal, **the highest number of graduates in a single year** since the program began.

 **108**
RED SEAL
CERTIFICATIONS
IN 2025



"I have been with Irving Shipbuilding for three years and my apprenticeship experience has been amazing. I cannot put into words how much I appreciate the support from the Apprenticeship Team. I feel like a weight was lifted and obtaining my Red Seal has made a positive impact on my life. Irving Shipbuilding has the best Apprenticeship Team throughout Nova Scotia and the only reason I proceeded with my apprenticeship was due to the support I received."

– Eugene Herritt, Red Seal Electrician



"It's a good feeling being able to wake up in Nova Scotia, to work and raise a family here. I started here when I was 21 years old and I've been here ever since. It's a great feeling to work here and know I'm going to keep growing while building ships for our country."

– Keaghan Larade, Metal Fabricator Apprentice

Training

At Irving Shipbuilding, we invest in our workforce on the shop floor and in the classroom. We have a dedicated support structure for our trades team, offering training courses in steel, electrical, pipe and mechanical, and paint and services. With **1,400 trades workers across three different production sites**, we supported our workforce with nearly **33,000 hours of training completed** by our production team in 2025. As our workforce grows and develops, so does our approach to training and support. In 2026, we are developing several new

courses across the trades, including a new training program fully built from the ground up for Millwrights, developing new and updating existing trade specific handbooks, and working with departments across the business to identify opportunities to enhance existing processes.

Through these enhancements to our training programs and materials, we are investing in the next generation of shipbuilders while reinforcing our culture and mindset of safety and quality.



Diversity, Equity, and Inclusion

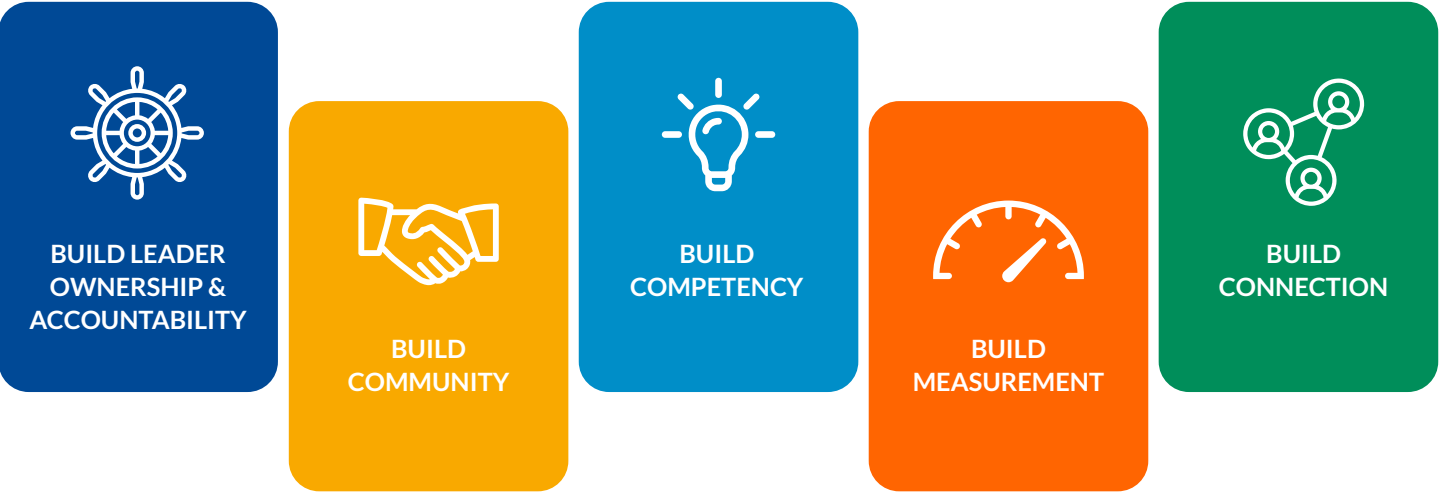
We are committed to fostering an inclusive workplace where every individual feels welcomed, valued, and empowered to contribute their best. Collaboration, fairness, and respect are central to our culture, and belonging and inclusion remain foundational to our employee experience.

Our organization is strengthened by diverse perspectives and backgrounds, and we continue to advance initiatives that support the development of a diverse workforce pipeline. Each year, we invest in programs that encourage underrepresented groups to pursue careers in STEM and in skilled trades, helping to open pathways into nontraditional fields and build a more representative workforce.

Aligning Diversity, Equity, and Inclusion efforts with business priorities

- Continued partnership with external communities to help reach underrepresented groups
- Continued mentorship support for Pathways students

Our Diversity, Equity, and Inclusion efforts follow five key focus areas, creating a roadmap and structural approach to developing our collective competency and accountability. This facilitates opportunities to build internal connections and relationships with external community partners while focusing on key priorities.



Pathways to Shipbuilding

We believe in the future of shipbuilding in Canada and are committed to nurturing it, which is why we maintain strong investment in the training and education of 21st century shipbuilders. Our ongoing Pathways to the Shipbuilding program enables access to education, training, and jobs for women, Indigenous Peoples, and Black Canadians. By providing groups that have been under-represented in shipbuilding with opportunities and employment, Pathways to Shipbuilding is strengthening the industry by attracting a more diverse and inclusive workforce.

Women

Pathways to Shipbuilding works with the non-profit Women Unlimited to attract women to work in the shipbuilding industry. Two Pathways to Shipbuilding for Women classes have graduated, with many graduates now having earned their Red Seal designation working at ISI. We also work with the YWCA’s Shift Change project to change workplace culture norms that discourage women from building careers in trades.

Indigenous Peoples

In collaboration with community, industry, government, academic, and Indigenous partners, including the Mi’kmaw Native Friendship Centre, Pathways to Shipbuilding has trained Indigenous peoples in the in-demand skills of welding, metal fabrication, and pipefitting. Pathways to Shipbuilding has paved the way for our Indigenous Students to begin long and successful careers as Canada’s shipbuilders.

Black Canadians

Through our partnership with the Africadian Empowerment Academy (AEA), and Nova Scotia Community College, we have supported two cohorts of the Pathways to Shipbuilding program for People of African Descent. AEA is a non-profit education and skills development-based organization, designed to empower, equip, and inspire members of the Nova Scotia community of African Descent.

These classes are culturally sensitive and bring Africentric perspectives to the classroom. The first class of 20 Black trainees saw a 100% graduation rate, with 13 of the students graduating with honours. The second class is now underway, scheduled to graduate in 2026.



Corey Sargent: Paving a Path in Shipbuilding

Corey Sargent is helping drive quality and efficiency as Team Lead, Quality Control. Previously, Corey was a Production Supervisor who helped mentor and guide one of the largest crews at Halifax Shipyard. Originally from Iqaluit, Corey is a proud Métis and spent most of his youth immersed in the culture of his Inuit community. On his mother’s side, Corey’s family ancestry traces back to the original Red River Settlement and the Resistance. Corey’s father served on the most famous Arctic Patrol Ship, the RCMPV St. Roch, the first ship to fully travel the Northwest Passage.

“I moved to Halifax from Vancouver almost ten years ago to take a job as a welder at Irving Shipbuilding. I had never been to the Maritimes, but I knew as soon as the project was announced

that I needed to be a part of it.” Having achieved his Red Seal and Level 2 Certified Welding Instructor certificate, Corey took on a supervisor position for five years before taking his next step as Team Lead. During his time as a Production Supervisor, Corey mentored talented apprentices, coached experienced journeypersons, and most importantly, left a lasting impact on his teammates.

Corey’s dedication and ability to empower and inspire his team members to learn, grow, and succeed are key to ensuring we deliver on our commitment to building capable ships for Canada. As one of our 3,000 shipbuilders, Corey is paving the way for his team, while also giving back to those who helped carve his path.

“I am very proud of my team and the work we do here as Canada’s National Shipbuilder. Knowing I am giving back to the community that gave my family so much inspires me to do more. I never thought welding would take me to this life.”

Scan the QR code for the full interview.



Safety

Safety is one of our core values and an essential component of operational excellence. We are committed to ensuring that everyone can work in an environment where risks are minimized and safe work practices are consistently upheld. This commitment is embedded in our systems, our decision making, and our culture.

Throughout 2025, we continued to advance our safety performance through targeted improvements and enhanced organizational alignment. Our teams have strengthened hazard identification processes, increased reporting transparency, and expanded safety leadership engagement across all levels of

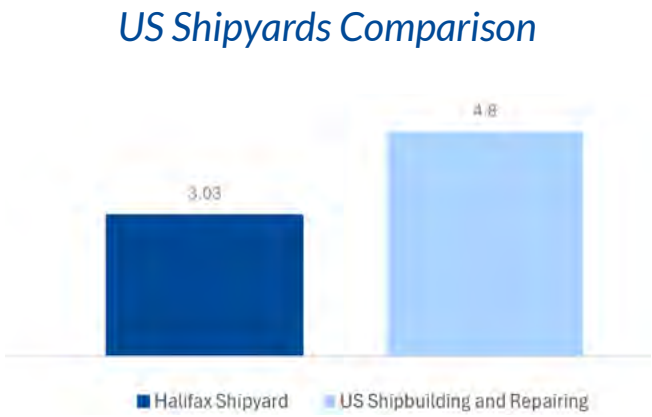
the organization. These efforts have contributed to **steady improvement** in key safety indicators and reinforced our culture of accountability and shared responsibility.

Strategic investments in our facilities, equipment, and training programs have played a significant role in this progress. Modernized workspaces, upgraded tooling, and new technologies have reduced exposure to workplace hazards and supported more efficient and safer work practices. These investments, combined with ongoing employee training, have directly contributed to measurable gains in our safety performance.



In 2025, we launched our **Safety Absolutes** across our business. Safety Absolutes are work practices that enable us to perform our highest risk work safely. We have established a consistent approach to these Safety Absolutes through awareness, education, and a shift in culture. Our goal is to establish a clear, simple, and understood way of working, and an environment in which everyone feels comfortable speaking up for safety. The Safety Absolutes are a key component of our shared vision of **zero injuries, zero defects**.

Safety excellence requires continuous focus and improvement. As we move forward, we remain committed to **investing in our people, our processes, and our infrastructure** to ensure that safety continues to guide our operations and support the success of the National Shipbuilding Strategy for years to come.



Source: U.S. Bureau of Labor Statistics
https://www.bls.gov/web/osh/table-1-industry-rates-national.htm#soii_n17_as_t1.f.1

Building a Safer Future Together: Our Safety Management System

Through 2025, we worked to establish the structure of our **Safety Management System**, a framework enabling us to take a proactive approach to managing health and safety risks. It integrates policies, procedures, and practices to ensure that safety is embedded in every aspect of the organization. A Safety Management System supports continuous improvement, regulatory compliance, and a shared responsibility for safety.

This journey began with a commitment to understand our current state. In late 2024, we conducted a comprehensive baseline assessment using a newly developed maturity framework. This assessment measured performance across **twelve key elements**, including leadership commitment, hazard identification, training, incident management, and emergency preparedness. The assessment findings presented opportunities to strengthen systems, clarify ownership, and align safety practices. Gaps were grouped into strategic projects and prioritized based on impact, feasibility, and alignment with existing initiatives. Our teams have actively engaged in building knowledge through bootcamps, panel discussions, and workshops. These sessions fostered cross-functional dialogue and emphasized the importance of employee participation in creating a safer workplace. **Safety is an ongoing commitment.** Our multi-year roadmap includes initiatives focused on incident management, training, document control, and field inspections.

With strong leadership and active employee engagement, we continue to foster a safer workplace for our employees, contractors, and members of the public.



Alan Ferguson
Director,
Health, Safety & Environment

Quality: Zero Defects Initiative

Zero Defects is a collective commitment to quality across our entire business. The objective of Zero Defects is for all employees and departments to produce defect-free work, ensuring problems aren't passed along to our teammates. The Zero Defects mentality and approach has four key pillars:



For Our Safety
Eliminating defects passed along to our co-workers minimizes out of sequence work, enabling our teammates to work safely.

For Our Country
Canada needs a capable Navy and Coast Guard to protect and defend our way of life.

For Our Navy and Coast Guard
The Navy and Coast Guard need dependable ships to complete their missions safely and effectively.

For Our Future
Producing defect-free ships gives Canada trust in our ability to repair and build their ships.



Quality

The quality of our work has significantly improved. When we do things right the first time it is safer, faster, and therefore less costly. **Our first-time quality standard, which stood at 80% in 2020, improved to an impressive 98.4% in 2025.**

We continued on our Zero Defects journey in 2025, with a focus on full business accountability. This focus started with establishing Zero Defect measures for each business area, with the goal of the business areas not passing along a defective product/deliverable to the next step in the business value stream: establishing a no-fault forward mindset.

We emphasized focus on production metrics, which included establishing the capability to trace defects back to tradespeople to enable trades accountability and the opportunity to identify training needs, process improvements, and tooling improvements.

Process maturity is the foundation behind Zero Defects and Zero Lates. As our processes mature, we see clearer ownership, well-defined customers and suppliers, and key activities that are intentionally designed rather than reactively managed. With registered process group maps in place, teams know where work begins, how it flows, and what “good” looks like.

This clarity has allowed us to tie meaningful measures of success directly to our processes. Zero Defects and Zero Lates are no longer long-term goals, but outcomes driven by how well our processes are defined, followed, and improved. Strong process maturity also strengthens our SLAs by making expectations visible, measurable, and achievable.

The results are **fewer surprises, faster containment, and**

consistent delivery. The significant improvements we have seen in process maturity across the business are translating directly into **higher quality, stronger accountability, and more realizable performance.**

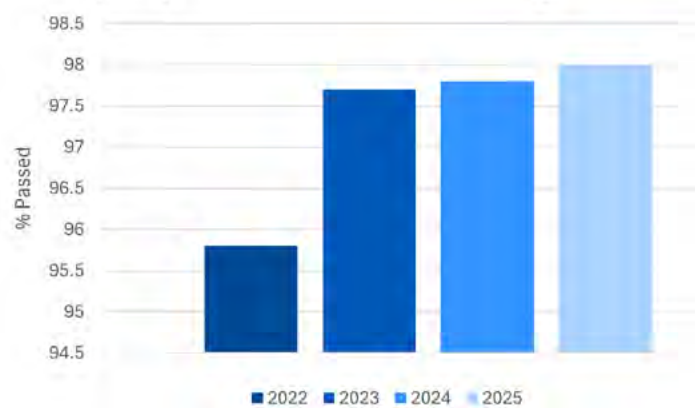
Supplier quality was a focus for 2025, with the objective of delivering quality material to the production group through early detection and prevention of defective material. This was achieved by working with suppliers to identify improvement opportunities to their quality programs, ensuring product delivered to ISI meets all requirements.

Key Quality Metrics

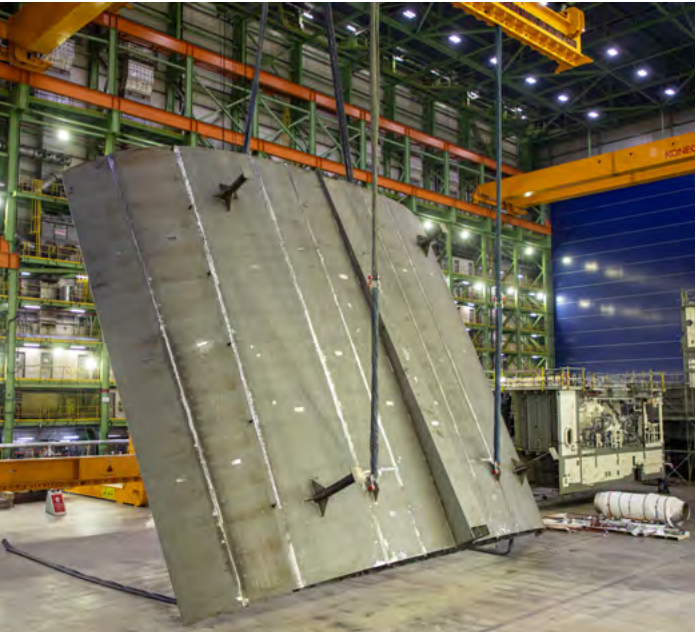
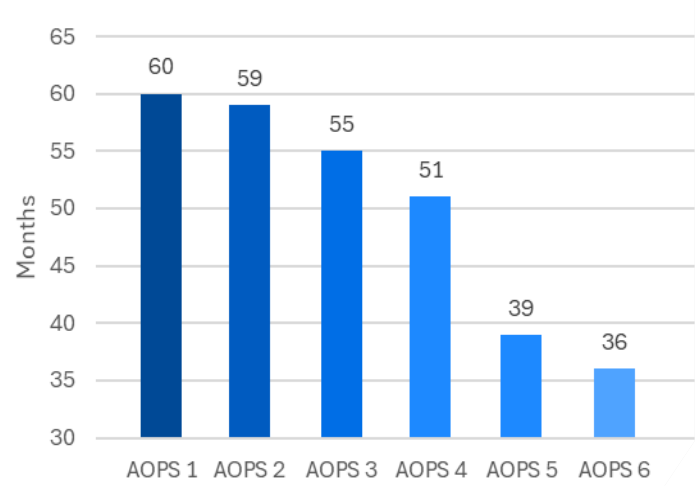
- Internal Production First Time Right, including all trade disciplines, improved from 98.2% year-end in 2024 to 98.4% in 2025
- Customer First-Time Inspection and Test Plan Acceptance improved from 96.2% in 2024 to 97.1% in 2025
- AOPS 6 was delivered in 2025 with the lowest number of defects identified by the customer of any ship delivered to date in the AOPS class: 3,195 defects identified on AOPS 6 compared to 3,531 defects identified on AOPS 5



Quality: Trades Internal First Time Right Results



Schedule: Build Cycle Time



Accelerating Schedule, Reducing Cost: Building Arctic and Offshore Patrol Ships for Canada

All six Harry DeWolf-class Arctic and Offshore Patrol Ships (AOPS) have been delivered to the Royal Canadian Navy and are a true testament to the success of the National Shipbuilding Strategy.

With each vessel, we continuously improved the construction process. Faster build, fewer defects, and lower cost are the result of a growing and experienced workforce, robust supply chain, and continued trust from Canada to deliver complete, quality ships.

Each AOPS was delivered more quickly than the last, with fewer production hours required to complete each vessel. AOPS 7 and 8, the custom variants for the Canadian Coast Guard, will be delivered for one million fewer hours than contracted, with a **cost savings of \$100 million.**

As production and our workforce matured, we significantly **reduced rework, optimized workflows, and strengthened coordination** across teams. These refinements translated into more predictable schedules and measurable reductions in the overall cost to build each subsequent ship. The result is **a stable, efficient production line that consistently delivers high-quality vessels to Canada.**



BUILDING THE INFRASTRUCTURE AND CAPABILITY CANADA NEEDS

Building the Infrastructure and Capability Canada Needs to Rebuild, Rearm, and Reinvest

We are undergoing significant facility expansions to prepare for and accelerate the build of the River-class destroyers, Canada's next-generation combat ships. These **state-of-the-art warships** are larger and more technically complex than the Arctic and Offshore Patrol Ships. The River-class destroyer build strategy introduces larger blocks, more complex unit construction, and higher production throughput that necessitated upgrades to our existing infrastructure. Increasing the capacity of our

facilities not only delivers the River-class destroyer and their enhanced functionality to the Royal Canadian Navy earlier, it also contributes to **cost-avoidance** by reducing the total end-of-life service costs for maintaining the Halifax-class ships. As a part of this expansion, we have constructed a **new paint facility** outside of the Assembly Hall. This new paint facility will be operational in 2026.

Maximizing Capability: OmniLift Shiplift

We recently awarded Bardex Corporation a contract for a **165-meter shiplift** to support the River-class destroyer program and future maintenance and repair work. Boasting a capacity of **over 30,000 metric tons**, the OmniLift Shiplift will include fifty-six 640-metric ton chain jack lift stations. The shiplift will deliver a **new, flexible, advanced capability**, allowing us to use our facility differently, **placing Canada at the forefront of ship sustainment**.



Scan the QR code for a construction timelapse.

Infrastructure: Complex Structural Fabrication Facilities

Our infrastructure upgrades go beyond Halifax Shipyard, with work taking place at our two off-site fabrication facilities in Dartmouth to ensure we are equipped and prepared to meet the business requirements to build the River-class destroyers. To meet the capability, capacity, and schedule requirements of the 15-ship River-class destroyer (RCD) program, we needed facilities beyond what the original facility modernization was designed to support. These upgrades were essential to enabling full rate RCD production.

We've invested in a new gantry crane, profile line upgrades, and a revamped steel stockyard to increase capability and capacity for the RCD project. We've also upgraded to enable more efficient build processes and delivery of more complex units and blocks for the RCD program.

How the Upgrades Improve Our Processes

- Installation of a new gantry crane and modernization of the profile cutting lines increases material throughput, improves accuracy, and reduces manual handling.
- The upgraded steel stockyard can now manage 2,030 plates across 194 indents and 9,990 profiles across 54 indents, supporting smoother flow into fabrication.



- Facility improvements address previous constraints, including ventilation, crane capacity, materials handling bottlenecks, and digital connectivity. We are now capable of building larger, more complex units and blocks required for River-class destroyers (RCD), including bow units, curved panels, and aluminum structures.
- The site's enhanced crane capacity (40t and 20t systems) allows us to handle RCD scale assemblies safely and efficiently.
- Our off-site facilities play a central role in the mega block paint and transport portion of the new build sequence, which required facility upgrades to support the size, coatings requirements, and movement of RCD mega blocks.

Collectively, these upgrades position us to deliver the volume, quality, and pace required for the RCD program, ensuring we meet key milestones.



Halifax Homeport: Uniquely Located to Support the Royal Canadian Navy

Halifax Harbour has served as a navy base since the founding of Halifax in 1749, and the importance of the Royal Canadian Navy and its partners is as evident today as it was then.

Maritime Forces Atlantic (MARLANT), home to the ships for the Canadian Atlantic Fleet, is headquartered in Halifax and is responsible for **generating, sustaining, and maintaining forces** to guard Canada’s Atlantic. Enabling the readiness of the Navy’s forces are the trained and experienced military and civilian personnel who form the MARLANT defence team.

Our work with the Royal Canadian Navy dates back to its inception with maintenance work for the Navy’s first east coast ship, the former HMCS Niobe, being carried out at what is now our Halifax Shipyard. Our facility is located adjacent to the Royal Canadian Navy’s east coast homeport, allowing our shipbuilders to work hand-in-hand with the team at the Halifax Dockyard, seamlessly transferring work between the two locations to maximize resources and ensure an efficient level of support and service to Canada.

Our shipbuilders are proudly continuing our long history as a **trusted partner to Canada’s Navy** and stand ready eye ready to continue building, maintaining, and servicing our future fleet.



“I’ve been the Team Lead for the Apprenticeship Program for nearly two years. A trades apprenticeship is not easy; our apprentices work unbelievably hard, show up with great attitudes and put so much into growing their skills every day. Getting to watch them learn, tackle challenges, and support each other along the way is one of the best parts of my job. I feel lucky to be part of their journey.”

– Beth Hamilton, Team Lead, Apprenticeship



“Working with great people who care about one another, have the like-minded goal of delivering a complete and quality ship to our customer is what I enjoy the most. Working alongside the next generation of shipbuilders is special. My advice is to seek out opportunities, don’t wait for them to come to you, and do the hard work.”

– Skip Burden, Ship Manager



“When I joined ISI, we were a team of 500. We’re now a team of over 3,000, so to see that growth, scale, and the progress of the shipbuilding program, it’s been an incredible experience.”

– Kaitlyn Veitch, Director, Supply Chain



EARNING TRUST: HALIFAX-CLASS SHIP REPAIR

Halifax-class Ship Repair

To ensure Canada's Halifax-class frigates remain fully operational until the new River-class destroyers enter service, we have introduced an innovative approach to ship repair and maintenance. This strategy is designed to significantly improve efficiency while maintaining the highest standards of quality and safety. Working with Fleetway Inc., we successfully leveraged a pilot project to pre-fabricate an entire hull section of the aft engine room (AER), **saving approximately 45% production hours compared to traditional methods.** The AER was a tremendous success, and validated Fleetway's processes for developing production packages in ship constructor as the design agent in advance of deploying the new construction methods on a whole-ship scale. Our new methodology delivers a **50% reduction in both schedule and cost**, setting a new benchmark for ship repair.

The approach was successfully piloted on HMCS *Halifax*. Building on this success, we have now implemented the approach on HMCS *Fredericton*, which arrived at Halifax Shipyard for docking work period in November 2025. As the class design agent, **Fleetway plays a critical role** in enabling this innovation. By capturing lessons learned and best practices, Fleetway ensures these advancements are shared with other shipyards performing similar work across Canada. This collaborative approach strengthens the entire national ship repair capability, ensuring readiness and resilience for the fleet. Through these efforts, we are proud to support Canada's Navy with solutions that are faster and more cost-effective, keeping the Halifax-class fleet mission-ready until the next generation of ships.



Angie Redmond: Generations of pride building and maintaining ships for Canada

When Angie Redmond joined Halifax Shipyard in 2010, she hoped she'd found a career she could stick with until retirement. The National Shipbuilding Strategy and revitalization of the Canadian shipbuilding industry has made that hope a reality. A Welder Apprentice at Irving Shipbuilding Inc., Angie works in Ship Repair, currently helping refit and repair HMCS *Halifax*. She previously worked on HMCS *Ville de Québec*, something Angie is particularly proud of.

"HMCS Ville de Québec is the best ship we've seen thus far. It's the best ship I've seen in 15 years. It looked fantastic leaving the graving dock in June 2023. I am extremely proud of the work that our entire team did on that ship. It's amazing to see the frigates come through the repair and refit process, ready to be handed back over to the Royal Canadian Navy."

Shipbuilding is an experience shared through generations for Angie's family, as her father worked at Halifax Shipyard in the 1980s as a Pipefitter, and her two daughters work in staff positions at Halifax Shipyard.

"When I retire, I'll follow everything that goes on at the shipyard for the rest of my life. It's a huge part of me and it always will be."



Scan the QR code for the full interview.

"My daughters love it here. They find the work that I'm doing very interesting, and they'll ask me questions all the time. It makes me happy that they're proud. Usually, it's the other way around, and of course I'm proud of them, but it's nice to know that they're proud as well. My dad would always ask me questions about what was going on down at the yard once I started working here, and it's going to be like that with my girls down the road, and who knows, maybe their children as well!"

What started as a career change has resulted in finding an incredibly fulfilling career repairing ships for Canada.

"I'm very proud to be able to say I am a part of this. Building and repairing ships for the Royal Canadian Navy and Canadian Coast Guard is such an honour," says Angie. "Everyone in my family wants to come to the shipyard on Family Day each year to see what I'm working on. Not many people can say they work on such an important project as this."



"I love getting to build ships for Canada. I get to be involved in the sequencing and planning from the early unit stages up to planning for the ship to be at land and pier level. I take a lot of pride in the work we do for our country!"

– Chad Mayo, Senior Planner



"When I see these ships going down the harbour, photos of them in the Arctic, it instills a sense of pride within me and within our nation because we're building these ships for the brave men and women who serve our country. It's a special feeling."

– Rodney Hamilton, Red Seal Welder



"The most rewarding part of my role is seeing how our training positively impacts the workforce and drives quality outcomes. By strengthening both the process and the people, we contribute directly to the zero defects formula. That contribution brings real pride in helping ensure the job is done right the first time."

– Calvin Mason, Trade Training Manager, Electrical



EARNING TRUST: ARCTIC AND OFFSHORE PATROL SHIPS

The Arctic and Offshore Patrol Ship (AOPS) program represents a significant achievement under the National Shipbuilding Strategy. All six vessels in the Harry DeWolf-class have been delivered to the Royal Canadian Navy, with two additional ships currently under construction for the Canadian Coast Guard. The remaining two vessels for the Canadian Coast Guard are scheduled for completion in 2026 and 2027.

While the early stages of the program faced challenges related to design maturity, these were effectively addressed, resulting in a marked improvement in performance. Today, the AOPS program is exceeding expectations, operating ahead of post-pandemic schedules and achieving notable efficiencies. Our workforce, facilities, and processes are now among the **most capable in North America**, uniquely positioned to deliver complex naval vessels for Canada.

HMCS *Robert Hampton Gray*, delivered to the Royal Canadian Navy in 2025, two full years faster than the lead ship, highlights the improvements made with each vessel in the Harry DeWolf-class.

The AOPS have proven their versatile capabilities on various missions, circumnavigated North America, deployed to Antarctica, and have provided support to Canadians at home.

The success of the AOPS program is a clear reflection of the National Shipbuilding Strategy's impact, demonstrating how strategic investment in domestic shipbuilding strengthens national capabilities and supports Canadian sovereignty on the global stage.



Canadian Coast Guard

The Canadian Coast Guard’s Arctic and Offshore Patrol Ship (AOPS) variants will be tasked with a wide range of missions. Both ships will operate as the Canadian Coast Guard’s primary platform with increased capabilities to support fisheries enforcement on Canada’s east coast, and support search and rescue and icebreaking operations, while strengthening Canada’s presence in the Arctic. One of the key differences in our approach to building the Coast Guard AOPS variant is joining the aft mega block and the center mega block

together inside our Module Hall to form a grand block, rather than rolling out each mega block out individually. This is the first time that a grand block has been joined inside, enabling activities such as outfit across the join interface to start earlier in the build process. Joining the grand block inside also drove improvements with paint and exterior coating application, and allowed for more joins to be completed inside in a controlled environment. This change to our build sequence was a success and will be repeated for AOPS 8.



AOPS 7 Grand Block Join

The Coast Guard variants, while structurally similar to the Royal Canadian Navy’s Harry DeWolf-class, offer different internal configuration and capabilities.

These Arctic and Offshore Patrol Ships will have features such as research labs and a science management system and will be fitted with ocean observation support instruments. These ships will also have ice capable functionality that will allow the Coast Guard to expand its patrol capability into the low Arctic.

AOPS 7 and 8 are progressing on schedule with \$100M fewer labour hours than contracted, underscoring the program’s operational excellence. AOPS 7, the future CCGS *Donjek*, is scheduled to be delivered in 2026, while AOPS 8, the future CCGS *Sermilik*, is scheduled for delivery in 2027.

With a modified design and purpose, the Canadian Coast Guard variants have provided valuable lessons learned as we transition to building the River-class destroyers.



EARNING TRUST: RIVER-CLASS DESTROYERS



River-class Destroyers

The River-class destroyer project represents a critical modernization for the Royal Canadian Navy, delivering next-generation capability. The program will ensure Canada maintains a robust and technologically advanced naval fleet capable of meeting evolving security and operational threats.

Full-rate production commenced in April 2025, marking a significant milestone. Our aim is to construct the lead ship with the efficiency and maturity of a follow ship, reducing schedule risk and hastening operational readiness.

This requires accelerating design maturity. To achieve this, we are leading the implementation of a capability insertion



OUR GOAL:
BUILD THIS LEAD SHIP
LIKE A FOLLOW SHIP

process to enable design completion and deliver additional capability over the life of the program.

This approach enables incremental enhancements, ensuring that the River-class destroyers remain adaptable to emerging technologies and mission requirements.

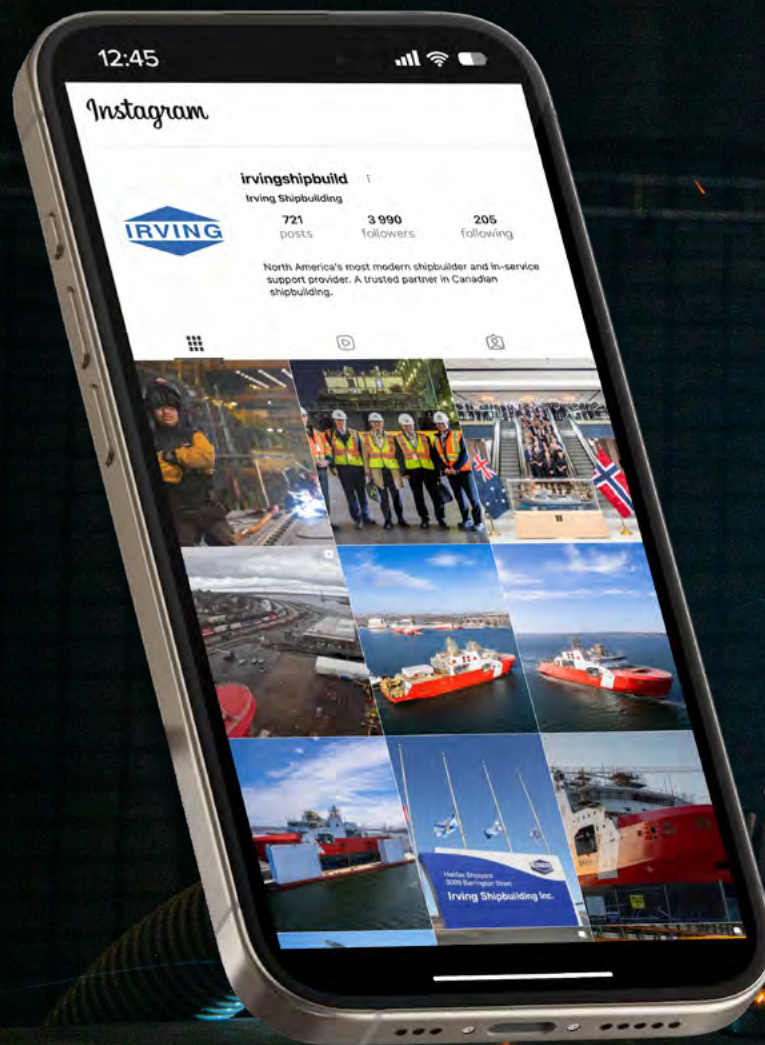
Additionally, our workforce and facilities offer significant opportunities for acceleration. Continued investments in training, infrastructure, and process optimization will be essential to meet production targets and deliver on schedule.



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