



BE IT RESOLVED: Shareholders request that Halliburton report to shareholders, using quantitative indicators where appropriate, any policies and practices to reduce climate-related water risk and prepare for water supply uncertainties associated with climate change.

SUPPORTING STATEMENT: Proponents request the report disclose, at management discretion, any actions taken in consideration of climate related water risks. These may include:

- Any setting of targets to reduce water withdrawals
- Any monitoring of water resources
- Any integration of water and governance mechanisms
- Any comprehensive risk assessments conducted
- Any water engagement within its value chains
- Any compensation incentives related to water withdrawal reduction or pollution avoidance
- Any water scarcity planning, including identifying facilities operating in water scarce regions

WHEREAS: Halliburton has identified water as a material issue in its 2015 materiality assessment exercise. Halliburton has stated that water-related risks have the potential to create a [substantive financial or strategic impact on its business in both direct operations and within its value chain](#). Not only does its operations require fresh water to function, but climate related water impacts in its servicing operations creates risk.

Halliburton has dedicated significant resources to developing water-oriented products and processes for its clients. Its Water Solutions business unit focuses on customer access to water resources, water recycling, and the use of produced water. The company has identified reduced water access and flooding as risk factors that may [reduce demand for these services, increase costs, reduce margins, or harm Halliburton's brand and reduce shareholder value](#). Companies also face increased political risks due to competition for water resources by local stakeholders and disruption or lowered capacity of operations.

Halliburton's website states: "[Halliburton recognizes the importance of considering all of the economic, social, and environmental implications of climate change to ensure that we build sustainable long-term value for our stakeholders.](#)"



Climate change is expected to exacerbate water shortages nationwide as well as creating more frequent floods. According to a report by the Department of Energy, “there is agreement among climate models that there will be a redistribution of water, as well as changes in the availability by season.” The [report highlights increasing regional droughts](#).

While Halliburton recognizes the material role that water plays in the success of its business, Halliburton’s water planning and assessments do not currently reflect climate change. Halliburton does not use climate-related scenario analysis to inform its business strategy with regard to water resources. Nor does it place an internal price on water. Halliburton further does not provide adequate information to shareholders on its corporate strategy to address water risk caused by climate change.