



OUR COMMITMENT

McDermott is committed to ensuring that our business and supply chains do not involve forced labor or human trafficking. McDermott's Code of Business Conduct and related internal processes reflect our commitment to acting ethically and with integrity in all our business relationships. McDermott's Social Responsibility Policy lays out our commitment to treating every person with respect and dignity and to providing quality work conditions that comply with applicable labor laws and the International Labour Organization's core conventions / Declaration on Fundamental Principles and Rights at Work, including labor principles related to freedom of association, nondiscrimination, and prohibition of forced labor, human trafficking, and child labor.

We will continue to improve our policies to further define our commitment and to enhance our control systems.

OUR BUSINESS

McDermott is a premier, fully integrated provider of technology, engineering and construction solutions to the energy industry. For more than a century, customers have trusted McDermott to design and build end-to-end infrastructure and technology solutions to transport and transform oil and gas into the products the world needs today. Our proprietary technologies, integrated expertise and comprehensive solutions deliver certainty, innovation and added value to energy projects around the world. Customers rely on McDermott to deliver certainty to the most complex projects, from concept to commissioning. It is called the "One McDermott Way." Operating in over 54 countries, McDermott's locally focused and globally integrated resources include more than 42,000 employees, a diversified fleet of specialty marine construction vessels and fabrication facilities around the world.

WORKER WELFARE

Our recruitment policies are transparent and reviewed regularly. We communicate directly with candidates to discuss job opportunities and confirm the details of any offer made. McDermott does not charge candidates any fees or costs associated with employment, and recruiting or placement agencies that do business on behalf of McDermott may not charge candidates fees or costs of any kind.

We have processes in place for vetting new employees, confirming their identities, and where possible paying them directly into an appropriate, personal bank account. We will continue to improve our policies to further ensure that third party labor providers are following the same level of standards we require for McDermott.

In 2019, McDermott joined the Building Responsibly initiative, a group of leading engineering and construction companies working together to promote the rights and welfare of workers across the industry. We are working to integrate the Building Responsibly Worker Welfare Principles into our due diligence process for suppliers and subcontractors, as well as starting to build internal awareness with employees.

RISK ASSESSMENT

McDermott has established an internal human rights working group with cross-functional representatives to develop guidance for human rights processes in the company. We track human rights risks by country and monitor key risks in our supply chain 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 are incorporated into our social responsibility processes.

As part of ongoing due diligence, we require an annual certification from authorized signatories of each of our sales agents, sales representatives, sponsors, joint venture and consortium partners confirming their compliance with the Code of Business Conduct.



DUE DILIGENCE TO PREVENT SLAVERY, CHILD LABOR AND HUMAN TRAFFICKING

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

To ensure our suppliers and subcontractors comply, we have in place a due diligence system, comprising:

- Acceptance of and agreement to comply with McDermott's Code of Business Conduct.
- Agreement not to use forced labor or child labor and not to engage in or facilitate human trafficking.
- Provisions in contracts requiring compliance with human rights obligations, including not to use forced labor, child labor, and not to engage in or facilitate human trafficking.
- Training of employees on our Code of Business Conduct, general ethical principles, and human rights.
- Allowing any person to anonymously report via a confidential Ethics helpline any suspected misconduct or violations of our Code of Business Conduct.
- Non-retaliation policies to protect whistle blowers and other persons engaged in reporting suspected misconduct or violations of our Code of Business Conduct.
- Updating awareness campaigns with respect to our Ethics helpline and other reporting mechanisms.

We are also working to improve processes for 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 risk of forced labor, child labor, and human trafficking in our supply chains. In 2020, we plan to focus our efforts on:

- Aligning supplier and subcontractor due diligence measures across business units
- Improving human rights global guidance on worker welfare
- Launching our internal audit processes for human rights

This statement relates to the financial year which ended on December 31, 2019. It is applicable to McDermott International Inc. and its subsidiaries, and is made pursuant to the UK Modern Slavery Act of 2015 and similar applicable international laws.

On Behalf of the Board of Directors



David Dickson
President and Chief Executive
Officer McDermott International, Inc.
March 2020
