

# Transparency



43,792

Employees completed Code of Business Conduct training

9,187

Employees completed advanced anti-corruption training



80%

Procurement spend with suppliers in the region where operational activity took place

1,433

Employees completed training on high-risk countries

74

Stakeholders identified for the 2019 ESG Materiality Update Survey



36

Topics covered by the survey

57

Local Ethics Officers

91

Internal assurance audits performed

Transparency *continued*



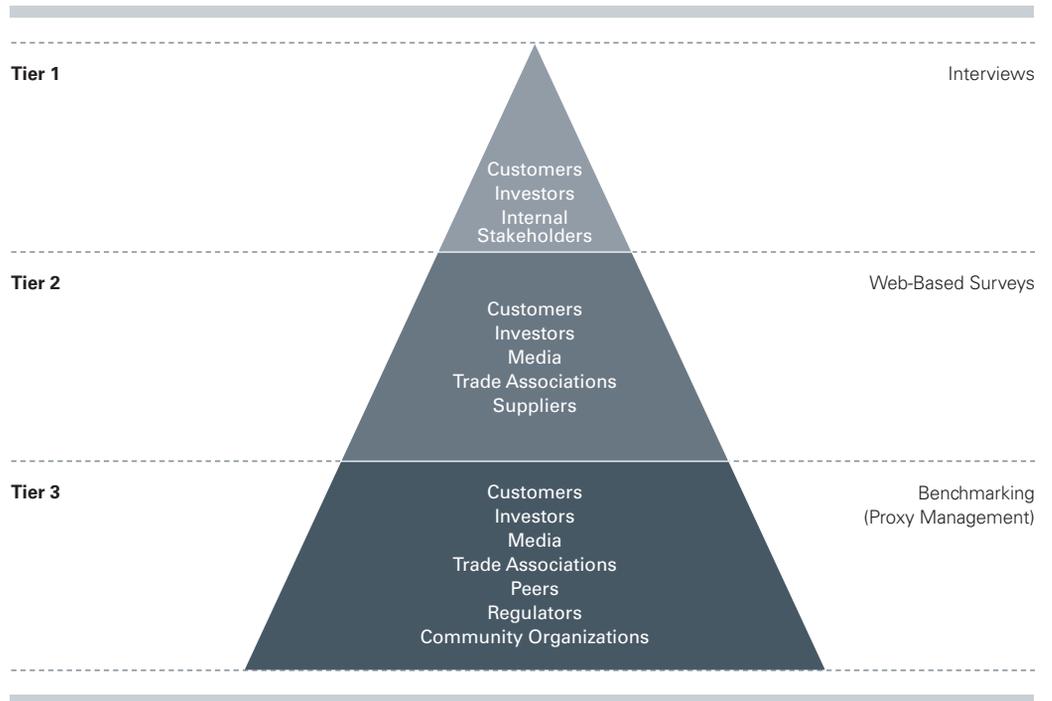
### Materiality

Our sustainability strategy is built upon our material environmental, social and governance (ESG) issues. As such, part of our sustainability strategy includes conducting an ESG Materiality Assessment to prioritize issues for evaluation and integration into our business strategy, and to provide key focus areas for our actions and reporting. In 2019, we began a reevaluation of material ESG topics, combining inputs from over 74 stakeholders, including our employees, customers, shareholders, suppliers, government, trade associations and community organizations.

In defining material topics, various dimensions were considered:

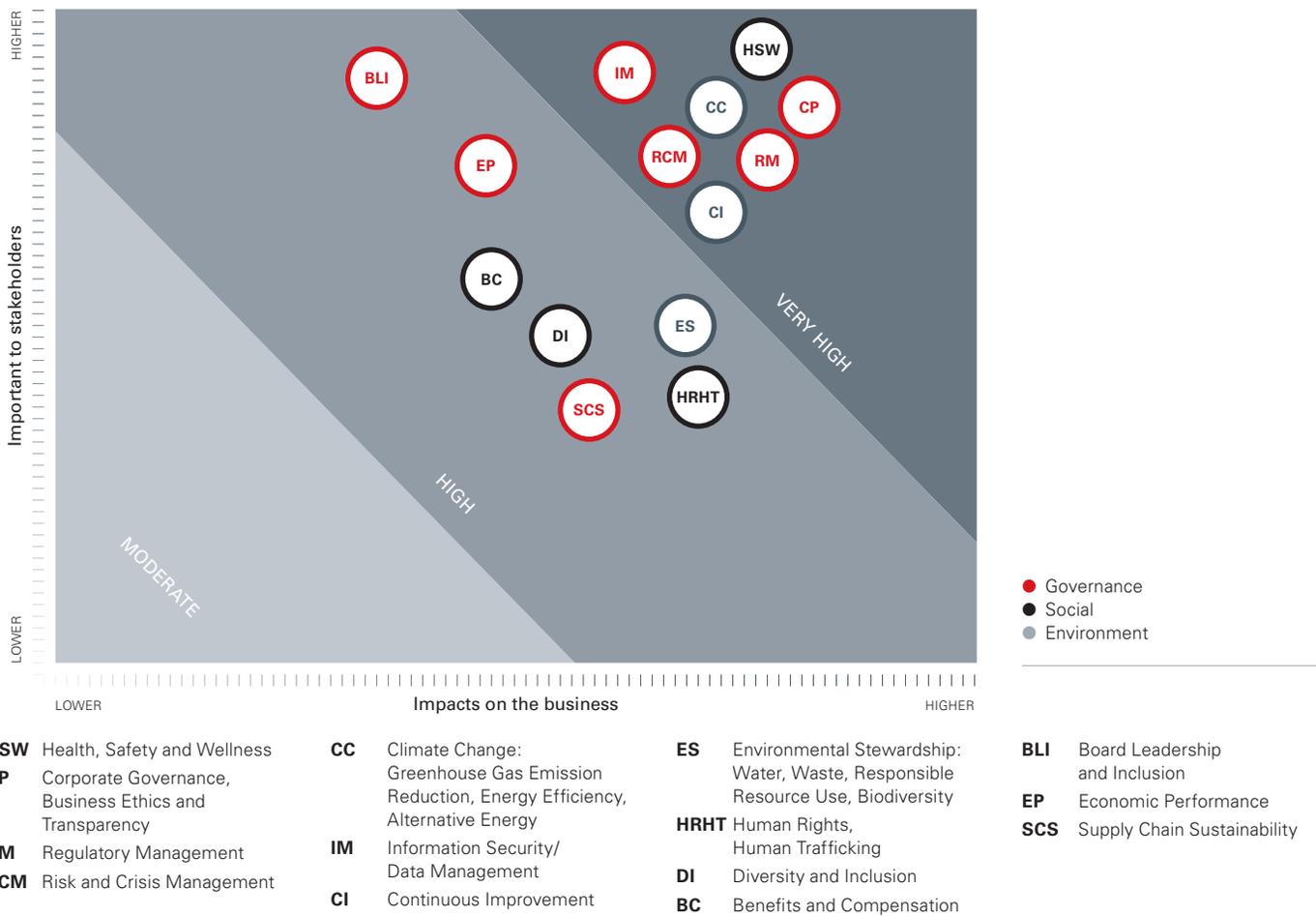
- Reasonably estimable sustainability impacts
- The interests and expectations of stakeholders invested in the organization
- The main ESG focuses/impacts and future challenges for our sector
- Key Halliburton organizational values, policies, strategies, operational management systems, goals and targets
- The core competencies of the organization and the way they contribute to sustainable development
- Consequences for the organization as related to their impact on the economy, the environment and/or society.

A three-tier approach was taken for the survey, with key stakeholders engaged across the process through different levels of engagement.



The outcome of the survey revealed little change in priorities showing that we are focused on the most relevant ESG topics for our business. However, even though climate change and the potential related risks have been included as one of our Material ESG topics for the last five years, and are addressed as part of our Enterprise Risk Management (ERM) program, there has been an obvious shift from solely greenhouse gas emission reduction to a broader look at climate change. In addition, environmental stewardship and human rights (namely, human trafficking) have risen in importance. These topics are being incorporated into our sustainability strategy for 2020.

### 2019 Materiality Matrix



## Transparency *continued*

### Governance

#### Board and Committees

Halliburton Guiding Principles for Sustainability are built on our core values of Ethics and Integrity, through oversight provided by our Board of Directors, our Code of Business Conduct (COBC), our employment practices and our internal assurance function.

The Halliburton Board of Directors (the Board) provides comprehensive oversight of the management and governance of the Company. The Board, along with all Halliburton senior management, encourages transparent and open communication with shareholders, employees and all interested parties.

The Board plays an integral role in our corporate governance processes by:

- Reviewing and monitoring the Company's Enterprise Risk Management Program (ERM)
- Addressing matters pertaining to corporate citizenship, governance and sustainability at Board and sub-committee meetings
- Reviewing the Annual and Sustainability Report prior to publication.

#### Board of Directors

Board of Directors' committees:

- <sup>1</sup> Audit Committee
- <sup>2</sup> Compensation Committee
- <sup>3</sup> Health, Safety and Environment (HSE) Committee
- <sup>4</sup> Nominating and Corporate Governance Committee

For additional details on our Board composition, committees and the qualifications for Board candidates, please refer to the Halliburton Corporate Governance Guidelines and Halliburton Investor Relations on the Halliburton website, as well as our 2020 Proxy Statement.



**Abdulaziz F. Al Khayyal** <sup>3,4</sup>

Retired Senior Vice President of Industrial Relations, Saudi Aramco



**William E. Albrecht** <sup>2,3</sup>

Non-Executive Chairman of the Board of California Resources Corp.



**M. Katherine Banks** <sup>1,3</sup>

Vice Chancellor of Engineering and National Laboratories, The Texas A&M University System



**Alan M. Bennett** <sup>1,4</sup>

Retired President and Chief Executive Officer, H&R Block, Inc.



**Milton Carroll** <sup>2,4</sup>

Executive Chairman of the Board, CenterPoint Energy, Inc.



**Nance K. Dicciani** <sup>1,3</sup>

Non-Executive Chair of the Board of AgroFresh Solutions, Inc.



**Murry S. Gerber** <sup>1,2</sup>

Retired Executive Chairman of the Board, EQT Corporation



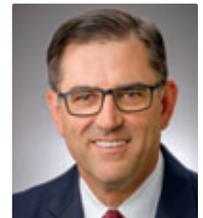
**Patricia Hemingway Hall** <sup>2,4</sup>

Retired President and Chief Executive Officer of Health Care Services Corporation



**Robert A. Malone** <sup>2,4</sup>

Executive Chairman, President and Chief Executive Officer, First Sonora Bancshares, Inc.



**Jeffrey A. Miller**

Chairman of the Board, President and Chief Executive Officer, Halliburton Company

## Board Committees

HSE COMMITTEE	COMPENSATION COMMITTEE	NOMINATING AND CORPORATE GOVERNANCE COMMITTEE	AUDIT COMMITTEE
<p>The HSE Committee assists the Board in fulfilling its responsibilities to provide global oversight and support of the implementation and effectiveness of the Company's health, safety, environmental and sustainable development risk-management procedures, policies, programs and initiatives.</p>	<p>The Compensation Committee oversees the Halliburton executive compensation program. This program features market-driven compensation within a total-compensation framework, with flexibility to accommodate differences in business drivers and objectives throughout our business units. The program is regularly reviewed to ensure that it supports the Company's strategies and generates value for our shareholders.</p>	<p>The Nominating and Corporate Governance Committee performs the annual evaluation of Halliburton director criteria, Board diversity, skills and experience profiles, and proposes directors for the Company's annual Board elections. All directors stand for election at the annual meeting of shareholders.</p>	<p>The Audit Committee assists the Board's oversight of the integrity of the Company's financial statements and compliance with legal and regulatory requirements. The Chief Ethics and Compliance Officer (CECO) reports to the Audit Committee on investigations, COBC audits and other related topics each quarter, and provides the Audit Committee with a comprehensive annual report.</p>



### Executive Compensation

Compensation programs are integrated with our business and human resources strategies and management processes in order to focus efforts, maximize returns and build shareholder value. We partner with consultants to benchmark our pay programs and ensure that we are offering a competitive remuneration package and maintaining governance for consistency and compliance.

Halliburton maintains open communication with the investment community, and seeks feedback from our shareholders on a regular basis as part of our approach to managing our executive compensation program. During 2019, we contacted shareholders representing more than 50 percent of our outstanding common stock and met with approximately 31 percent of those shareholders. We solicited shareholder feedback on Company strategy and performance, corporate governance, executive compensation, sustainability and other topics. Our senior management team participated in over 375 investor meetings and 16 conferences. We continue to hear from our shareholders that they support our overall compensation program design and are appreciative of our ongoing efforts to consider their feedback as our program evolves. Additional detail on remuneration policies is available in our 2020 Proxy Statement.

### Management of Climate-Related Risks

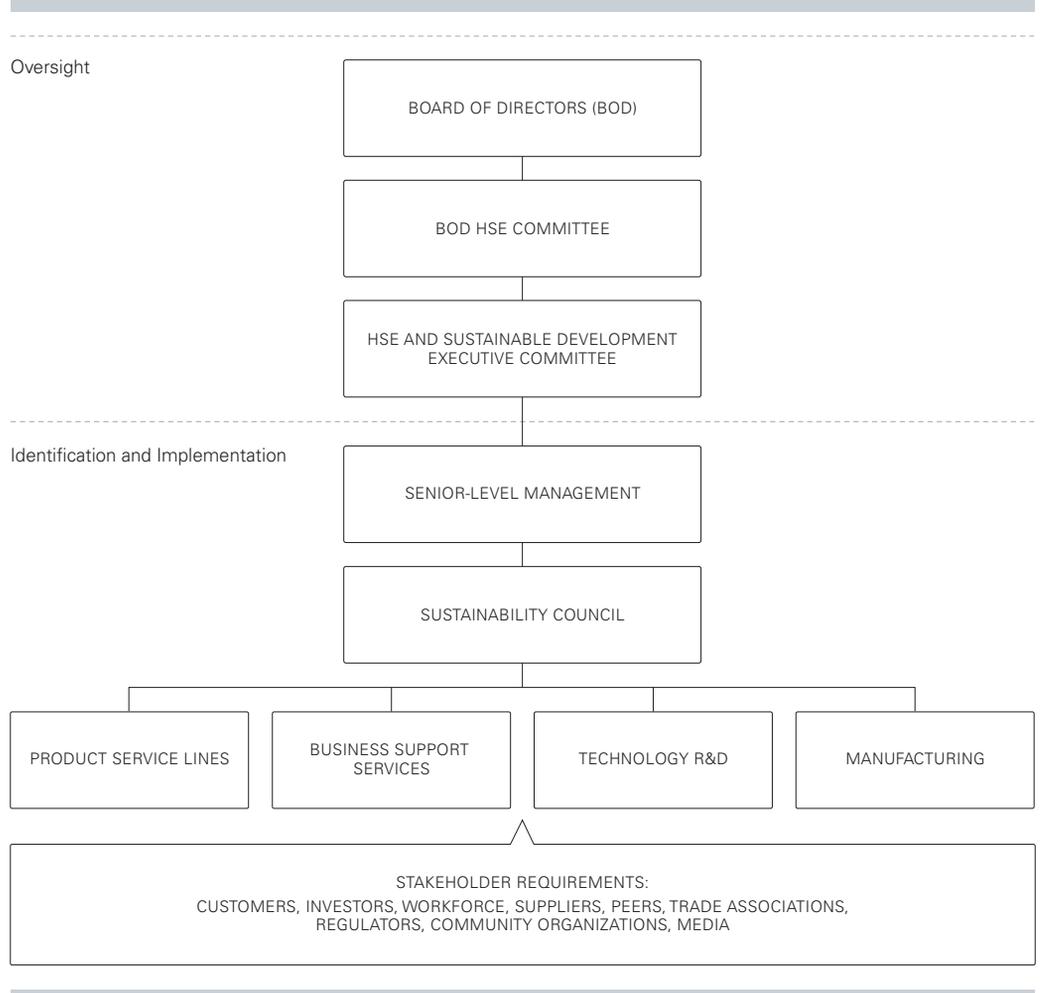
Halliburton has been incorporating review of climate-related risks and opportunities into our own operations, and into our growth strategy, for several years now. We believe continuously evaluating climate-related risks and opportunities is part of doing business and, therefore, have no need for a separate strategy. In line with our customers, we acknowledge that oil and gas will remain key fuels for the next several decades, and that we have a responsibility to advance our ability to access those fuels in the most efficient way possible through the use of low-carbon and zero-carbon technologies.

We consider that the climate-related scenarios developed by our customers are at the leading edge of scenario development. As a service company, our primary focus at this time is on assisting our customers in the implementation of their climate-related strategies. Our discussion with customers and our analyses of their existing and forward-looking climate-related strategies are, therefore, key to shaping our own business strategy.

Transparency *continued*



The Board has ultimate oversight of climate-related issues, and it reevaluates climate-related risks and opportunities on a regular basis alongside other key enterprise risks. Halliburton senior-level management is responsible for identifying climate-related risks and opportunities, assessing the potential level of impact to the business, and presenting recommendations to the Board for its consideration. Once integrated into the business strategy, the senior leadership is responsible for implementing the necessary climate-related actions as they relate to their particular areas of responsibility. In addition, our Sustainability Council, which comprises representatives from across all business areas, provides advice, counsel and recommendations to the Global Sustainability Manager for the preparation and implementation of the Halliburton Sustainability Program. For further information, refer to our Climate Change Position on our website.



## Ethics

### Global Ethics and Compliance

The Global Ethics and Compliance practice group is responsible for advancing the Company's commitment to its core value of integrity through the administration of its Global Compliance Program. The group supports ethical business conduct by directors, officers, employees, contractors, suppliers, agents, consultants and others acting on the Company's behalf.

Our Global Compliance Program is based on a robust compliance governance framework; well-defined and clearly communicated standards of compliance; open lines of communication; continuous compliance monitoring through internal assessments and audits; effective and timely responses to detected violations of the Code of Business Conduct (COBC) or the law, including disciplinary actions and remedial actions when appropriate; ongoing training and education; and proactive risk management.

Our Company has improvement programs and projects that ensure we remain current with changes in both the business environment and with the demands and expectations of our diverse stakeholders. We have comprehensive policies, procedures and required training that helps employees be aware of, and comply with, applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act. The Halliburton Board of Directors, Section 16 officers and all manager-level employees are kept up to date regarding the organization's anti-corruption policies and procedures.

Global and regional resources are available to advise on issues and to conduct investigations regarding potential violations of the COBC or local laws and legislation, which may include:

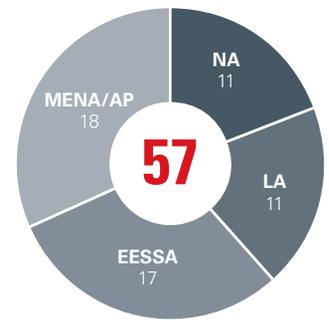
- Internal audits and compliance risk assessments for the analysis of compliance-related risks. In 2019, 28 countries were assessed as part of an audit or compliance risk assessment. Additionally, global audits were conducted on specific risk areas. Further details of our Global Compliance Program can be found in our COBC.
- The Company's Ethics Helpline enables Halliburton employees and external whistleblowers to report misconduct anywhere in the world. Reports can be submitted anonymously, and translators are available. Halliburton makes every effort to maintain the confidentiality of the reports. Potential violations of the COBC are investigated, and results are shared internally with executive management, Internal Assurance Services (IAS) and, as appropriate, the Audit Committee of the Board. With regard to substantiated reports, appropriate measures are decided in line with the principles of proportionality and fairness. Measures taken can include termination, written reprimand, coaching, restitution, suspension without pay, loss of stock/bonus and demotion.
- Local Ethics Officers (LEOs), designated in each of our operating regions, embody and model Halliburton values and ethical behavior. Serving three-year terms, LEOs are key liaisons between local employees and Global Ethics and Compliance. LEOs provide regular ethics training to Halliburton employees, through the use of quarterly Ethics Moments and biweekly Ethics Topics.

### Security

The safety of our employees, contractors and facilities is paramount, and coincides with our respect for human rights and the security of local communities. Our high standards of safety require the use of third-party armed security in a small minority of the countries where we operate. Halliburton makes significant efforts to ensure that these security providers uphold our strong standards of ethics and integrity. All third-party security providers with access to the Company's internal systems are required to take formal training on the Halliburton COBC every two years.

## Local Ethics Officers

### LEO Program



LEOs serve as a local link for employees to Global Ethics and Compliance, and are the Company's ethics role models and compliance champions.

### Ethics Training by Region Attendees

**9,288**

Latin America (LA)

**25,079**

Middle East, North Africa and Asia Pacific (MENA/AP)

**10,985**

Eurasia, Europe and Sub-Saharan Africa (EESSA)

**12,696**

North America (NA)

**58,048**

**TOTAL**

## Transparency *continued*



### **Taxation**

The Halliburton taxation strategy is consistent with our commitment to integrity and ethics, and with our Guiding Principle on Global Citizenship. We are committed to meeting our legal obligations in the payment of taxes and the disclosure of taxes paid and effective rates. This information is set out in the notes to our financial statements.



### **Internal Assurance Services**

Our Internal Assurance Services (IAS) function conducts reviews on a global basis to assess adherence to the Halliburton Management System. IAS partners with Global Ethics and Compliance and other functions to conduct risk assessments that form the basis of the Audit Plan. Audit outcomes are finalized in a formal report, and actions are required to address reported audit observations. Audit findings, trends and insights are reported within the organization and to Board committees as applicable. In 2019, 91 audits were performed by our IAS group, which is in line with previous years.

### **Public Policy and Political Contributions**

Halliburton keeps informed on significant domestic and foreign policy issues that affect the Company and its employees around the world. Halliburton may engage in public policy issues relevant to the Company's interests. Halliburton does not make political contributions to political candidates or political parties. Corporate political activities, including any contributions of Halliburton funds or use of Company facilities and resources, must comply with applicable laws. Halliburton may also provide administrative support for the operation of political action committees or provide support in informing the public on an issue of importance to the Company and its shareholders – always in compliance with applicable laws. Further information on the Company's contributions and public policy engagement can be found on the Public Policy page of the Halliburton website.

In 2019, the Halliburton risk management portfolio was expanded to include proactive monitoring of political risks. This addition brings an added focus to community relations and examines emerging legislation, such as on noise or emissions. The purpose is to find active solutions for Halliburton stakeholders.

### **Human Rights**

Halliburton operates in more than 80 countries around the world. Our shareholders, customers, suppliers and employees represent virtually every race, nationality, religion, culture, political philosophy and language. This diversity supports our business excellence and embodies the Company's respect for human rights and the dignity of all people.

We support universal human rights, as defined by the United Nations Universal Declaration of Human Rights, and are committed to compliance with the requirements of all applicable employment, labor and human rights laws. Our IAS and Human Resources processes validate our human rights practices. Our Human Rights Statement is available under the Corporate Governance section of the Halliburton website.

## Employee Training on Ethics and Human Rights

### CODE OF BUSINESS CONDUCT (COBC) TRAINING

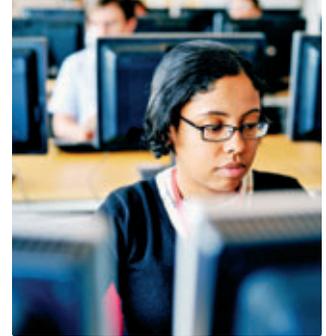
All Halliburton employees and certain categories of contract workers or consultants are required to complete COBC training every two years. Training courses cover all areas of the COBC, including anti-corruption and human rights. Global Ethics and Compliance conducts in-person training sessions to supplement the web-based COBC training courses.

### ADVANCED ANTI-CORRUPTION TRAINING

All employees with relevant job functions and those working in high-risk countries complete additional anti-bribery and anti-corruption training. The training covers the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, other country-specific anti-corruption laws, hospitality, charitable contributions, donations, gifts and international business relationships. Global Ethics and Compliance conducts in-person training sessions to supplement the web-based anti-corruption training courses.

### HIGH-RISK COUNTRY TRAINING

Employees working in countries that have been designated as high risk are required to take training which, in addition to touchpoints on COBC and anti-corruption, focuses on internal controls that must be followed in the procurement process.



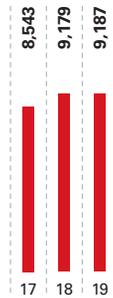
#### Code of Business Conduct Training

Employees who completed training



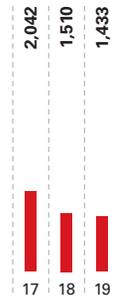
#### Advanced Anti-Corruption Training

Employees who completed training



#### High-Risk Country Training

Employees who completed training



## Supply Chain

The Supply Chain division at Halliburton comprises procurement, manufacturing, materials and logistics, and manages a complex, global network of suppliers, warehouses, cross docks and manufacturing facilities. We require the same high standards of corporate citizenship throughout our supply chain as in our global operations by striving to maximize the positive economic and social impacts of our value chain while minimizing environmental impacts. This is exemplified by our high engagement rates of local and diverse suppliers in the countries where we operate. More information can be found on our Supplier Relations page of the Halliburton website.

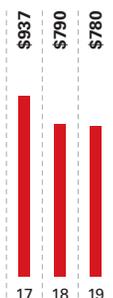
Transparency *continued*



**Supply Chain Governance**

Halliburton is committed to ensuring that our suppliers are in compliance with all applicable employment, labor and human rights laws to ensure fair and ethical employment practices, including non-discrimination, minimum age, and freedom of associations, as well as our fair compensation policies and our policies on health, safety and security. Our supplier expectations are clearly stated in our Supplier Ethics Letter. Training on topics including health, safety and environment (HSE) standards, human rights and conflict mineral compliance is also provided to our suppliers to ensure they meet the Company’s standards and gain information to improve the communities where we live and work. The Supplier Ethics Letter, along with more information on supply chain relations and our supplier due diligence checks, can be found on the Supplier Relations section of our website.

**Spend with Small and Diverse Suppliers**  
million USD



	2018	2019
Percentage of new suppliers screened using environmental and social criteria	100%	100%
Number of suppliers assessed for environmental and social impacts	5,378	5,048

**Local Content and Supplier Diversity**

In 2019, more than 80 percent of the Company’s procurement spend was with suppliers located within the region where our operational activity took place. We establish and foster relationships with suppliers who can provide Halliburton with strategic and competitive advantages for our local operations, while expanding the capacity and competency of national and local industry suppliers. Halliburton shapes local sourcing efforts to the specific governmental, cultural and economic needs of each country. Additionally, Halliburton supports small, minority-owned and women-owned businesses throughout our U.S. supply chain.

**Conflict Minerals**

Suppliers are required to provide Democratic Republic of Congo (DRC) conflict-free materials to Halliburton, and to furnish information to assist in determining that work provided to Halliburton is DRC conflict-free and to respond to requests for information on sources of supply. These requirements support our commitment to the Responsible Minerals Initiative and our compliance with Section 1502 of the United States Dodd-Frank Act. In 2019, a total of 1,294 suppliers were identified as in-scope and contacted as part of the Conflict Minerals campaign. Halliburton removed suppliers from our approved supplier base who did not cooperate with our Dodd-Frank compliance requirements.

**HSE and SQ in Latin America**

In Brazil, Mexico, Argentina and other parts of Latin America, Halliburton worked with local suppliers to ensure they were following Halliburton HSE and Service Quality (SQ) Standards, suggest technological and operational improvements, and expand supplier portfolios. This was done through workshops and continuous meetings with suppliers, which, in turn, have helped create positive collaboration between Halliburton and the suppliers we work with.

**Supporting Saudi Aramco’s ‘In-Kingdom Total Value Add’ Goals**

In Saudi Arabia, we are supporting the “In-Kingdom Total Value Add” goals of Saudi Aramco, in alignment with the Kingdom’s Vision 2030. One element of our commitment was to reach a 70 percent nationalized workforce by the end of 2021. With our relentless drive to hire Saudi nationals, including providing opportunities to over 450 in 2019, we reached the 70 percent goal two years ahead of the target. We continue to hire, train and develop to drive further nationalization.

## Global Supply Chain



### SENEGAL

Halliburton has begun conducting a risk analysis of modern slavery of Senegal suppliers, along with how to mitigate those risks, to comply with the UK Modern Slavery Act. In addition, procurement personnel carried out Chartered Institute of Procurement and Supply (CIPS) ethics trainings and appointed a modern-day slavery lead for Senegal. In 2019, Halliburton committed to offering full, fair and reasonable access to tendering opportunities to local firms and individuals. We also conducted targeted supplier development activities and training programs to increase the ability of local suppliers to bid for available work, while working in collaboration with local government bodies to continuously develop effective local content plans.



### CHINA

In March 2019, a Halliburton Certified Quality Representative training was conducted in China to communicate the importance of the Halliburton Code of Business Conduct requirements. All Tianjin Economic-Technological Development Area (TEDA) local suppliers and all procurement teams attended the training, which covered subjects such as understanding Halliburton documents, the raw material verification processes, parts manufacturing, process control requirements, and quality control requirements to align with "Halliburton receiving inspection quality" process. Following the training, Halliburton Supplier Quality Professionals also performed on-the-job training at supplier locations.



### SAUDI ARABIA

To engage with our suppliers, the Saudi Arabia Supply Chain team conducted three workshops with 15 of our local suppliers in 2019, educating them on topics such as Halliburton supplier registration, customer expectations and contract manufacturing. In addition, the Halliburton supplier audit program was carried out, which includes frequency-based vendor process and product audits. We maintain a relationship with each supplier through onsite supplier inspection, first article release and supplier performance reviews.



### UNITED ARAB EMIRATES

The United Arab Emirates Supply Chain team is continuously working with its suppliers to increase the country's value by verifying In-Country Value certifications; hiring local Emiratis, such as engineers, into Halliburton product services line (PSL) positions; and increasing Halliburton business with verified suppliers.



### INDIA

Halliburton collaborates with local suppliers in India to drive improvements in quality, delivery, HSE, cost and the capacity of local suppliers. This enables suppliers to meet Halliburton requirements by promoting innovation through the sourcing of new products and services, developing alternative channels for procuring goods and services, and creating new business opportunities. Comprehensive audits of our critical suppliers are conducted to ensure that each quality and ethics component is met.



### AUSTRALIA

The Australia procurement team worked with local suppliers on three initiatives to increase the number of local suppliers being used for Halliburton projects. In 2019, Halliburton onboarded four more local suppliers and held a local trade fair for local vendors each quarter. Once each supplier began work for Halliburton, supplier audits were done in conjunction with the Service Quality team.

Transparency  
continued



**Modern Slavery**

Halliburton performs due diligence, in several ways, on suppliers with respect to modern slavery and human trafficking. We communicate our supplier expectations regarding human rights through the Supplier Ethics Letter and the Supplier Ethics Statement. We require suppliers to contractually commit to protect and uphold the fundamental human rights of their employees as stated in the Universal Declaration of Human Rights. To ensure compliance, we conduct an evaluation of our highest-spend suppliers on an annual basis. In 2019, we enhanced the supplier evaluation process to include an assessment of our suppliers' policies and procedures regarding forced labor and human trafficking, wage deductions, and timely and accurate payment of wages for all workers. Our goal is to conduct business with suppliers who share our commitment to ethical operations.

U.K.'s Modern Slavery Act 2015

Halliburton has issued questionnaires to over 1,100 suppliers, accounting for over 80 percent of all U.K. spend, and has assigned each supplier a risk level based on an evaluation of their questionnaire responses and other relevant data points. Additionally, over 90 percent of European Supply Chain employees have completed a training course that enhances their ability to identify signs of human trafficking and forced labor, and to prevent other issues related to human rights abuses. In the United Kingdom, as part of our implementation of compliance to the Modern Slavery Act 2015, our suppliers must complete a questionnaire to verify that adequate controls exist to prevent slavery and human trafficking. Specifically, suppliers must confirm their awareness of the Modern Slavery Act and describe the controls in place to comply with the Modern Slavery Act within their businesses and supply chains.

**Oil and Gas Trafficking Awareness Group (OGTAG)**

As members of the Oil and Gas Trafficking Awareness Group (OGTAG), and with our Global Sustainability Manager on OGTAG's Advisory Board, we are determined to strengthen our commitment to preventing human trafficking in our supply chain and in the communities in which we operate. We are enhancing our policies, processes and procedures to help educate our employees and suppliers on signs of human trafficking, so they can uphold our commitment to this cause. In 2019, we conducted trainings in Senegal and Ghana to educate our suppliers on slavery and to empower them to make ethical business decisions. We will also continue evaluating supplier risk levels in order to better educate our suppliers on their responsibilities based on the Company's expectations and legal requirements. Continuous assessment of high-risk, high-spend vendors will aid Halliburton in determining their compliance with anti-human trafficking and human rights requirements. We have conducted a Slavery Risk Analysis that takes several different risk factors into consideration, including percentage of slavery in the country, vulnerability to slavery and government response to slavery.