

Putting our values and standards into action requires everyone

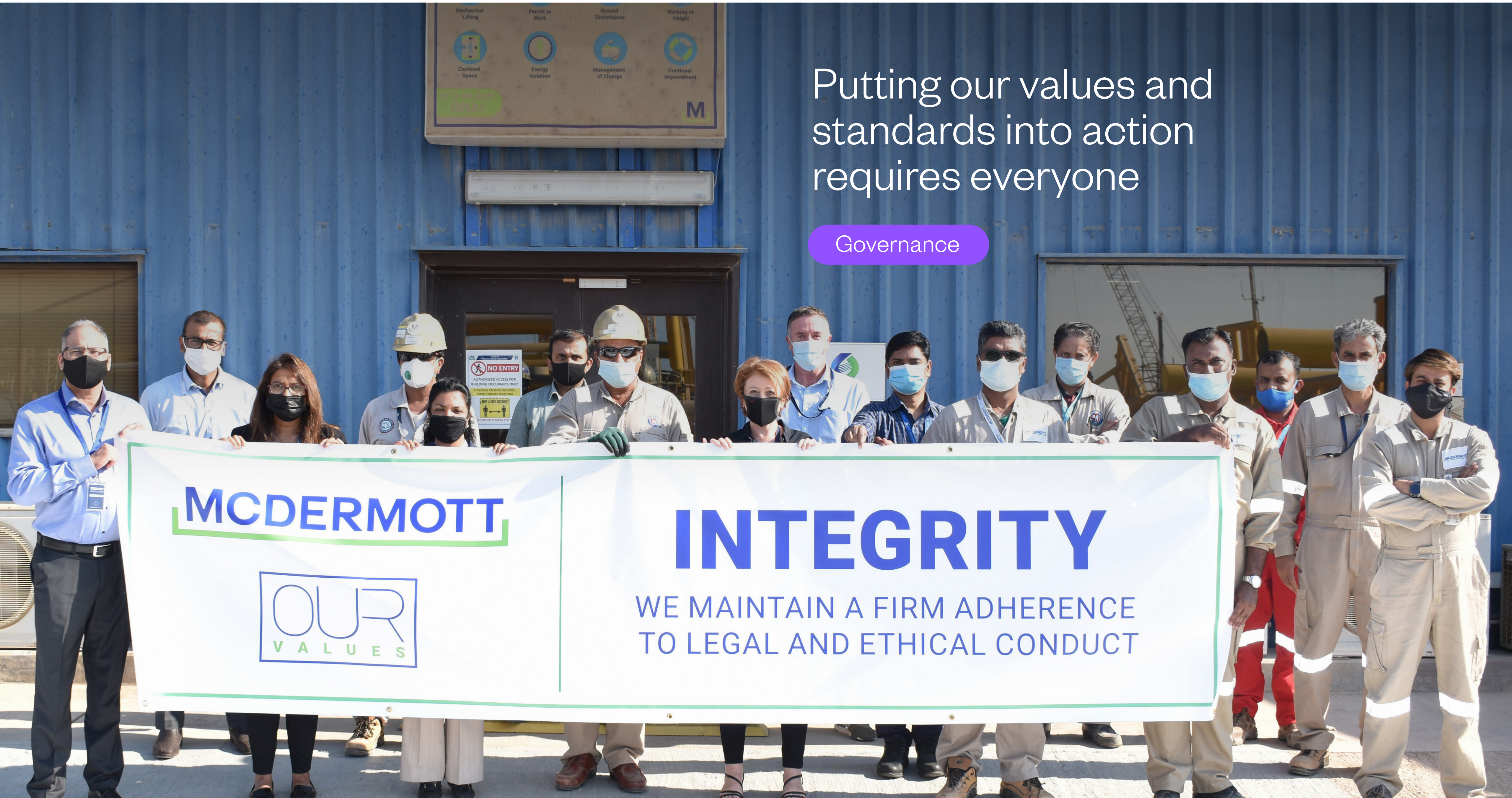
Governance

MCDERMOTT



INTEGRITY

WE MAINTAIN A FIRM ADHERENCE TO LEGAL AND ETHICAL CONDUCT



As a global company, we understand that **governance** activities may be implemented differently **across the world**

At McDermott, we provide our employees with the skills and tools along with our expectations to maintain a consistent approach in the way we do business.

CORPORATE GOVERNANCE AND BOARD OVERSIGHT

The members of the McDermott Board of Directors bring significant experience from the energy industry, risk oversight and management, sustainability, energy transition, technology and innovation, health, HSE, finance, investment banking, international operations, and government sectors. This diverse range of expertise promotes sound governance and effective oversight of our performance and long-term strategic direction, including our ESG strategies.

The McDermott Board has four committees, each responsible for specific areas of oversight and governance:

- Audit Committee
- Governance Committee
- Risk Committee
- Compensation Committee

Our Board of Directors recognizes the benefits of diversity. Any search for potential director candidates considers diversity as to gender, race, ethnic background, and personal and professional experiences. The Board of Directors has adopted Corporate Governance Guidelines to guide any independent director search firm retained to assist in the identification of director candidates.

BUSINESS ETHICS

Integrity is ingrained in our core values and serves as the cornerstone of our past achievements and future success. We are committed to conducting business to the highest ethical standards. Our [Code of Business Conduct](#) guides our daily interactions and practices and applies not only to McDermott employees, but also to our suppliers, subcontractors, and business partners.

Leadership and oversight of our compliance program are provided by our Chief Ethics and Compliance Officer, our Executive Committee, and our Board of Directors. Our commitment to integrity is supported by our policies, management systems, and processes. We empower our people to suggest recommendations for continual improvement and voice their concerns without fear of retribution or retaliation.

COMPLIANCE TRAINING & CERTIFICATIONS

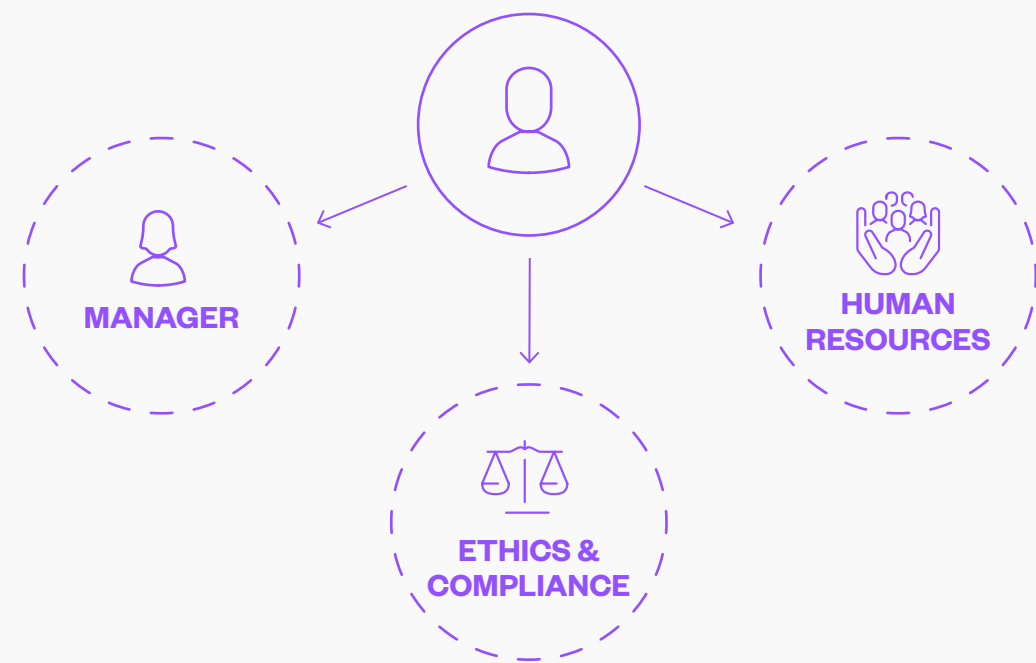
In 2022, our annual Ethics and Compliance training program included modules on Anti-Bribery, Human Trafficking, and Workplace Harassment. More than 6,900 employees in McDermott offices globally completed this training as a mandatory requirement.

Our compliance program also requires employees to submit an annual Code of Business Conduct Certification, to declare if they are aware of any conflict of interest, unfair treatment, or other compliance concern.

ETHICS HELPLINE

All stakeholders, including employees, contractors, suppliers, and community members, are encouraged to report concerns, grievances, questions, or suspected violations of McDermott’s Code of Business Conduct through our Ethics Helpline or other available reporting channels. Anyone submitting a report through the Ethics Helpline can remain fully anonymous.

There are several ways our employees can report a concern, from working with their direct supervisor, to meeting with human resources, or by direct contact with a member of the Ethics and Compliance Team or the Chief Ethics and Compliance Officer.



When an ethics-related complaint is received, it progresses through our investigation process for timely resolution. Our investigation process includes protocols for documentation, feedback, and maintaining anonymity, as requested. The investigative process, documentation, and feedback loop allow us to identify lessons learned from reported concerns and provide focal areas for communication and training.

GRIEVANCES RECEIVED FROM ETHICS HELPLINE*

In response to feedback that not all employees knew how or were comfortable speaking up, we designed a ‘Speak Up Campaign’. A 2021 pilot in our Jebel Ali fabrication yard confirmed that the program raised knowledge and understanding of both company expectations and ways for employees to communicate concerns and ideas. In 2022, we implemented the campaign and provided training on internal reporting and grievance processes at our fabrication yards in Batam, Indonesia and at the Tilenga project site in Uganda. Training was also provided to employees and subcontractors on seven of our McDermott-owned vessels.

To address access and language gaps, we provide printed Speak Up Cards at our work sites, supplemented with an electronic reporting format easily accessed through a QR Code system. This helps us overcome language and technology barriers that otherwise may prevent employees from reporting concerns. We continue to provide phone and in-person reporting options.

*McDermott’s Ethics Helpline is hosted by an external third party so that reporters have the option to remain fully anonymous. McDermott has dedicated specialists within our internal Ethics and Compliance function who are committed to investigate each concern or claim. We maintain a strict whistleblower policy and do not tolerate retaliation.

GRIEVANCES RECEIVED FROM ETHICS HELPLINE*



Supply chain management

Suppliers play a vital role in the successful compliance and ethical delivery of our projects.

Developing a robust supplier engagement strategy is important in how we communicate, support, monitor, and achieve progress on our supply chain commitments.

SUPPLIER ESG SCREENING AND QUALIFICATION

Our Supply Chain Management (SCM) and Ethics and Compliance teams partner to evaluate suppliers against our ethical and sustainability standards. Before onboarding in our supplier register, prospective suppliers must acknowledge and agree to abide by McDermott's Code of Business Conduct and attest to their ethical treatment of their employees, subcontractors and suppliers, customers, and government authorities. Prospective suppliers must also pass screenings based on sanctions and export control regulations, as well as review by an internal trade compliance specialist, where applicable.

Any supplier identified as not meeting our standards is flagged and removed from our SCM system as not eligible for future business.

100% of our new suppliers that onboard through our Supplier Registration Portal are screened on human rights issues prior to registration, covering child labor, forced labor, human trafficking, labor rights, and working conditions. McDermott conducted 1,748 surveys with existing suppliers in 2022.

SCM TRAINING

In 2022, we implemented our Supply Chain Learning program targeted to all members of our SCM function. This program focuses on Supply Chain ethics as a key component of our integrity value and compliance policies. Since its launch in June 2022, each of the six learning sessions hosted an average of 140 participants per session.

SUPPLIER SPEND ANALYTICS

We have engaged a spend analytics provider to generate Artificial Intelligence (AI) powered spend analysis based on purchase orders, subcontracts, invoices, and other SCM data. This assists our teams in understanding our upstream carbon footprint and provides data for McDermott's Scope 3 emissions using a spend-based average method. The spend analytics reports also provide supplier diversity information allowing us to analyze spend by project and category to assist our buyers in identifying diverse and underrepresented companies for inclusion in sourcing events.

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of our new suppliers are screened on human rights issues prior to registration

Enterprise risk management

Our Enterprise Risk Management Program provides awareness of risks, subsequently supporting increased efficiency and effectiveness of our operations.

Our ISO-aligned (ISO 31000:2018) Enterprise Risk Management (ERM) Program is designed to continuously facilitate the identification and management of enterprise risks and support consistent risk-based decision making across the organization.

In 2022, we made the following improvements to our ERM process:

- Added a longer-term (>12 months) scenario to our annual enterprise risk assessment process, identifying and evaluating risks across our business operations and organizational functions
- Increased consistency, efficiency, and accountability by moving our risk management process into the Intalex web-based platform (rollout 1Q 2023)

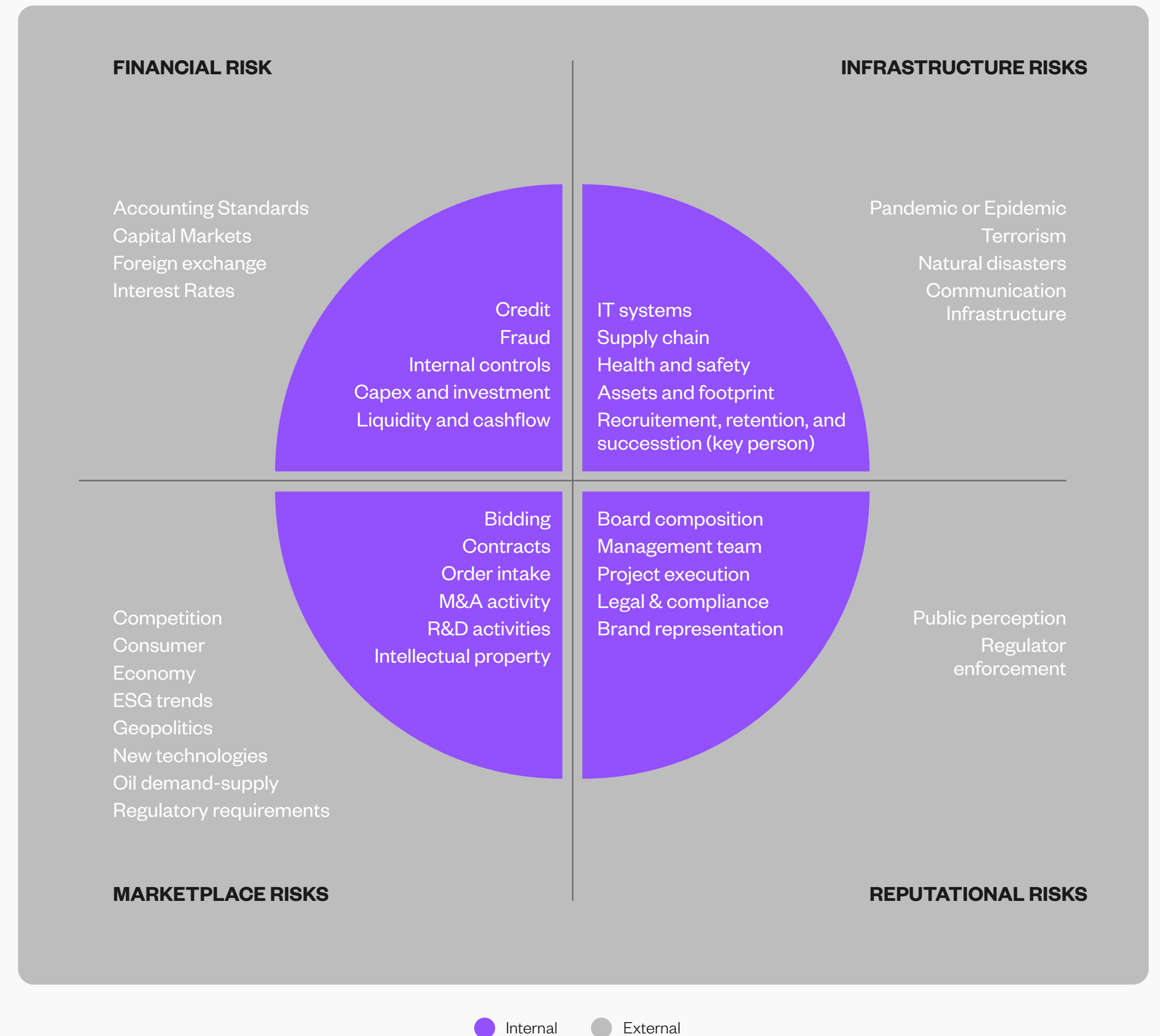
- Expanded our Internal Auditing remit to include review of risk mitigation and implementation plans to provide insights for continual ERM process improvements

ENTERPRISE RISK OVERSIGHT AND OWNERSHIP

Led by our Executive Vice President, Sustainability and Governance, McDermott's ERM program is under the oversight of our Board Risk Committee. Enterprise risks and mitigation plans are captured in an Enterprise Risk Register, which is subject to regular review by the Board Risk Committee and our Executive Committee to monitor our ERM program's effectiveness in creating long-term business resiliency.

Enterprise risks identified as needing active management are referred to as Key Enterprise Risks and are assigned Risk Managers. Each Risk Manager works with other stakeholders across the company as required to effectively develop and implement mitigation plans.

ENTERPRISE-LEVEL RISK CATEGORIES



Cybersecurity and data privacy

Our industry faces constant and evolving risks related to cybersecurity and data privacy. Our policies and culture are designed to respond and robustly safeguard our corporate identity and highly sensitive information.

We prioritize confidentiality and routinely test and adjust our procedures, systems, and practices with regards to our company, employee, and customer personal and proprietary information as its secured, stored, and retired.

We regularly train our employees on our policies for sensitive electronic records, cybersecurity, and data privacy. This includes providing quarterly data privacy training and awareness sessions for our approximately 250 employees who regularly process personally identifiable information (PII).

Although our ISO27001 certification underwent its 3-year renewal in 2022, we continue to audit for compliance on an annual basis. Our focus is to develop our systems and processes to improve cyber risk mitigation strategies in response to new technology and an ever-changing global threat landscape.

Hosted Cyber Security Awareness Month (CSAM)

Conducted

55,000+

phishing assessments for employees and contractors

