

Transparency Report

Kristiansand | 29.06.2023 | Ingvild Formo & Øyvind Vindenæs

Report under the Transparency Act

About HMM

- HMM was formed as an independent company in October 2021 through the merger of Baker Hughes' (NYSE: BKR) Subsea Drilling Systems business and Akastor ASA's wholly owned subsidiary, MHWirth AS.
- HMM delivers a broad portfolio of offshore and onshore drilling equipment and services that enable safer and more efficient operations.
- HMM combines integrated delivery capabilities, capital, renowned industry expertise and delivers the full range of offshore drilling equipment products and packages at scale.
- HMM aims to support the industry's transition toward more energy-efficient solutions, as well as deploying technologies and service solutions to make the sector more competitive through increased drilling efficiency.
- The Company's service and technology portfolio will be utilized as a springboard for future growth, both within drilling services and when pursuing opportunities towards adjacent industries such as renewables and mining.

About the Transparency Act

- The Transparency Act entered into force in Norway on 1 July 2022. The Act shall promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.
- HMM shall carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises on a yearly basis. The process is illustrated in the figure below.

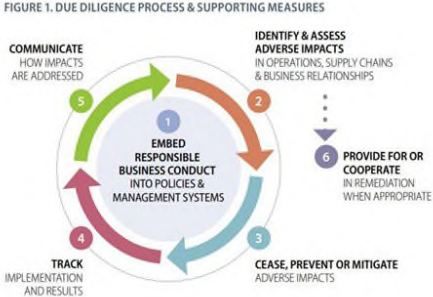
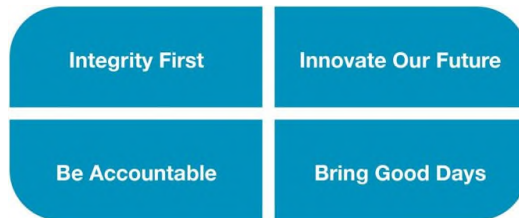


Figure: OECD (2018) OECD Due Diligence Guidelines for Responsible Business Conduct

Report under the Transparency Act

Core Values

- HMH contributes to sustainable social development through responsible business practices. The ethical guidelines and other governing documents of HMH have been drafted following core corporate values as stated below:



HMH's commitment to Human Rights

- Listed below are supporting documents and systems outlining HMH's comprehensive strategy and policies concerning human rights and the promotion of decent work conditions:

Guidelines and management systems:

- HMH Code of conduct
- HMH Governing Sustainability & ESG Policy
- HMH Know Your Customer Policy ; Bureau van Dijk – Compliance Screening Tool for Customers and Suppliers
- HMH Anti-Harassment Policy
- HMH Whistleblowing & Compliance Investigation Policy; Navex – third party wb notification tool
- Bureau van Dijk screening of suppliers (includes Human Rights)
- HMH Supplier Declaration
- HMH T&Cs; General Terms & Conditions For Purchasing
- HMH T&Cs; General Terms & Conditions For Drilling Lifecycle Services–Human Rights nominated as HMH High Priority Risk
- ISO 45001
- Equal Working Life Certification

HMH Learning/ course

- HMH Code of Conduct
- Human & Labor Rights
- Due diligence assessments (Aktsohmetsvurderinger) Norway only
- Equality, Diversity & Inclusion

Campaigning

- Campaigning as part of the Sustainability/ESG month (HSSE annual cycle) by sharing information on Yammer, Intranet, All hands meeting.

Leadership anchoring

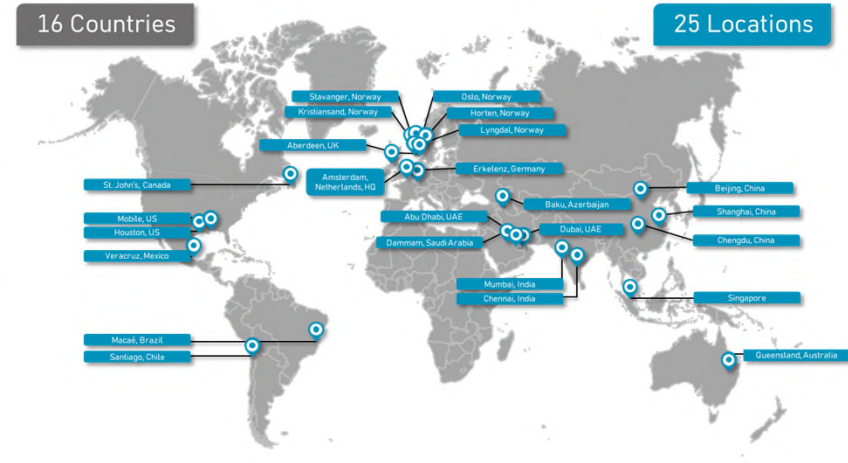
- Share status in Management review
- Share status with the board

Report under the Transparency Act

About Supply Chain

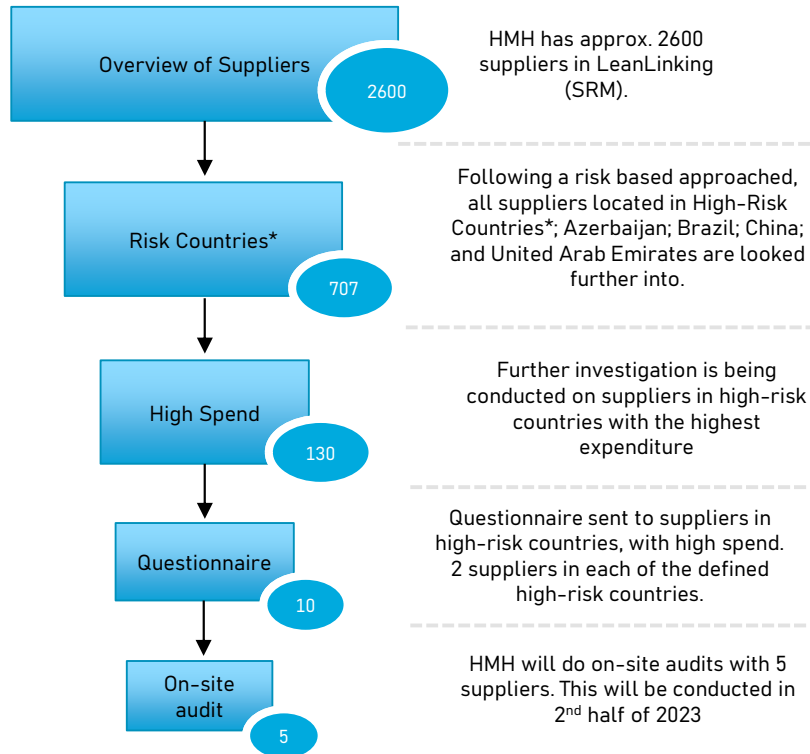
- In assessing the risk of human rights violations within the HMH value chain, its global supply chain is considered the most vulnerable to violations of human rights. To qualify for the vendor shortlist, suppliers must complete a questionnaire regarding Health, Safety and Environment (HSE), quality, integrity, and human rights; sign and agree to the supplier declaration; and pass a due-diligence screening. The supplier declaration outlines key requirements concerning ethical conduct, respect for the environment and human rights, and compliance with HSE requirements and must be signed by all suppliers.
- The supplier selection criteria also mandate quality, on-time delivery, fulfilling customer requirements, appropriate competition, and equal treatment of suppliers. To monitor the suppliers' performance, HMH has implemented the Relation Management System, LeanLinking. This system is used globally, and the organization's adherence to the system is confirmed in HMH's ISO 9001 audits.
- In order to mitigate this risk, HMH continually monitor its suppliers, and if any supplier does not meet the requirements and reasonable discussions to address concerns were unsuccessful, its agreement is terminated, and the supplier is removed from the HMH approved vendor list.

Our Global Presence



Report under the Transparency Act

Due Diligence Assessment



The Supplier Due Diligence Process

HMH followed a systematic approach to ensure transparency and mitigate potential risks of the due diligence of suppliers. Here is a short description of the process:

1. Identify numbers of suppliers
2. Identify high-risk countries*: We first identified the countries that are considered high-risk based on factors such as political instability, corruption, human rights issues, and economic indicators.
3. Analyze spend report: We obtained a detailed spend report that includes information on our suppliers, their locations, and the amount of money spent with each supplier. This report helps us understand the extent of our engagement with suppliers in high-risk countries.
4. HMH uses LeanLinking as Supplier Relation Management system. This system was used for identifying and checking the relevant suppliers that HMH wanted to further investigate
5. Assess supplier compliance: We evaluated each supplier's compliance with relevant laws and regulations, including international standards on labor and human rights. This assessment involved reviewing certifications, relevant documents, and any other findings.

Report under the Transparency Act

Planning for Long-term Success

1. HMM will during 2nd half of 2023 make on-site audit to 5 suppliers in high-risk countries based on the findings in the due diligence assessment.
2. Engage in supplier dialogue: HMM will initiate a dialogue with suppliers in high-risk countries to gain a better understanding of their operations, policies, and commitment to responsible business practices. This engagement allows us to address any concerns and seek clarification on their compliance efforts.
3. Continual monitoring and evaluation: Due diligence is an ongoing process. HMM has established a system to monitor and evaluate the performance of suppliers regularly through Lean Linking. In addition, periodic reviews, site visits, and collaboration with relevant stakeholders to ensure compliance and address any emerging risks.
4. By following this due diligence process, we aim to ensure that our engagement with suppliers in high-risk countries aligns with our ethical standards, reduces potential risks, and promotes responsible business practices throughout our supply chain.
5. This work is still progressing and is considered important to follow up on a regular basis.
6. HMM uses Synergi Life for following up NCRs. Audit findings will be registered and monitored via this system.

Driving Change

In the future, HMM will maintain a proactive approach by continuously monitoring both actual and potential risks that may have a negative impact on human rights and decent working conditions within its supply chain. Additionally, the company will focus on identifying meaningful Key Performance Indicators (KPIs) that are relevant to the identification of human rights risks among its suppliers. HMM will also prioritize providing training and raising awareness within the organization regarding human rights topics. Lastly, the company will continue its efforts in following up with suppliers who have been identified as having heightened risks related to human rights and labor conditions.

In 2023, HMM conducted a comprehensive Due Diligence Assessment of its suppliers for the first time. The assessment revealed valuable insights and served as a valuable learning experience for the company. Moving forward, HMM will prioritize areas such as Human Rights, transparency, and risk mitigation to ensure compliance with laws and regulations throughout the entire value chain.

Signatures | Boards of Directors

- The statement has been approved and signed by the board and managing director of MHWirth AS

June 30, 2023

DocuSigned by:

 4726B4EE48AD4E6
 DWIGHT WILLIAM RETTIG
 Chairman of the board

DocuSigned by:

 96D080BFD507438...
 DAG STENEVIK
 Board member

DocuSigned by:

 48C9FA2BC18C4F4...
 PÅL SKOGERBØ
 Board member

DocuSigned by:


 E69AF7E02G2D4C7...
 EIRIK BERGSVIK
 Board member

DocuSigned by:

 1E65914A95E34AF...
 STIAN SJØLUND
 Board member

DocuSigned by:

 B8AC6G48955340F...
 ARNE ALBREKTSEN
 Board member

DocuSigned by:

 16F3A8582BE0400...
 ASLE CHRISTIAN HALVORSEN
 Board member

Copyright and Disclaimer

Copyright

Copyright of all published material including photographs, drawings and images in this document remains vested in HMH and third party contributors as appropriate. Accordingly, neither the whole nor any part of this document shall be reproduced in any form nor used in any manner without express prior permission and applicable acknowledgements. No trademark, copyright or other notice shall be altered or removed from any reproduction.

Disclaimer

This Presentation includes and is based, inter alia, on forward-looking information and statements that are subject to risks and uncertainties that could cause actual results to differ. These statements and this Presentation are based on current expectations, estimates and projections about global economic conditions, the economic conditions of the regions and industries that are major markets for HMH (including subsidiaries and affiliates) lines of business. These expectations, estimates and projections are generally identifiable by statements containing words such as “expects”, “believes”, “estimates” or similar expressions. Important factors that could cause actual results to differ materially from those expectations include, among others, economic and market conditions in the geographic areas and industries that are or will be major markets for HMH’s businesses, oil prices, market acceptance of new products and services, changes in governmental regulations, interest rates, fluctuations in currency exchange rates and such other factors as may be discussed from time to time in the Presentation. Although HMH believes that its expectations and the Presentation are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved or that the actual results will be as set out in the Presentation. HMH is making no representation or warranty, expressed or implied, as to the accuracy, reliability or completeness of the Presentation, and neither HMH nor any of its directors, officers or employees will have any liability to you or any other persons resulting from your use.

HMH consists of many legally independent entities, constituting their own separate identities. HMH is used as the common brand or trade mark for most of these entities.