



SUPPLY CHAIN GOVERNANCE

Halliburton works with suppliers who share our commitment to integrity and ethical business practices. We use a standard approach to screen suppliers and measure their compliance with our rules, terms, and conditions. We also review and monitor our current suppliers' practices to confirm they comply with Halliburton's policies. Learn more about our Supplier Management System, local supplier procurement policies, modern slavery and trafficking prevention, conflict minerals, and supplier compliance and training-related expectations on the [Supplier Relations](#) page of the Halliburton website.

DRIVING A SUSTAINABLE VALUE CHAIN

Halliburton knows effective due diligence of our supply chain is essential to build and maintain sustainable operations. It is important to select suppliers that operate sustainably. Halliburton's work to select and qualify suppliers includes evaluations of suppliers' sustainability commitments. We expect our suppliers to improve with us in sustainability matters. We also encourage our suppliers to track their sustainability performance and proactively pursue continuous improvement.

SUPPLY CHAIN MONITORING PLATFORM

Halliburton continued to develop and implement a digital supply chain monitoring platform in 2023. This cloud-based platform collects and monitors sustainability data from suppliers on a wide range of topics that include human rights, conflict minerals, supplier diversity, and carbon footprint. Halliburton uses this system to engage with our supply chain partners on key sustainability issues, identify and prioritize risks, manage supplier corrective action plans, and track vendor progress on carbon footprint reduction.

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.

At present, Tier 1 suppliers representing 89% of Halliburton's annual spend have been engaged via the platform. Tier 1 suppliers representing 68% of Halliburton's annual spend are now fully registered in the platform and undergoing assessment.

Tier 1 suppliers representing:

89% of Halliburton's annual spend engaged

68% of Halliburton's annual spend registered



PERFORMING DUE DILIGENCE IN OUR SUPPLY CHAINS

Policies

Halliburton's contracted suppliers must commit to protect and uphold the fundamental human rights of their employees as defined by the UN Universal Declaration of Human Rights. We use our Supplier Ethics Letter and Supplier Ethics Statement to communicate ethical expectations to our suppliers. In 2023, we enhanced our supply chain policies by embedding our sustainability commitments and requirements in them.

Risk Assessment

During onboarding, we require potential suppliers to engage in a risk-evaluation process via our procurement system. Depending on supplier risk level, we collect information such as insurance documentation and safety risk assessments. We also conduct screenings for export controls. We then use our supply chain monitoring platform to conduct sustainability assessments. As a data collection and mapping tool, this platform plays an important role in making it possible for Halliburton to analyze data, pinpoint risks within our supply chain, and prioritize areas for follow up. When we work to determine which risk levels to assign to suppliers, we assess them based on relationship, category, and geography.

Halliburton includes evolving international Human Rights legislation, particularly import and trade restrictions, in our risk assessment methodology. In the course of risk assessment, we consult international standards, such as the UN Guiding Principles for Business and Human Rights and The Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Business Conduct.

The supply chain monitoring platform has enabled Halliburton to expand our supplier human rights due diligence program and take effective action to reduce risks and improve sustainability performance over the long term. It administers questionnaires to suppliers about key Human Rights and Labor topics. We have used the platform to conduct Human Rights and Labor evaluation for 4,496 suppliers (which comprises 56% of our global spend).

Human Rights Audit and Supplier Evaluation

In 2023, we continued to enhance our high-risk supply chain due diligence. Through Halliburton's ongoing collaboration with a third-party human rights auditor, we maintained our practice of on-site human rights audits of suppliers. We consider the scale of our business with particular suppliers and the nature of the goods or services they provide to determine the proper scope and form of our audits. We conduct Workplace Conditions Assessments, Labor Provider Audits, and Service Provider Audits, among others.

Halliburton evaluates our critical suppliers annually. In these evaluations, we look at suppliers' risks related to safety, quality, environment, social responsibility, economics, and corporate governance. Suppliers must respond to a questionnaire that asks about their level of compliance with Halliburton's COBC, safety standards, and requirements. If a supplier is found to be non-compliant with Halliburton's standards, our response actions can lead to supplier termination.

Visit [Chapter S4 Human Rights](#) to read more about Halliburton's Human Rights policies.



Conflict Minerals

Halliburton is a member of the Responsible Minerals Initiative. We work with our suppliers to make sure they ethically source conflict minerals. Non-compliant suppliers are subject to termination or corrective actions.

In 2023, our cloud-based supply chain monitoring platform enabled us to increase our supplier response rate from 78% to 86%. It also affords us better visibility into our suppliers' actions; greater ease in collaboration with suppliers on appropriate remedial or corrective actions; and a more intuitive assessment platform.

SUPPLY CHAIN TRAINING

To deliver training about sustainability and supply chain mapping to our internal personnel and external suppliers, Halliburton engages resources from professional training bodies that develop material focused on supply chain and procurement practices. In 2023, in collaboration with the Supply Chain Sustainability School, we piloted sustainability-related training to key internal employees and external stakeholders.

The Supply Chain Sustainability School enables us to provide a wide range of sustainability training on a variety of topics, including modern slavery, ethical procurement, environmental protection, and climate change. This includes the International Petroleum Industry Environmental Conservation Association (IPIECA) Labor Rights Training, which covers topics such as fair recruitment, worker grievance mechanisms, and forced labor.

We also continued our internal training on Supply Chain Sustainability Awareness for supply chain employees in 2023. This training covers a range of key sustainability topics relevant to our supply chain, including emissions, supply diversity, supply chain risk mapping, modern slavery and related legislation, the UN Sustainable Development Goals, and UN Guiding Principles on Business and Human Rights.



LOCAL CONTENT AND SUPPLIER DIVERSITY

Halliburton draws strategic and competitive operational advantages from its strong, established relationships with local suppliers. As we support them, we help expand national and local suppliers' capacities and competencies, promote positive labor practices, and stimulate local economies. We engage in legal, ethical work with governments and customers around the world to meet our local content targets.

Halliburton collaborates with industry counterparts and IPIECA to develop standardized local content measurement and reporting practices for the global oil and gas industry. We helped create new local content guidance for the oil and gas industry that was published in March 2023.

In 2023, we engaged 5,992 suppliers with questions about diversity via our cloud-based supply chain monitoring platform. This inquiry was designed to validate data and identify diverse vendors in our network. We also expanded supplier diversity to include disabled- and veteran-owned businesses.