

# 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 1. DUE DILIGENCE PROCESS & SUPPORTING MEASURES

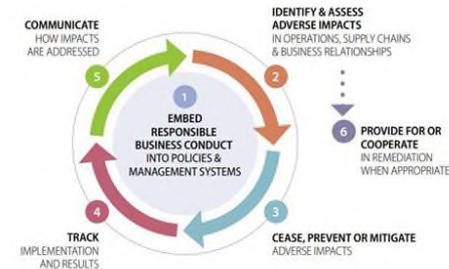
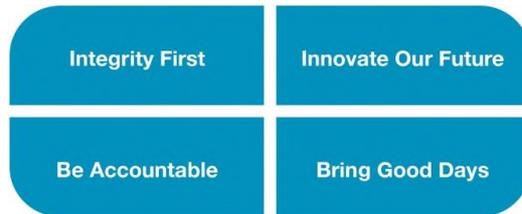


Figure: OECD (2018) OECD Due Diligence Guidelines for Responsible Business Conduct

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## 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 (Aktsomhetsvurderinger) 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

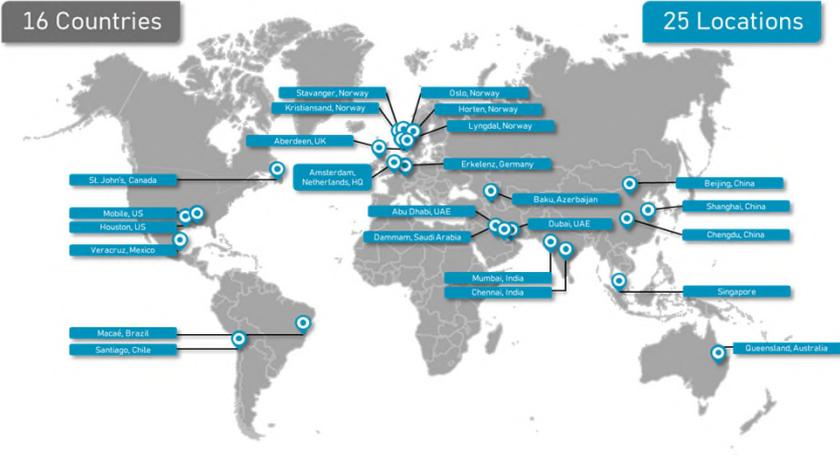
- Share status in Management review
- Share status with the board

# Report under the Transparency Act

## About Supply Chain

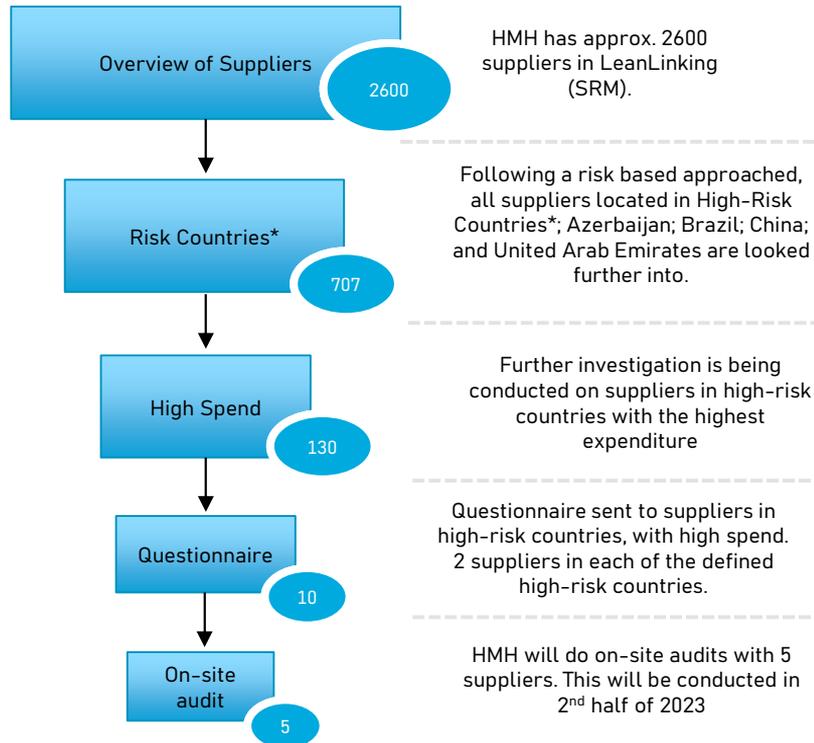
- In assessing the risk of human rights violations within the HMH value chain, its global supply chain is considered the most vulnerable to violations of human rights. To qualify for the vendor shortlist, suppliers must complete a questionnaire regarding Health, Safety and Environment (HSE), quality, 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.

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## Planning for Long-term Success

1. HMM will during 2<sup>nd</sup> 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:  
*Dwight Rettig*  
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DWIGHT WILLIAM RETTIG  
Chairman of the board

DocuSigned by:  
*Dag Stenevik*  
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DAG STENEVIK  
Board member

DocuSigned by:  
*Pål Skogerbø*  
48C9FA2BC18C4F4...  
PÅL SKOGERBØ  
Board member

DocuSigned by:  
*Eirik Bergsvik*  
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EIRIK BERGSVIK  
Board member

DocuSigned by:  
*Stian Sjølund*  
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STIAN SJØLUND  
Board member

DocuSigned by:  
*Arne Albrektzen*  
B8AC6G48955340F...  
ARNE ALBREKTSEN  
Board member

DocuSigned by:  
*Asle Christian Halvorsen*  
16F3A8582BE0400...  
ASLE CHRISTIAN HALVORSEN  
Board member

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