

G5

# Supply Chain Governance

Halliburton is committed to integrity and ethical business practices and works with suppliers who share that mission. The Company screens suppliers using set structures and measures their compliance to all rules, terms, and conditions. We monitor the supplier policies within our supply chain to confirm alignment with Halliburton's practices. Visit [Supplier Relations](#) on the Halliburton website to learn more about our Supplier Management System, local supplier procurement policies, conflict minerals, modern slavery and human trafficking prevention, and supplier compliance and training-related expectations.

## IntegrityNext

In 2022, Halliburton implemented IntegrityNext, a digital platform that collects and monitors sustainability data from suppliers. This includes key topics like Human Rights, Supplier Diversity, Conflict Minerals, Supply Chain Responsibility, and Carbon Footprint. IntegrityNext enables the Company to map suppliers' inherent sustainability risks, such as modern slavery, water stress, greenhouse gas emissions, occupational incidents, and their Corruption Perception Index score based on various pieces of geographical data. In 2022, Halliburton added the first wave of suppliers — which comprises over 50% of our global spend — to IntegrityNext for ESG assessments.



## Our Supplier Conduct and Responsible Procurement Sustainability Commitment



- Cultivate a sustainable supply chain through the continuous improvement of internal processes, by performing proactive risk assessments, and by working collaboratively with our diverse mix of global and local suppliers.

## Driving a Sustainable Value Chain

Halliburton recognizes the importance of performing due diligence on the Company's supply chain and its collective impact on sustainability topics. We ensure that continuity of supply, cost efficiency, and quality are maintained, and environmental and societal values are upheld.

When the Company selects and qualifies suppliers for sustainable growth, we include suppliers' environmental, social, and governance commitments in our evaluations. Halliburton expects suppliers to improve with us in sustainability matters. We encourage suppliers to assess their sustainability performance and implement continuous improvement. We also promote human rights awareness in our supply chain to advance social responsibility.

## Human Rights

Halliburton upholds universal human rights as defined by the United Nations (UN) Universal Declaration of Human Rights, and we support the UN Guiding Principles on Business and Human Rights. We comply and align with relevant Human Rights Due Diligence laws, such as the UK Modern Slavery Act of 2015, Australia Modern Slavery Act of 2018, Norwegian Transparency Act, and U.S. Uyghur Forced Labor Prevention Act. We also monitor similar upcoming legislation. To learn more about Halliburton's compliance with Human Rights legislation, please visit [Chapter S5 on Human Rights](#) in this report.



## Performing Due Diligence in Our Supply Chains

### Policies

Halliburton requires its contracted suppliers to commit to protect and uphold the fundamental human rights of their employees as defined by the UN Universal Declaration of Human Rights. Halliburton communicates ethical expectations to suppliers through our Supplier Ethics Letter and Supplier Ethics Statement.

### Risk Assessment

During onboarding, Halliburton requires potential suppliers to undergo a risk-evaluation process that covers safety, export controls and sanctions screening, and insurance verifications. In 2022, the Company used our new internal human rights assessment tool to pinpoint risks in our supply chain and prioritize areas for follow up. Halliburton analyzes data points that include the Global Slavery Index when determining appropriate risk levels to assign to suppliers. All suppliers are assessed based on relationship (procurement spend and sourcing strategy), category (industry/products/services/materials), and geography.

The Company's risk-assessment methodology also considers evolving international Human Rights legislation, particularly import and trade restrictions. Halliburton consults international standards, such as The Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct and the UN Guiding Principles for Business and Human Rights.

Halliburton has expanded our supplier human rights evaluation and monitoring through IntegrityNext. Human Rights and Labor evaluation has commenced for 1,337 suppliers (comprising over 50% of our global spend) identified in the Company's baseline inherent risk assessment. IntegrityNext administers questionnaires to suppliers about key Human Rights and Labor topics.

### Human Rights Audit and Supplier Evaluation

In 2022, we commissioned a third-party human rights auditor and began onsite human rights audits of suppliers to enhance the Company's high-risk supply chain due diligence. To determine the scope and form of the audit conducted, we take into account the scale and type of goods or services being provided. The audit may be a Workplace Conditions Assessment, Labor Provider Audit, or Service Provider Audit.

Critical Suppliers are annually evaluated on risks related to safety, quality, environment, social responsibility, economics, and corporate governance. The Halliburton Supplier Performance Review and Evaluation Process for Critical Suppliers includes a questionnaire on each suppliers' compliance with Halliburton's COBC, safety standards, and requirements. The questionnaire inquires about regulations and terms and conditions; policies and/or procedures that prohibit forced labor and human trafficking in their operations and in the operations of utilized employment agencies or subcontractors; policies and/or procedures that prohibit waste deductions or payments by workers in return for such things as employment, transportation, accommodations, and food; and policies and/or procedures that enforce timely and accurate payments of wages for all workers. Non-compliance with Halliburton's standards can lead to appropriate response actions up to and including termination.

### Conflict Minerals

As a member of the Responsible Minerals Initiative and in compliance with the U.S. Dodd-Frank Act, Halliburton ensures our suppliers source conflict minerals in an ethical manner. The Company terminates relationships with suppliers who do not cooperate with Dodd-Frank compliance requirements.

In 2022, Halliburton identified 1,053 suppliers as subject to the Dodd-Frank Act and contacted them as part of the Company's conflict minerals campaign.





## Training

Halliburton uses trainings from professional training bodies focused on supply chain and procurement. For example, we use the Chartered Institute of Procurement and Supply (CIPS) trainings in the UK, Australia, and Norway. CIPS conducts training on issues such as ethics, compliance, conflict minerals, and human rights awareness.

The Company participated in piloting the International Petroleum Industry Environmental Conservation Association (IPIECA) Forced Labor training in 2022. IPIECA's Forced Labor training covers topics such as fair recruitment, discrimination, working hours, worker accommodation, worker grievance mechanisms, and forced labor. It has been completed by key personnel from Halliburton's Supply Chain, Legal, and Human Resources departments.

In 2022, the Company rolled out an internal training on Supply Chain Sustainability Awareness for Supply Chain employees. It covers key ESG topics relevant to our supply chain, including the UN Sustainable Development Goals, UN Guiding Principles on Business and Human Rights, modern slavery and related legislation, emissions, supply diversity, local content, and supply chain risk mapping.

## Local Content and Supplier Diversity

Halliburton's strong, established relationships with local suppliers provide the Company with strategic and competitive operational advantages. They also help expand the capacity and competency of national and local suppliers, stimulate local economies, and promote positive labor practices. The Company works legally and ethically with governments and customers around the world to meet local content targets. We have also sustained a high rate of spend with suppliers based in regions where Halliburton's operational activities take place.

A good example of our local supplier engagement is our efforts to increase our vendor portfolio and procurement spend with Aboriginal and Torres Strait Islander-owned businesses in Australia. We do this through our membership with Supply Nations and with quarterly reports of Halliburton's Indigenous vendor spend. Supply Nations is an organization that provides a database of Indigenous suppliers to help companies allocate spend to the underused Indigenous business sector. To learn more about Halliburton's Aboriginal and Torres Strait Islander Engagement in Australia, please visit [Chapter S6 on Local Communities](#) in this report.

In addition, Halliburton works with IPIECA and our industry counterparts to globally standardize local content measurement and reporting for the oil and gas industry.