

HII to Strengthen Nuclear-Powered Submarine Supply Chain



Largest U.S. Shipbuilder Teams with Australian Submarine Agency to Qualify Suppliers

From HII

CANBERRA, Australia, March 11, 2025 (GLOBE NEWSWIRE) – HII (NYSE: HII), the largest military shipbuilder in the United States and a global leader in nuclear-powered submarine construction, was awarded a contract to deliver the new Australian Submarine Supplier Qualification (AUSSQ) pilot program over the next two years to accelerate the identification and qualification of Australian suppliers and products into the United States submarine industrial base.

The contract's initial value is \$9.6 million (AUD) with the option to extend based on achievement.

The pilot program will support the development of a sovereign robust, internationally integrated supply chain, accelerating Australian industry's critical contribution to the success of the AUKUS trilateral security partnership between Australia, the United Kingdom, and the United States.

"This contract represents a significant milestone in building a resilient and globally integrated supply chain for nuclear-powered submarines," said Chris Kastner, president and CEO of HII. "HII has a long history of working with suppliers to ensure they meet the highest standards in safety, security, and performance. We welcome Australian partners to help build out this critical nuclear shipbuilding capability and ensure the long-term success of AUKUS."

A photo accompanying this release is available at: <http://hii.com/news/hii-to-strengthen-nuclear-powered-submarine-supply-chain/>.

The HII led AUSSQ pilot program is part of the Australian Government's comprehensive "AUKUS Submarine Industry Strategy," released by the Australian Submarine Agency on March 5, 2025. The Industry Strategy "identifies the conditions to develop the sovereign industrial capability needed to deliver, operate and sustain our future conventionally-armed, nuclear-powered submarines, while also ensuring our existing *Collins*-class submarines are sustained and upgraded until their eventual withdrawal from service."

The AUKUS Submarine Industry Strategy states, "The [AUSSQ Pilot program] will use a B2B model, enabling HII Australia to work directly with Australian businesses to qualify both the businesses and their products, and subsequently assist them to tender for supply into the US programs."

"An Australian submarine industrial base capable of building and sustaining a persistent, potent and sovereign multi-class submarine capability is vital to the defense of Australia, and

this Pilot initiative with HII Australia is another important step to this being achieved," stated Richard Marles, deputy prime minister of Australia and Australia minister for Defence.

The AUSSQ pilot program will engage with Australian companies nationwide, building on the success of the recent partnership of HII Australia with both the South Australian Government and the Western Australian government, and complements the Australian government's existing Defence Industry Vendor Qualification (DIVQ) Program.

With over 60 years of experience managing complex supplier networks for U.S. Navy nuclear-powered submarine programs and maintaining a strong nuclear stewardship culture for the U.S. Department of Energy (DOE) on critical national security projects, HII's expertise in quality assurance, safety, and technical training will support Australian industry in meeting the stringent requirements for nuclear-powered submarine construction. The company also brings a record of advancing science, technology, and environmental protection, as well as proven performance in developing and sustaining a highly skilled nuclear workforce, including by investing in education and training programs that attract, develop, and retain top talent in local communities. By leveraging this extensive experience, HII is prepared to support Australia's efforts to build and sustain a robust industrial base capable of supporting these highly sophisticated vessels.

Every year HII spends approximately \$1 billion with more than 2,000 suppliers in the United States, with nearly half of this amount going to small businesses.

HII's engagement will focus on assessing and developing Australian suppliers, providing technical guidance, and implementing best practices to ensure compliance with the precise specifications required for nuclear submarine components. By leveraging HII's deep experience in supply

chain management and industrial base expansion, the program aims to establish a sustainable pipeline of qualified suppliers, reinforcing the broader AUKUS effort. This contract works in conjunction with our Global Supply Chain Program's broader Australian supplier initiatives.

The contract will be managed by HII's Australian operations leveraging the company's local and international strengths and skills delivered, and in partnership with H&B Defence – a HII and Babcock joint venture.

For more information about HII's role in nuclear-powered shipbuilding and supplier development, visit <https://hii.com/what-we-do/sectors/hii-australia>.