

Modern Slavery Statement

2022



OUR COMMITMENT

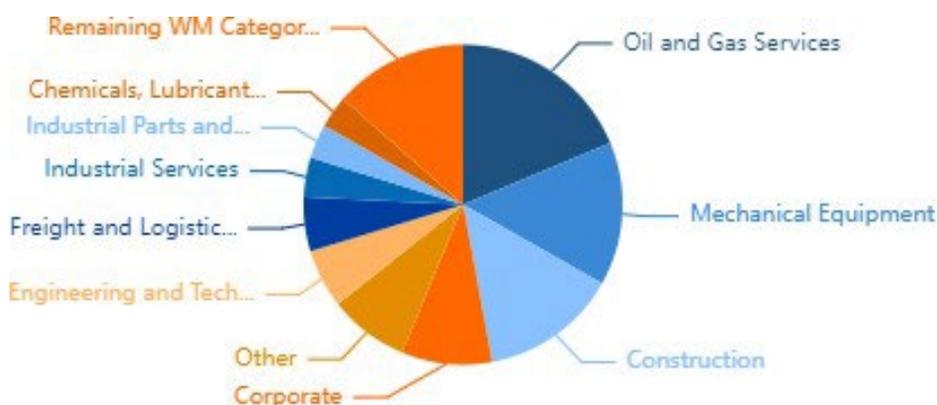
McDermott’s Code of Business Conduct and Human Rights and Social Responsibility Policy describe our commitment to respecting human rights, treating every person with respect and dignity, and providing quality work conditions that comply with applicable labour laws and the International Labour Organization’s core conventions / Declaration on Fundamental Principles and Rights at Work, including labour principles related to freedom of association, non-discrimination, and prohibition of forced labour, human trafficking, and child labour.

This statement applies to McDermott International, Ltd and its subsidiaries (“McDermott”). The statement describes the actions taken during the last financial year (2022) to address modern slavery risks in our business and supply chains and sets out the procedures we have in place to address risks. The statement also sets our plans to improve our program in 2023.

OUR BUSINESS AND SUPPLY CHAIN AT A GLANCE

McDermott is a premier, fully integrated provider of engineering and construction solutions to the energy industry. Our customers trust our technology-driven approach engineered to responsibly harness and transform global energy resources into the products the world needs. From concept to commissioning, McDermott’s innovative expertise and capabilities advance the next generation of global energy infrastructure—empowering a brighter, more sustainable future for us all. Operating in over 30 countries, McDermott’s locally focused and globally integrated resources include more than 27,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world. To learn more, visit www.mcdermott.com.

In 2022, McDermott had a tier 1 supply chain of approximately 8,760 suppliers and subcontractors globally, mostly in the construction, mechanical equipment and oil and gas services sectors. Key categories include (by order of spend):





MODERN SLAVERY RISKS

RISK ASSESSMENT

McDermott’s Sustainability and Governance function develops guidance for our corporate approach to human rights processes. We assess human rights risks by country with a focus on supply chain risks common to our industry, such as access to identity documents for migrant workers, employment contracts, workforce living conditions, responsible recruitment, and access to culturally appropriate grievance mechanisms.

On a project-specific basis, human rights forms part of our social responsibility processes for high-risk sites. McDermott has identified the following material modern slavery risks:

- Potential for forced labour and child labour in high-risk countries where McDermott operates
- Potential for forced labour issues in subcontractor marine crews
- Potential for forced labour issues related to subcontractor migrant workers such as requests or requirements for fees to recruitment agencies to secure employment.

HUMAN RIGHTS DUE DILIGENCE

STEPS TO ADDRESS RISK

McDermott’s steps to address risk consist of the following:



McDermott does not charge candidates any fees or costs associated with employment and does not allow our recruiting and placement agencies to charge candidates fees or costs of any kind. We have processes in place for vetting new employees, confirming identities and ages, and, where possible, paying employees directly into an appropriate, personal bank account.



MCDERMOTT'S POLICIES/COMMITMENT

Our values, principles and policies guide how McDermott conducts business. Our McDermott management system includes the following documents and programs that govern our global operations and provide consistent ways to identify and avoid human rights risks, including modern slavery:

- [Code of Business Conduct](#)
- [Human Rights and Social Responsibility Policy](#)
- Speak Up Program
- Human Rights in the Workplace Guideline
- Human Rights Due Diligence Guideline
- [Ethics Helpline for reporting concerns \(phone or web\)](#)
- QHSES Policy

TRAINING AND AWARENESS /ISSUE PREVENTION

Training and awareness create better issue identification. Our human rights training program enables both managers and craft labor to effectively identify and resolve and/or raise issues.

In 2022, we provided the following training to raise awareness and compliance:

1. Fabrication Yard workers received human rights (including forced labor) awareness training during induction. Each new worker receives this induction, including McDermott employees, contractors, and subcontractor workers.
2. Human rights and labor rights (including forced labor) training provided to 2,579 craft employees and contractor workers
3. Human trafficking awareness training completed by 6,906 employees
4. Toolbox Talks for craft labor addressing Human Rights
5. Voluntary Principles on Security and Human Rights presented to 110 employees and subcontractors

We design and provide human rights training and awareness campaigns to further educate our employees on our commitments and expectations, how to identify red flags in human rights issues (including forced labor), and what to do in case they identify or suspect such issues (Speak Up Program and Issue Resolution).



REPORTING CONCERNS/ ISSUE IDENTIFICATION

McDermott's Speak Up Program encourages employees and other stakeholders to report any concerns anonymously. We have a dedicated team to investigate grievances, take remedial action as appropriate, and hold people accountable to comply with Company policies and the law.

In 2022 we deployed our Speak Up Program in our major fabrication yards, at our significant project sites, in our major offices, and on our vessels. The Speak Up Program applies to all stakeholders, including McDermott employees, business partners and suppliers/subcontractors as well as members of the communities in which we operate.

We also proactively engage in worker interviews at significant sites to identify potential issues.

Our Sustainability & Governance function monitors and regularly reports to our executive management and board of directors on relevant human rights risks and issues, including any that would relate to modern slavery risks.



SUPPLY CHAIN DUE DILIGENCE

Our Code of Business Conduct and related policies require that our suppliers and subcontractors act in accordance with the law, our Code of Business Conduct, and our values. Our Human Rights and Social Responsibility Policy [includes the expectation that our suppliers and subcontractors perform their business while respecting and honoring individuals and human rights.](#)

To help ensure compliance, we have a due diligence system in place, comprising:

- ✓ Acceptance of, and agreement to, comply with McDermott's Code of Business Conduct and Human Rights and Social Responsibility Policy.
- ✓ Agreement not to use forced labour or child labour and not to engage in or facilitate human trafficking, as a condition of vendor registration.
- ✓ Contractual provisions requiring compliance with human rights obligations, including not to use forced labour, child labour, and not to engage in or facilitate human trafficking.
- ✓ Internal human rights audits and sites human rights self-assessments that include subcontractor evaluation.

In 2022, we performed three human rights audits at our fabrication yards in Indonesia, UAE, and Qatar. These audits included due diligence on subcontractors on site, focusing on subcontractor personnel and other categories of vulnerable workers.



In 2023, we expect to perform human rights audits at our significant project sites in Uganda and USA, and at our fabrication yards in China and Mexico and to perform a human rights self-assessment at our project site in Mozambique. We will continue to focus on subcontractor personnel and other categories of vulnerable workers.



We are committed to continuous improvement in our evaluation and management of human rights risks through our sourcing and supplier management processes.

Our current Human Rights Due Diligence Guideline applies to both our own operations as well as for due diligence on our suppliers/subcontractors. In 2023, we expect to publish and implement Supplier Human Rights Due Diligence Guidelines tailored specifically to our supply chain.

ASSESSING THE EFFECTIVENESS OF ACTIONS

We assess the effectiveness of our actions by reviewing grievance trends and the results of self-assessments and internal audits.

PROCESS OF CONSULTATION

This statement has been prepared in consultation with the key teams that collaborate to execute our human rights program.

We developed our Code of Business Conduct and our Human Rights and Social Responsibility Policy in consultation with leaders and experts who provide supporting systems and processes across the globe.

To develop this statement, McDermott consulted with our primary operating U.K. and Australia legal entities, including:

- CB&I UK Limited, U.K.
- McDermott Marine Construction Limited, U.K.
- CB&I Australia Pty Limited, WA
- CB&I Constructors Pty Limited, New South Wales
- McDermott Australia Pty Limited, WA
- J.Ray McDermott (Aust.) Holding Pty Limited, WA



FUTURE COMMITMENTS

McDermott will continue working to enhance our processes, improve the identification and assessment of potential risk areas in our supply chains, and improve the effectiveness of supplier and subcontractor oversight with respect to the risks of forced labour, child labour, and human trafficking in our supply chains.

In 2023, we plan to focus our efforts on:

- Continue internal human rights audits and/ or self-assessments
- Develop and deploy a specific forced labour training module
- Expand our human-rights focused diligence processes to our supply chain and our operations
- Continue to promote awareness of our Speak up Program, including among subcontractor workers
- Deploy systematic worker interviews at our fabrication yard and significant project sites, focused on subcontractor and other categories of vulnerable workers

This statement relates to the financial year which ended on December 31, 2022. It is applicable to McDermott International Ltd and its subsidiaries. This statement addresses McDermott's obligations under the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018 and similar applicable international laws.

On Behalf of the Board of Directors

Michael Mckelvy
President and Chief Executive Officer
McDermott International, Ltd June
2023



Cautionary Statement Regarding Forward-Looking Statements

This modern slavery statement contains what are considered “forward-looking statements” within the meaning of the U.S. federal securities laws — that is, any statements that are not historical facts.

Such statements may contain words such as “aim,” “estimate,” “intend,” “commit,” “goal,” “expect,” “may,” “believe,” “predict,” “plan,” “potential,” “projected,” “projections,” “forecast,” “pledge,” “target,” “anticipate,” “think,” “should,” “would,” “could,” “will,” “see,” “likely,” and other similar words.

Forward-looking statements address situations that are, to varying degrees, uncertain, exposed to risks that McDermott cannot control and dependent on different circumstances to materialize.

Taking this into account, actual outcomes may vary materially from those reflected in our forward-looking statements.

Forward-looking statements are aspirational and not guarantees or promises that intended actions, goals or targets will be met.

The forward-looking statements in this modern slavery statement are considered current as of June 2023, and McDermott disclaims any intention or obligation to update publicly or revise such statements, whether as a result of new information, future events, or otherwise.