

## G5

# Supply Chain Governance

*Our supply chain mission is to work with suppliers who share our commitment to integrity and ethical business practices. We use set structures to screen suppliers, measure their compliance within our supply chain, and ensure they align with our mission. To learn about our Supplier Management System, along with our policies for local supplier procurement, conflict minerals, prevention of modern slavery and human trafficking, and our expectations for suppliers related to compliance and training, please visit the [Supplier Relations](#) section of our website.*

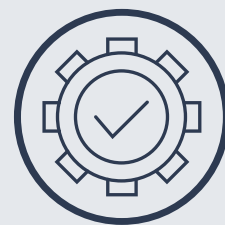
## 2021 HIGHLIGHTS

### Human Rights as an Essential Component of Supplier Qualification

Halliburton recognizes the importance of performing due diligence on suppliers with respect to slavery and human trafficking. We require suppliers to contractually commit to protect and uphold the fundamental human rights of their employees as stated in the United Nations Universal Declaration of Human Rights. We also comply with the UK Modern Slavery Act of 2015 and the Australia Modern Slavery Act of 2018. (To learn more about our compliance with Australia's Modern Slavery Act, please visit [Chapter S6 on Human Rights](#) in this report.)

In 2021, Halliburton implemented our new digital supplier management system, which includes the Supplier Lifecycle Performance (SLP) and Supplier Performance Management (SPM) modules. SLP covers all elements of supplier request, onboarding, and qualification. SPM provides a robust tool to monitor and manage supplier performance.

We also developed and built new comprehensive human rights assessments into supplier qualification in SLP and performance assessments in SPM. Additionally, Halliburton uses an internal human rights dashboard to



### 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.

assess inherent risk in our supply chain based on country, category, and spend classification, which helps prioritize areas for detailed follow-up.

### Internal Training

Halliburton uses trainings from many professional training bodies focused on supply chain and procurement, including the Chartered Institute of Procurement and Supply (CIPS), the world's largest professional body serving procurement and supply organizations with more than 200,000 procurement and supply chain professionals in more than 150 countries. CIPS conducts training on such issues as ethics, compliance, conflict minerals, and human rights awareness.

Another training Halliburton takes part in is a new course for suppliers and contractors that focuses on labor rights and identification of worker exploitation. The training, developed in collaboration with the International Petroleum Industry Environmental Conservation Association (IPIECA), includes 12 interactive modules covering topics such as fair recruitment, discrimination, working hours, worker accommodation, worker grievance mechanisms, and forced labor.

## Local Content

Strong, established relationships with local suppliers provide Halliburton with strategic and competitive advantages for our operations while expanding the capacity and competency of national and local suppliers, stimulating local economies, and promoting positive labor practices. We work with governments and customers around the world in a legal and ethical manner to meet local content targets, and we have achieved a high rate of spend with suppliers based in the regions in which our operational activities take place.

Commitment to Local Communities in 2021:

# 86%

Percentage of Spend with Local Suppliers



The three elements of our local content strategy are: processes, practices, and partnerships.

### Processes

- Provide opportunities, contracts, and feedback to local suppliers.
- Implement a functional mailbox that is always accessible to enable new suppliers to contact and present their capabilities to the local procurement team.
- Visit vendor facilities every month to meet new suppliers and develop relationships with existing suppliers.

### Practices

- Clearly define Halliburton expectations and requirements for HSE and SQ.

- Create a supply chain culture based on our continuous commitment to improvement.
- Deliver supplier workshops, meetings, and visits.

### Partnerships

- Develop long-term relationships with suppliers to create positive environments for local supplier development.
- Increase value for both suppliers and Halliburton in terms of relationships, communication, cost, and SQ.

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

An example of our activities is Australia, where we are a member of Supply Nation, an organization that helps companies allocate spend to the underused indigenous business sector through their database of indigenous suppliers. Supply Nation also offers training to help companies develop their procurement policies on this initiative. Our 2021 activities with Supply Nation include:

- Attending a training called First Step, which provides an overview on the relevance of allocating indigenous spend and discusses ways in which procurement organizations can increase indigenous spend.
- Reporting our annual indigenous spend, which provides Supply Nation with insights to pursue ongoing advancements in the indigenous business sector.

We also attended an event in the Australian Northern Territory (NT) held by the Energy Club NT to meet local vendors, including indigenous vendors, and to explore opportunities for localizing spend. One of our customers, INPEX, sponsors this event, which enjoys participation by various companies in the industry.

## Conflict Minerals

As a member of the Responsible Minerals Initiative and in compliance with the U.S. Dodd-Frank Act, Halliburton seeks to ensure that our suppliers source minerals in an ethical manner. In 2021, we identified 3,557 suppliers as subject to the Dodd-Frank Act and contacted them as part of our Conflict Minerals campaign. We terminate relationships with any suppliers who do not cooperate with Dodd-Frank compliance requirements.