Weatherford International plc

2019 MODERN SLAVERY STATEMENT & CALIFORNIA SUPPLY CHAINS ACT DISCLOSURE
I. OUR ORGANIZATION

A. Our Structure, Business & Supply Chain

Weatherford International plc, an Irish public limited company, together with its subsidiaries is a multinational oilfield service company registered at 70 Sir John Rogerson’s Quay, Dublin 2, Ireland, and with its principle address at 2000 St. James Place, Houston, Texas 77056 (“Weatherford,” “the Company,” “we,” “us” and “our”). Weatherford is one of the world’s leading providers of equipment and services used in the drilling, evaluation, completion, production and intervention of oil and natural gas wells. Our principal business is to provide equipment and services to the oil and natural gas exploration and production industry, both on land and offshore, through our principal segments: (1) Drilling & Evaluation, (2) Completions, (3) Well Construction, and (4) Production.

We conduct operations in approximately 80 countries, organized internally into 12 Geozones, and have service and sales locations in nearly all of the oil and natural gas producing regions in the world, across six continents. We employ approximately 24,000 employees, and presently have nearly 400 active customers and approximately 20,000 active suppliers globally. Our goods and services are sourced from suppliers in all of the regions where we operate.

B. Our Mission and Values

Weatherford delivers innovative technologies and services designed to meet the world’s current and future energy needs in a safe, ethical, and sustainable manner. Grounded by our core values and inspired by our world-class people, we are committed to being a trusted business partner to those we serve. Our Core Values are:

- Ethics and integrity
- Discipline and accountability
- Flawless execution
- Collaboration and partnership
- Innovation and technology leadership
- Commitment to sustainability

Our Core Values are publicly available at https://www.weatherford.com/en/about-us/who-we-are/.

II. OUR POLICIES, PROCESSES AND INTERNAL ACCOUNTABILITY RELEVANT TO MODERN SLAVERY

We have a zero-tolerance approach to modern slavery and human trafficking, and we are committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking are not taking place in any part of our business or supply chain. To this end, we are committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains. Our Code of Business Conduct (available at https://www.weatherford.com/en/documents/corporate-documents/weatherford-code-of-conduct/weatherford-code-of-conduct-english.pdf) honors these values and our global corporate responsibility relating to modern slavery. Our employees are expected to:

- Be vigilant in the course of their work against possible examples of modern slavery;
- Respect people, and treat others fairly, consistently, and with respect for the protection of rights and obligations;
- Understand the human rights issues where they work and follow Weatherford’s commitment and policies;
- Comply with applicable laws related to working hours and fair wages;
- Not knowingly do business with anyone who engages in forced labor, human trafficking, or the exploitation of any person including children;
- Ensure a culture that promotes internationally recognized standards for human rights and zero tolerance for human rights abuses; and
- Remind suppliers of their obligation to comply with our Supplier Code of Conduct including its human rights provisions.

Enterprises. Specifically, it requires respect for human rights always, and that all people be treated with dignity and respect, and without discrimination, harassment or retaliation, without exception. Weatherford is committed to respecting, protecting, and fulfilling human rights and fundamental freedoms of those working within or affected by our business. We prohibit all forms of forced, compulsory, child, or other prohibited labor internally and in our supply chain. All work must be completed voluntarily meaning the employee is free to quit, strike, or otherwise cease work in a safe manner compliant with applicable law. The standard also calls for compliance with local working hours, wage and safety laws, as well as to protecting data privacy, and allowing freedom of association and collective bargaining. Finally, among its remaining provisions, it also requires we identify and monitor potential human rights impacts of our industry, and promote a “speak up” culture valuing transparency. All of these efforts are intended to contribute to combatting modern slavery.

Our Supplier Code of Conduct (available at https://www.weatherford.com/en/documents/corporate-documents/supplier-code-of-conduct/supplier-code-of-conduct-english.pdf) (“Supplier Code”) acknowledges that the strength of Weatherford’s reputation is based not only on our own conduct, but also on the behavior of those with whom we do business. The Supplier Code imposes upon suppliers our aforementioned commitment. Our Supplier Business Compliance Questionnaire, which we provide to each supplier during the onboarding process, includes initial due diligence measures to identify modern slavery related risks and violations. Weatherford requires its suppliers to comply with our Supplier Code, which makes clear that Weatherford will work only with those suppliers, contractors and business partner that share our values and commitment to ethical business practices that comply with all applicable laws.

In addition to our Code, Human Rights Standard and Supplier Code, another core element of our commitment to human rights and combatting modern slavery includes our fostering of an enterprise culture that requires disclosure of non-compliance events, including those relating to modern slavery and fair labor requirements, and protects those who report suspected non-compliance or other abuse of the same. Our existing grievance mechanisms provide a means to track reports of modern slavery breaches and our internal accountability standards ensure that any employee or supplier who breaches the prohibition against modern slavery will face disciplinary action, which could result in dismissal for misconduct or gross misconduct, or termination, as applicable.

Specifically, in addition to promoting open and honest communication lines with management, Compliance, our Ombuds office, our Employee Relations representatives, and other key functions, our confidential reporting tool, Listen Up (available at www.listenupwft.com), is a resource for employees, customers, suppliers, and all other stakeholders to report conduct that is or may be illegal, unethical, or otherwise violate our Code of Business Conduct or other policies or procedures. Concerns may be reported to the hotline via telephone or internet in over 100 languages, 24 hours a day, 7 days a week, and may be reported anonymously if desired. Our hotline specifically includes a Human Rights category for reporting, and modern slavery related sub-categories, including "child/forced labor" and "slavery/human trafficking." We promote our hotline through promotional materials at all Weatherford facilities and through Compliance and management communications throughout the enterprise. Our commitment to organizational justice brings total transparency to our enterprise ethics and compliance efforts, including our grievance mechanisms and our handling of matters raised through the same, to further ensure our employees are confident that matters raised will be taken seriously and addressed as appropriate.

We have a dedicated team of investigators, supplemented by a team of our HR and QHSE professionals who have been trained on investigations, who devote significant resources to investigating grievances and imposing remedial action where necessary to hold violators of Company policies or the law accountable. Our Compliance function monitors and continuously reports matters including any that would relate to modern slavery to our management team and Board of Directors. Remediation efforts regarding substantiated concerns also are reported to management and the Board of Directors to ensure adequate oversight over our handling of accountability for those who, if identified, have perpetrated modern slavery inside the organization or in our supply chain, as well as compensation and justice for victims of modern slavery in such instances.

We know that accessibility and thorough investigative procedures are not the only stepping stones to promoting a “speak up” culture necessary to further our commitment to combatting modern slavery. We believe that everyone at every level of our Company inclusive of our external stakeholders should be able to raise compliance concerns without any fear. To this end, we do not tolerate retaliation against anyone for raising a concern in good faith. We require directors, officers, managers, supervisors, and any other Weatherford leaders and all employees to uphold our commitment, by never retaliating themselves or allowing others to retaliate. Manager-specific training is provided to enhance skills regarding how to effectively listen to and receive employee concerns and complaints so as to ensure no retaliation in response to the same.
III. OUR DUE DILIGENCE AND SUPPLY CHAIN MANAGEMENT

Our enterprise Global Procurement Policy requires that all suppliers providing goods and/or services to Weatherford are reviewed, approved and managed per Weatherford standards. These include having acknowledged and completed the Supplier Code of Conduct described above, prohibiting the use of forced and compulsory labor, or anyone held in slavery or servitude, and requiring a commitment to comply with all applicable laws and the principle of universal human rights. Completion of our supplier onboarding process also is required. The process includes running the supplier through our enterprise screening tool to confirm the supplier is not a restricted party based on international trade regulatory lists issued by government regulatory agencies worldwide or on Weatherford’s past experience with the supplier suggesting compliance concerns, which could include modern slavery risks. Our onboarding documents for suppliers also aim to identify modern slavery related risks in supply chain. Additionally, we have amended our purchase order terms and conditions to include specific reference to anti-slavery laws requiring prevention of modern slavery in their organizations and in their supply chain.

Several years ago, Weatherford began a supplier rationalization project, with the goal of consolidating spend with larger suppliers and reducing our overall supplier footprint. A reduction in suppliers and a focus on larger suppliers reduces modern slavery risk by increasing control checks and transparency into our supply chain. We will continue these efforts in 2020 and we plan to reduce the suppliers population to approximately 16,000.

In 2019, we considered whether our position on modern slavery risk issues like forced labor was sufficiently clear on our website. We confirmed that by linking this Statement to the footer on the homepage and elsewhere including links to our Supplier Code of Conduct, Human Rights Standard, and ethics and reporting hotline Listen Up on our website, we are satisfied with the approach.

IV. OUR MODERN SLAVERY RISK ASSESSMENT AND VERIFICATION

Weatherford views as a journey the global mission to combat modern slavery through heightened corporate focus. We continue to study the risks in this space to verify our modern slavery risk profile.

We have consulted numerous indices to obtain understanding of the countries, regions and industries in which modern slavery risks may be higher and why, thereby enhancing our risk analysis abilities. We believe there is a direct correlation between geographies subject to enhanced corruption risk and slavery risk due to lacking transparency and effective rule of law. As an oilfield services provider, we have a presence across many high-corruption risk geographies. We continue our assessment of modern slavery risks in our supply chain based on publicly available resources, including, but not limited to the Global Slavery Index and accompanying resources available at https://www.globalslaveryindex.org/.

We are blessed to manage a highly skilled workforce in our core oilfield services thereby provoking less direct modern slavery risk. However, we must be vigilant about our indirect risks provoked by ancillary services and manufacturing activities that support our business. We consider at-risk groups relevant to our industry to include: contracted cleaning, catering and landscaping services; static security guards; outsourced manufacturing and similar forms of outsourced labor; hospitality services including hotels and restaurants used by our staff; and construction and related services associated with the building and maintenance of our facilities. These and other similar risks could be exacerbated with business partnerships such as joint ventures where we do not exert majority control.

In 2019, we focused on developing additional controls for what we deemed our highest modern slavery related risk - use of outsourced labor. We assessed the pool of our active contingent labor suppliers against geographic and other risk factors, and identified among them those we deemed the highest risk. We plan to finalize and launch an audit process for this group of suppliers in 2020.

V. OUR TRAINING AND CAPACITY-BUILDING APPROACH

Employees are required to acknowledge the Code of Business Conduct and the Human Rights Standard and to participate in Code of Business Conduct training. As noted above, our Code of Business Conduct addresses Weatherford’s commitment to human rights and compliance with laws.

In 2019, we finalized and launched in coordination with a well-respected third-party training provider, an online training module intended to raise awareness of modern slavery risks. We expect this will enhance our employee base’s ability to detect and raise concerns relating to modern slavery. Training will be obligatory for the segments of our employee population we consider most key to identifying, deterring, and protecting against modern slavery in our company and our supply chain.
VI. OUR ADDITIONAL ACTIONS TO INCREASE EFFECTIVENESS & OUR KPI CONSIDERATIONS

We recognize that the prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. In 2019, we took the following actions to supplement our current framework consisting of the policies, processes, due diligence, supply chain management and training described above.

- Enhanced workforce controls: We continue surveying our processes globally to ensure that in all our locations we require proof of age for Weatherford employment candidates, confirmation that employees have access to proof of payment of wages in full.

- Cooperation with our business partners: We are learning from best practices of our clients related to modern slavery, in particular by actively participating in their surveys, audit initiatives and applying similar approaches in our supply and partners’ channels.

- Collaborative efforts: We continued to enhance our understanding of modern slavery risks and best practices aimed at minimizing these risks also through participation in industry and other corporate events. For example, in 2019, Weatherford joined the Oil & Gas Trafficking Advocacy (“OVS”) Group (http://ovsgroup.com/the-oil-and-gas-trafficking-advocacy-group). The goal of the OVS Group is to discuss the role that the oil and gas community can play in ending human trafficking by expanding awareness and affecting policies. In October 2019 the OVS Group won a GRIT award by Experience Energy for its efforts in eradicating modern day slavery and working to devise a corporate strategy to address this issue. Joining OVS Group provided Weatherford access to meetings and other industry events where we enhanced our learning and partnership as it relates to our anti-modern slavery commitment. Specifically, we joined forces with other OVS members to support a bid for the FIFA World Cup 2026 in Houston, including volunteering to be included in Human Trafficking Working Groups if Houston is selected as the location. In 2019 we also continued our dialogue with the Truckers Against Trafficking (“TAT”) organization (https://www.truckersagainsttrafficking.org), including bringing a representative to our Houston location for a formal presentation regarding human trafficking risks and how an oilfield services company like Weatherford can be alert to and mitigate those risks. We are also proud to announce that in recognition of Human Trafficking Awareness Month in January, Weatherford hosted an Energy Empowers Freedom Tour at our principal Houston location on January 10, 2020, with the Oil and Gas Trafficking Awareness Group (OGTAG), Truckers Against Trafficking (T.A.T.), and the Houston Area Women’s Center. This was the first anti-trafficking awareness event of its kind for the energy industry, with ten companies across Houston hosting awareness and education events during the week. We understand the importance of our participation in tackling modern slavery risks in the communities where we operate and will continue our efforts to build necessary partnerships with other companies and organization combating modern slavery and human trafficking.

- Internal emphasis: Each year, Weatherford sends all employees a message to commemorate the United Nations’ International Anti-Corruption Day and International Human Rights Day. Our 2019 message, again like our 2018 message, included messaging form our leadership about human rights risks, including modern slavery, and our commitment to address the same.

In 2020, we plan to further reduce our supplier population, fully implement an audit and certification process for all our high risky suppliers – manpower companies, continue to partner with business partners and organizations combating modern slavery in ways that increase awareness in organization. We are committed to further study of our enterprise practices to identify opportunities to combat modern slavery and human trafficking. As a result, we continue to evaluate what would be most effective key performance indicators to monitor and address our modern slavery risk beyond 2020.

VII. RESPONSIBILITY

Our Board of Directors has overall responsibility for ensuring that our framework for addressing modern slavery risks complies with our legal and ethical obligations, and that all those under our control comply with it. Management at all levels are responsible for ensuring those reporting to them understand and comply with the policies and procedures relating to this framework and are given adequate and regular training on it and the issue of modern slavery in supply chains.

This statement applies to Weatherford International plc and its UK subsidiaries, including the main operating entity Weatherford U.K. Limited, and is made pursuant to section 54(1) of the Modern Slavery Act 2015, pursuant to the California Transparency in Supply Chains Act of the United States, and pursuant to our enterprise sustainability objectives and constitutes Weatherford’s slavery and human trafficking statement for the financial year ending 2019. This statement was approved by the Board of Directors of Weatherford.

Mark A. McCollum
President and Chief Executive Officer
January 22, 2020

Chuck M. Sledge
Audit Committee Chair
January 22, 2020

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