Energy Forward

2021 Corporate Responsibility Report

Baker Hughes

Our purpose:

We take energy forward–making it safer, cleaner, and more efficient for people and the planet.

About this report

Our frameworks: Our corporate responsibility report is prepared in accordance with the Global Reporting Initiative's (GRI) Core Standards and the Greenhouse Gas Protocol (GHG Protocol). We also provide reporting indices for the Task Force on Climate-Related Financial Disclosures (TCFD) and the Sustainable Accounting Standards Board (SASB) Oil & Gas Services Industry Standard–Extractives & Minerals Processing Sector. Our approach to corporate responsibility is detailed on pages 17 to 18.

Reports and policies: Our archived reports and policies are accessible on our website at https://www.bakerhughes.com/corporate-responsibility.

Awards and recognition:

- AA ESG rating from MSCI
- B rating from CDP
- 2022 EcoVadis Bronze Sustainability Rating
- Wall Street Journal Management Top 250
- 100 Best Corporate Citizens by 3BL Media
- America's Most Responsible Companies by Newsweek
- Hart Energy ESG Awards – Best Public Service Company
- Included on S&P 500 ESG Index in May 2022

On the cover: (from left) Lusinda Campanelli – Product Engineer, Marco Soldino - Testing Engineer, Annociate Antonia Tukamushaba - Digital Technology Intern, Ryan (Xuele) Qi - Digital Enablement Leader.

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Lorenzo Simonelli
Chairman, President, and
Chief Executive Officer

2021 was a year of accelerating our net-zero commitment and sustainability to take energy forward.

The world has changed dramatically since Baker Hughes made its net-zero commitment in 2019. At that time, our roadmap did not include specific plans for a major pandemic, extreme geopolitical volatility, and an accelerated global focus on solving climate change. Despite these challenges, we have continued to take energy forward and make great progress on our sustainability goals.

2021 was a year of acceleration and action for our corporate responsibility efforts, to advance our sustainability goals while executing for our customers and delivering for our shareholders. The world still faces the dual challenge of meeting increasing energy demand while simultaneously reducing associated greenhouse gas emissions. Our strategy remains focused on solving this dual challenge by advancing our sustainability efforts within Baker Hughes. I am proud of our team in delivering against our three focus areas in 2021—People, Planet, and Principles—and our corporate responsibility report reflects our commitment toward progress and leadership in the energy and industrial sectors.

People

To lead in the energy transition, we believe we must retain and develop a globally skilled and diverse workforce. The challenges of the COVID-19 pandemic caused us to rethink how we attract and retain talent, and in 2021, we focused on strengthening our diversity, equity, and inclusion (DEI) programs. Led by our Global DEI Council, we improved our talent acquisition processes, enhanced our employee resource groups, and increased our outreach to diverse organizations. A standout example of these efforts is in the United States (US), where we launched a new educational partnership with four Historically Black Colleges and Universities. We believe our focus on DEI is critical for a responsible energy transition that helps us to operate in ways that foster equality while addressing energy poverty, reliability, and access.

Planet

We made great progress on improving our environmental performance in 2021. We have been steadily mobilizing our workforce to reduce our Scope 1 and 2 greenhouse gas emissions (GHG) toward our interim goal of 50% reduction by 2030 and our goal of net zero by 2050. To date, we have achieved a 23% reduction in our Scope 1 and 2 greenhouse gas emissions versus our 2019 base year, and we have expanded base year and annual value chain (Scope 3) emissions reporting. Externally, we engaged with our customers and suppliers in new and innovative ways, reviewed our stakeholder engagement opportunities, and strengthened industry relationships throughout the year. We are now a signatory of the Methane Guiding Principles that commits us to reduce methane emissions, a key focus from COP26.

Principles

Safety, health, integrity, compliance, and human rights are foundational elements of our culture. We continue to be guided by our values and our strong governance. I am proud Baker Hughes employees act with integrity throughout our workplace, striving to maintain ethical supply chains and promoting respect for fundamental human rights globally. Our disciplined approach to occupational safety, health, and emergency management helped us to navigate the challenges of the COVID-19 pandemic for another year, including the implementation of robust vaccination and flexible work programs.

In 2021, we accelerated our energy transition strategy, executed for our customers, and continued to build on our sustainability performance. I want to thank our customers, employees, and investors for their support. Our results and activities underway position us for continued growth in 2022 and beyond, as we help to build a more prosperous and sustainable world. I look forward to another year of taking energy forward.

Lorenzo Simonelli
Chairman, President, and Chief Executive Officer

Allyson Anderson Book
Sustainability Steering
Team Chair

We progressed our sustainability efforts from policy to action in 2021.

Building on a strong foundation, we took important steps during the year to advance our sustainability strategy and programs, engage employees, and make significant progress on our most important priorities. Some of the highlights you will see in this report include:

Expanded emissions reporting

We expanded our Scope 3 value chain GHG emissions reporting for the year to include four new categories, as well as an expanded view of emissions from the use of our products and services. This is a major step forward in understanding the full lifecycle emissions of our Company and augmenting our efforts to develop lower-emissions products and services. We have also established a process to ensure that emissions reduction claims for our products and services are verifiable and based on established methodologies. This allows us to better inform, align, and support our customers in their energy transition journey.

Improving data governance and assurance

Recognizing the increasing importance of sustainability data for stakeholders, we undertook a data governance project to improve the quality and rigor of our disclosures. Greater automation and leading data governance practices will improve our ability to deliver accurate information, make business decisions, manage risk, and act on sustainability data at all levels in the Company. We have expanded our third-party assurance to include reasonable assurance of Scope 1 and 2 emissions, as well as limited assurance of Scope 3 emissions and select People data. Please refer to the Third Party Assurance section.

Taking carbon out of our business

We have reduced our Scope 1 and 2 GHG emissions by 23% compared to our 2019 base year. We've transitioned to systemic action across our organization. In our 2020 Report, we shared our Net- Zero Roadmap with key decarbonization pathways for achieving a net-zero transformation by mid-century. The roadmap to net-zero GHG emissions requires a fundamental change in mindset and the engagement of every person in the organization. This year we moved into the execution phase of our net-zero emissions strategy by launching an ambitious Carbon Out program across our global business. Through our Carbon Out program we are empowering each Baker Hughes employee to take an active role in our goal of achieving net-zero carbon equivalent emissions by 2050.

"Recognizing the increasing importance of sustainability data for our stakeholders, we undertook a project to improve the quality and rigor of our data disclosures."

Expanding our DEI programs and disclosures

Recognizing the importance of diverse teams and an inclusive culture in driving innovation and competitiveness, we expanded our programs and processes to embed DEI into our operating process. For the first time, we also published the 2020 Equal Employment Opportunity (EEO-1) data in 2022, and invited our employees to self-identify their demographic data in our human resources system. The 2021 Equal Employment Opportunity (EEO-1) Report was published in June and it is available on our website.

Collaborating with customers and suppliers

Collaboration across the value chain is crucial to building strong sustainability performance. Throughout the year, we have found new ways to partner with customers and suppliers to mutually improve performance—not only on climate and environmental metrics, but also on DEI, supplier diversity, safety and health, and human rights.

Ensuring alignment with stakeholder groups

We actively engage with stakeholder groups and industry organizations to share knowledge, advocate for policies, and advance strategic partnerships. Over the past 18 months, we have conducted a thorough review of partner organizations to ascertain whether they are aligned with our corporate purpose and net-zero emissions ambitions. We have identified and are not active in organizations that are no longer aligned to our corporate purpose and have identified new partners in the areas of hydrogen, CCUS, and climate science. We will continue to evaluate our strategic stakeholder relationships on an annual basis going forward.

These are just a few of the many actions we have taken over the last year to make Baker Hughes more sustainable, more transparent, and more accountable. We will continue to build on this progress and are committed to continuous improvement. If you have a question about this report or any of our disclosures, I encourage you to reach out to me or a member of our leadership team.

Allyson Anderson Book
Vice President, Energy Transition
and Sustainability Steering Team Chair

2021 corporate responsibility dashboard

Baker Hughes is committed to increasing the transparency and rigor of our sustainability performance data. This dashboard presents our progress on key performance indicators over time. We continue to improve our reporting with an aim of establishing quantitative goals and performance metrics and supporting the UN Sustainable Development Agenda.

People

ESG PRIORITY	KEY PERFORMANCE INDICATORS[1]	2019	2020	2021	SDG
Attracting, retaining, and developing talent	# of employees completing professional development planning with their manager[2]	31,960	30,906	32,239	8 DECENT WORK AND ECONOMIC GROWTH
	% of voluntary attrition in workforce	6%	6%	8%	
	# of employees participating in leadership development programs (ASPIRE, IMPACT & CULTIVATE)	>416	438	393	
	Average hours of training per employee*			17	
Diversity, equity, and inclusion (DEI)	% of employees who identify as women in workforce, senior leadership, and board of directors	17%, 21%, 22%	18%, 17%, 33%	19%, 18%, 33%	5 GENDER EQUALITY
	% of US employees who identify as people of color	35%	36%	36%	10 REDUCED INEQUALITIES
	% of US employees who identify as people of color in senior leadership positions*			32%	
	% of people of color in US who identify as women*			25%	
	% of women in STEM roles*			11%	
	Amount spent with diverse suppliers and small businesses[3]	$132 million	$93 million	$83 million	
Community and stakeholder engagement	Total company in-kind and financial charitable contributions	$26 million	$119 million	$45 million	4 QUALITY EDUCATION
	Volunteer service hours	29,673	7,161	16,905	

[1] The key performance indicators should be read in connection with the Methodology of Selected People Metrics on pages 110-112 and the glossary of terms on page 113.
[2] 2019 value is not comparable due to change in calculation. Restatement of 2020 metric due to improvements in methodology.
[3] 2019 value is not comparable to 2020 or 2021 due to change in metric calculation. 2019 metrics include spend in US only.
*New 2021 metric

Planet

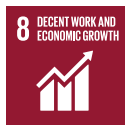
ESG PRIORITY	KEY PERFORMANCE INDICATORS	2019	2020	2021	SDG
Greenhouse gas emissions	Reduction in Scope 1 and Scope 2 GHG emissions compared to 2019 base year[4]	Base year	15%	23%	
	% of electricity from renewable and zero-carbon sources	15%	22%	24%	
Energy transition business impacts and innovation	Number of ISO-certified product lifecycle assessments completed	1	1	7	
Water and waste management	Waste generated (metric tons)[5]	Not applicable	680,790	482,806	
	Water withdrawal (million liters)	7,882	4,797[6]	3,143	
	Volume of significant spills (barrels)	1,598	738	1,693	

[4] For 2019, we have restated our emissions to account for recent company structural changes, to include emissions related to additional field activities, and to reflect enhancements in methodology.

[5] 2019 waste values are not directly comparable because of new calculation methodologies shifting from modeled data to measured data and because of expanded reporting. 2020 waste values were restated due to updated methodology.

[6] 2020 water values restated due to updated methodology.

Principles

ESG PRIORITY	KEY PERFORMANCE INDICATORS	2019	2020	2021	SDG
Ethics and governance	# of employees trained in ethics and compliance	56,675	53,370	50,161	
	# of supplier social audits	590	434	545	
	% of social supplier audit red-flag findings closed within 90 days	96%	83%	95%	
Health, safety, and environment (HSE)	Perfect HSE days	161	200	204	
	Leading indicators				
	HSE observations	1,084,627	1,038,071	1,051,723	
	Leader HSE engagements	67,726	68,886	66,716	
	Near misses	1,763	1,299	1,075	
	Lagging indicators				
	Total recordable incident rate[7]	0.28	0.23	0.28	
	Days away from work case count	137	104	97	
	Days away from work case rate	0.12	0.11	0.13	
	Work-related fatalities: employees	0	0	0	

[7] Total recordable incident rate (TRIR) calculated using OSHA standards.

About Baker Hughes

Our product companies

$9.5B
Oilfield services (OFS)

$6.4B
Turbomachinery and process solutions (TPS)

$2.5B
Oilfield equipment (OFE)

$2.1B
Digital solutions (DS)

Company profile

Baker Hughes (NASDAQ: BKR) is an energy technology company that provides solutions for energy and industrial customers worldwide. Building on a century of experience and conducting business in more than 120 countries, our innovative technologies and services are taking energy forward—making it safer, cleaner, and more efficient for people and the planet. Our Company is organized into four product companies or operating segments.

Our product companies

Oilfield Services (OFS)

provides products and services for onshore and offshore operations across the lifecycle of a well, ranging from drilling, evaluation, completion, production, and intervention. The segment includes product lines that design and manufacture products and provide services to help operators find, evaluate, drill, and produce hydrocarbons.

Oilfield Equipment (OFE)

provides a broad portfolio of mission critical products and services that serve as the last line of defense during drilling and over the life of a field. These products and services are required to facilitate the safe and reliable control and flow of hydrocarbons from the wellhead to the production facilities. The OFE portfolio has solutions for the subsea, offshore, surface, and onshore operating environments. OFE designs and manufactures subsea and surface production systems and provides a full range of services related to onshore and offshore drilling and production operations.

Turbomachinery and Process Solutions (TPS)

provides equipment and related services for mechanical-drive, compression, and power-generation applications across the on-and-offshore, LNG, pipeline and gas processing, refining, petrochemical, distributed gas, flow and process control, and industrial segments. TPS is a leader in designing, manufacturing, maintaining, and upgrading rotating equipment across the entire oil and gas value chain.

Digital Solutions (DS)

combines sophisticated hardware technologies with enterprise-class software products and analytics to connect industrial assets and provide customers with the data, safety, and security needed to reliably and efficiently improve operations. The segment includes condition monitoring, industrial controls, non-destructive inspection technologies, measurement, sensing, and pipeline solutions.

Strategy and vision

Baker Hughes is guided by our purpose to take energy forward, making it safer, cleaner, and more efficient for people and the planet. We recognize that our products and services are essential to meeting the world's growing energy and industrial needs now and in the future.

In the short term, as major economies fully reopen, we expect continued demand growth for oil and gas. We play an important role in fostering access to affordable energy and reducing carbon emissions from existing energy systems.

During 2021, we sharpened our strategic focus on key growth areas, accelerated our partnerships and collaborations with our global customers, and deployed capital to strengthen our position as a leading energy technology company for 2022 and beyond.

We provide proven technologies to help our customers as they progress towards their own net-zero objectives. In 2021, we saw the first wave of commercial success from our energy transition efforts, generating approximately $250 million in new orders, primarily in hydrogen and carbon capture, utilization, and storage (CCUS) applications. We remain confident in our ability to grow this business over the next decade.

To continue developing our corporate strategy, we began to align the Company across two broad strategic business areas: Oilfield Services and Equipment (OFSE) and Industrial Energy Technologies (IET). These two business areas have differing growth trajectories that will require their own unique approaches to operations, talent capabilities, and capital allocation and will deliver optionality in the market.

The OFSE side of Baker Hughes is a leading global enterprise comprised of our OFS and OFE product companies. We have a strong leadership team in place and a world-class technology portfolio, which will support customers as they continue to invest in both exploration and production.

The IET side of Baker Hughes is comprised of our TPS and DS product companies. We view IET as a significant growth opportunity for Baker Hughes, specifically supported by two new business groups: Climate Technology Solutions (CTS), which includes hydrogen, CCUS, emissions management, and clean integrated power solutions, and Industrial Asset Management (IAM). IET represents a strong foundation to build an even more comprehensive presence in the broader industrial markets as we take steps to prepare for future growth.

IAM brings together key digital capabilities, software, and hardware from across Baker Hughes. IAM will focus on accelerating the commercial development of solutions-based offerings to support customers' digital transformations through increased efficiencies, improved performance, and reduced emissions. This includes our partnership with C3 AI, Bently Nevada condition monitoring, ARMS Reliability, and Augury Alliance teams, among others.

Our new energy collaborations

CCUS

SRI International	exclusive license for mixed-salt capture
Horisont energi	Polaris carbon storage project in Norway
BORG CO2 AS	CCS hub for Norwegian Industrial Cluster
Electrochaea	bio-methanation and synthetic natural gas investment

HYDROGEN

AIR PRODUCTS	global hydrogen projects partnership
H24	anchor investor
EKONA	novel hydrogen production technology

CLEAN INTEGRATED POWER

Bloomenergy	integrated power and hydrogen solutions

Innovation and collaboration

Innovation and collaboration will play a crucial role in realizing our energy transition ambitions. To accelerate our progress, we pursue innovation through in-house research and development, as well as external investment and collaborative partnerships.

$492M
Invested in research and development

>2,500
Patents granted

We continue to invest in research and development across all of our product companies. In 2021, we invested $492 million in research and development and were granted more than 2,500 patents. Some of the innovations we developed in 2021 included:

Carbon Optimizer, an innovative web-based tool developed to reduce the amount of carbon dioxide produced by a gas turbine, while meeting process and customer constraints.

ProductionLink Edge, a suite of advanced analytics and "smart" edge technology to automate and boost production while curtailing associated methane emissions from gas wells.

LUMEN Analytics, a key differentiating technology of LUMEN Sky and LUMEN Terrain to measure and monitor methane emissions. LUMEN Sky and Terrain enables Baker Hughes to aid our customers' goals to reduce greenhouse gases.

Expanding our engagement across the industry, we announced multiple collaborations, investments, and pronounced commercial successes in 2021. As reflected in the graphic on new energy collaborations above, we achieved commercial successes and executed several transactions in the areas of hydrogen, CCUS, and clean integrated power solutions.

As we position Baker Hughes to be a leader in new energy frontiers, we strongly believe that collaboration is essential to lead in the energy transition. Our collaborative partnerships help accelerate new energy economies, forming the basis for new and differentiated revenue streams for Baker Hughes.

Business and economic impact

We take our responsibility to power global and local economies seriously. As a provider of technology and services, we are a critical part of the world's energy infrastructure, and we believe in lowering barriers to accessing clean, affordable energy for everyone, everywhere.

In 2021, our Company generated a direct economic value of $20.5 billion in revenue. That economic value was distributed to a wide variety of global stakeholders as outlined in the chart below.

Direct and indirect economic impacts ($USD Millions)

	2019	2020	2021
Revenues	$23,838	$20,705	$20,502
Operating costs	$22,764	$36,683	$19,192
Payments to providers of capital[8]	$1,280	$1,033	$1,488
Payments to governments (net cash tax payments)	$438	$441	$314
Community contributions	$26	$119	$45

[8] Calculated as the sum of dividends on Class A shares, distributions to GE, share repurchases, and interest payments

Our business has indirect economic impacts, as well. In 2021, we paid $314 million in net cash tax payments. We develop and rely on a network of suppliers who provide raw materials, equipment, supplies, and services. During 2021, we spent $83 million with diverse suppliers and small businesses. This is an area we are actively working to improve.

Our economic impact also extends to our role as a global employer. At the end of 2021, we employed 53,996 employees worldwide and provided competitive wages and benefits in the markets in which we operate. We believe in developing a diverse and global workforce. Seventy-eight percent of our employees work outside the US in 90 countries. Our operations promote indirect employment, as well. According to a 2019 study by the Economic Policy Institute, companies in our sector support approximately three indirect jobs for each direct job created within the Company.

Baker Hughes does business in more than 120 countries around the world. When we operate in local markets, an important part of our strategy is developing local capability and investing in long-term improvements. For example, in Saudi Arabia, we participate in Saudi Aramco's In-Kingdom Total Value Add program, which promotes localization through job creation, supply chain development, and export enablement. In 2021, Baker Hughes broke ground on our largest oilfield service assembly, maintenance, and overhaul hub outside the US at the King Salman Energy Park in Saudi Arabia. The facility will help create an additional 120 jobs, with Saudi nationals forming 70% of the 600+ employees in the region.

Our values and culture

Grow

See challenge as opportunity, and learn every day.

Collaborate

Inspire, be inclusive, and bring out the best in each other.

Lead

Make, invent, and perform with impact.

Care

Do the right thing, always, for our customers and our people.

At Baker Hughes, the values we commit to shape our culture—Lead, Collaborate, Grow, and Care—guide our decisions and drive our behaviors in ways that support our purpose of taking energy forward. They represent not just who we are, but who we aspire to be as a business and as a work community.

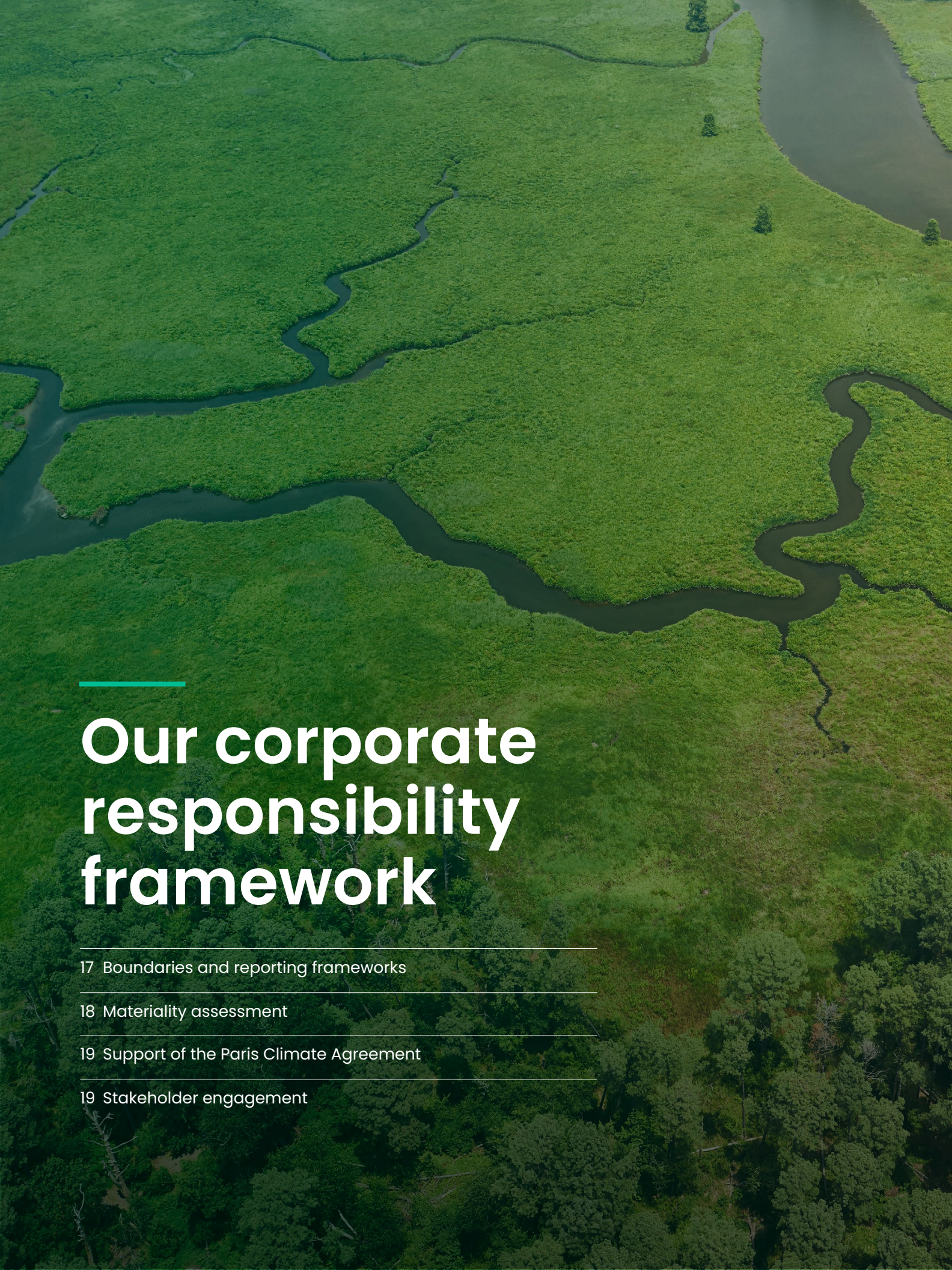
Recognizing the critical role our values will play in driving our strategy as leaders of the energy transition, we took steps in 2021 to embed them more fully throughout the organization globally. We implemented an aligned framework, illustrated above, that expanded on our core values and defined clear behavioral guidelines to bring those values to life.

Implementing this framework was—and continues to be—a broad-reaching effort. We reviewed and revised how we equip our leaders to lead with values and behaviors at the heart of how they operate. We have set the foundations within our processes and systems, and how we align our talent reward, recognition, and development strategies to support our values and behaviors. We strive to make this culture framework a central tenet of our development and strategy creation at all levels in the business and continually review our goals and objectives against it.

In 2021, we piloted an innovative approach to leadership development, CORE, that brings together leaders in a digital environment to collaborate and share their learnings—all structured around our values. We will continue to expand on the reach of CORE as a program to provide wider access to employees in 2022.

To further support our progress in the energy transition and strengthen alignment between our strategy and culture, we have focused on building change management capability in our leaders and teams. We will integrate this within our CORE program in 2022.

More details on development programs are detailed in the People section of this report.



Our corporate responsibility framework

Boundaries and reporting frameworks

We report our sustainability performance annually. This report was developed for the reporting period of January 1 to December 31, 2021. This report includes several restatements of data from prior years' reports. Those restatements and the reasons for them are identified as they appear.

Our organizational boundary is based on an operational control approach. We report performance from the operation of our wholly owned companies and the subsidiaries over which we have operational control and exclude non-operated, minority-owned joint ventures. Our report is reviewed prior to publication by our Governance and Corporate Responsibility Committee as part of their regular review of sustainability and corporate responsibility topics, and approved by the full Board of Directors.

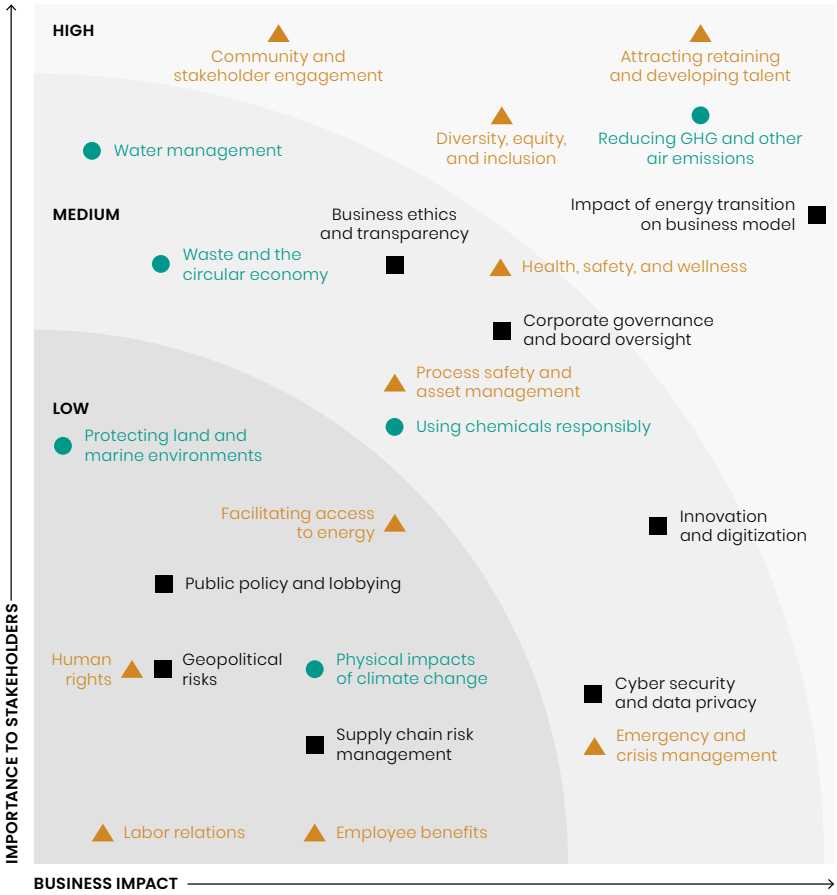
Our corporate responsibility report is prepared in accordance with the GRI Core Standards and the GHG Protocol.

We provide reporting indices for TCFD and SASB Oil & Gas Services Industry Standard – Extractives & Minerals Processing Sector.

Our archived reports and policies are accessible on our website at https://www.bakerhughes.com/corporate-responsibility.

Questions about this report and other sustainability issues can be submitted via our website at https://www.bakerhughes.com/contact-us or via email at SustainabilityTeam@bakerhughes.com.

Our sustainability priorities



An important part of preparing this report is defining our material priorities and topic areas. To determine this, we employ the GRI Reporting Principles of stakeholder inclusiveness, sustainability context, materiality[9], and completeness.

Our process begins by evaluating the current business environment and reporting landscape. We engage with a variety of stakeholders including customers, investors, employees, industry associations, and the broader sustainability community in a variety of formal and informal engagements throughout the year. Our stakeholder engagement process is outlined on pages 19 through 22.

We conduct a formal materiality assessment every two years to define the Company's most material sustainability priorities. This report is based on our most recent complete materiality assessment, which was updated in 2021. The topics on the map are those that were explicitly mentioned by our stakeholders during our engagement process for the materiality refresh in 2021. Topics excluded from our materiality map can still have importance to our Company.

Our materiality map is presented here. In this report, the terms "material" and "materiality" are used in the context of Environment, Social, and Governance (ESG) standards and do not imply financial or legal materiality.

People

HIGH

- Community and stakeholder engagement
- Attracting, retaining, and developing talent
- Diversity, equity, and inclusion

MEDIUM

- Health, safety, and wellness
- Process safety and asset management
- Emergency and crisis management

LOW

- Facilitating access to energy
- Human rights
- Employee benefits
- Labor relations

Planet

HIGH

- Reducing GHG and other air emissions

MEDIUM

- Water management
- Waste and the circular economy
- Using chemicals responsibly

LOW

- Protecting land and marine environments
- Physical impacts of climate change

Principles

HIGH

- Impact of energy transition on business model

MEDIUM

- Business ethics and transparency
- Corporate governance and board oversight
- Innovation and digitization
- Cyber security and data privacy

LOW

- Public policy and lobbying
- Geopolitical risks
- Supply chain risk management

[9] The terms "material" and "materiality" are used in the context of ESG standards and do not imply financial or legal materiality.

Support for the Paris Climate Agreement

We support the objectives of the UN Paris Climate Agreement and its goal to keep global temperature rise well below 1.5-degrees Celsius.

As an energy technology company with a portfolio of lower-carbon solutions across the energy value chain, our corporate strategy is to lead through the energy transition to a low-carbon future. We have committed ourselves to reduce our Scope 1 and 2 carbon equivalent emissions 50% by 2030 and to achieve net-zero Scope 1 and 2 carbon equivalent emissions by 2050.

Stakeholder engagement

Effective stakeholder engagement involves establishing strategic alignment, common purpose, coordination, active participation, knowledge sharing, and action by all parties. Baker Hughes' stakeholder engagement meets this test by providing the opportunity for the Company to partner with organizations of mutual interest in advancing strategic goals and objectives.

In 2021, we developed a centralized and collaborative process for identifying, evaluating, and selecting stakeholder engagement partnerships and memberships based on criteria such as commercial interest, geographic footprint, policy positions, reputation, and opportunities for engagement. Specifically, **we evaluated our partner organizations to determine whether they are aligned with our energy transition ambitions and corporate purpose,** support our priorities, and provide opportunities for productive collaboration in achieving specific goals. We look to capture insights from the organizations and other members, while creating impact by sharing our

policy perspectives. Knowledge and insights gained from stakeholder investments are shared across the Company via a series of subject matter knowledge networks and archived for broad access in the Company's Knowledge Center. External partnerships and memberships **are formally reevaluated annually to promote continued alignment with our strategy as an energy technology company.**

We maintain strategic stakeholder engagements within the OFSE market, but we are increasingly focusing our attention on associations and thought leadership organizations associated with the energy transition to a lower-carbon world. While most of our engagements involve monthly or quarterly contributions to select stakeholder committees, workshops, task forces, and projects of mutual interest, we have also collaborated to lead presentations in specialized events with our stakeholders.

Some examples of the ways we engaged with strategic stakeholder groups and create shared value include:

Global Carbon Capture Institute (GCCSI)

Baker Hughes collaborates with the GCCSI—the world's leading think tank on carbon capture and storage (CCS). Baker Hughes supports the GCCSI in building awareness of CCS technology and its significance toward achieving our climate goals through engagements with our peers, policymakers, and thought leaders across the globe.

Stanford Natural Gas Initiative (NGI)

Baker Hughes collaborates with the NGI on various knowledge areas, including natural gas emissions and leakage, unconventional gas reservoirs, energy access, global markets, and policy. Baker Hughes and NGI create synergies and overlaps among the different disciplines and focus areas by developing a comprehensive strategy for natural gas as a part of the low-carbon energy future.

Carbon Capture and Storage Association (CCSA)

Based in London, CCSA promotes the commercial deployment of CCUS. Through the CCSA, Baker Hughes engages with key stakeholders in the United Kingdom (UK) to participate in the policy development process and to discuss key policy issues with government officials. Baker Hughes contributed to the CCSA's white paper on developing the UK supply chains to deliver a successful CCUS rollout program published in July 2021.

The Argentinian Oil and Gas Institute (IAPG)

The IAPG supports the government on oil and gas industry topics, regulations, standards development, and committees. In 2021, Baker Hughes contributed comments to the methane emissions draft regulation developed by the Emissions Committee for submission to the Argentinian Energy Secretariat, advocating for a new methane emissions reduction regulation. In addition, we are participating in the oil and gas sector sustainability baseline development within the Institute's Sustainability Committee.

Hydrogen Europe

Hydrogen Europe brings members together to discuss issues and challenges associated with standards development for new technologies in the hydrogen economy. Baker Hughes experts contribute to the association's specific working groups by providing input on the position papers and draft calls for proposals. In 2021, as an industry expert, Baker Hughes participated in the creation of a consortia to shape the necessary skills blueprint for the hydrogen industry. We contributed to Hydrogen Europe's papers on the EU state aid rules and the Trans-European Networks for Energy (TEN-E) Regulation. Baker Hughes also sponsored the Hydrogen Europe report on the role of hydrogen launched at COP26.

International Association of Oil and Gas Producers (IOGP)

IOGP is the voice of the upstream oil and gas industry in Europe. In 2021, IOGP unveiled a new energy transition initiative with workstreams focused on a wide range of issues covering flaring, energy efficiency, carbon capture and storage, and electrification of offshore platforms. Baker Hughes is helping advance these efforts with representatives to the new energy transition workstreams.

Baker Hughes contributed to the IOGP–International Petroleum Industry Environmental Conservation Association (IPIECA)-World Bank publication, Flaring Management Guidance for the Oil and Gas Industry. We also co-chair the IOGP Policy Sub-Committee and contributed to the study on the repurposing of oil and gas infrastructure and the report on human factors in oil and gas operations.

Payne Institute – Colorado School of Mines

Collaborations with universities play an increasingly critical role in stakeholder engagement. In 2021, we collaborated with the Payne Institute at the Colorado School of Mines. Through this collaboration, we are participating in research to understand and address key drivers of emissivity in minerals and metals, which are a leading contributor to Scope 3 emissions.

Resources for the Future (RFF)

We engage with NGOs such as RFF to learn from their perspectives on climate change and other environmental issues. In particular, RFF's work on the energy transition and emissions reduction has informed our technology and policy roadmaps.

Additionally, we work with a number of key thought leadership groups and industry associations including:

- UN Climate Action Platform
- UN Global Compact
- The American Meteorological Association (AMS)
- Carbon Capture Coalition
- World Cement Association
- Digital Climate Alliance (DCA)
- International Geothermal Association (IGA)
- Italian Association of Hydrogen and Fuel Cells (H2IT)
- International Gas Union
- Geothermal Rising
- ASSORISORSE – Italian Sustainable Energy & Resources Industry Association
- COGEN Europe – The European Association for the Promotion of Cogeneration + Cogen World Coalition (CWC)
- Confindustria – Confederation of Italian Industry
- EU Turbines
- Japan Geothermal Association
- European Clean Hydrogen Alliance
- Australia Hydrogen Council

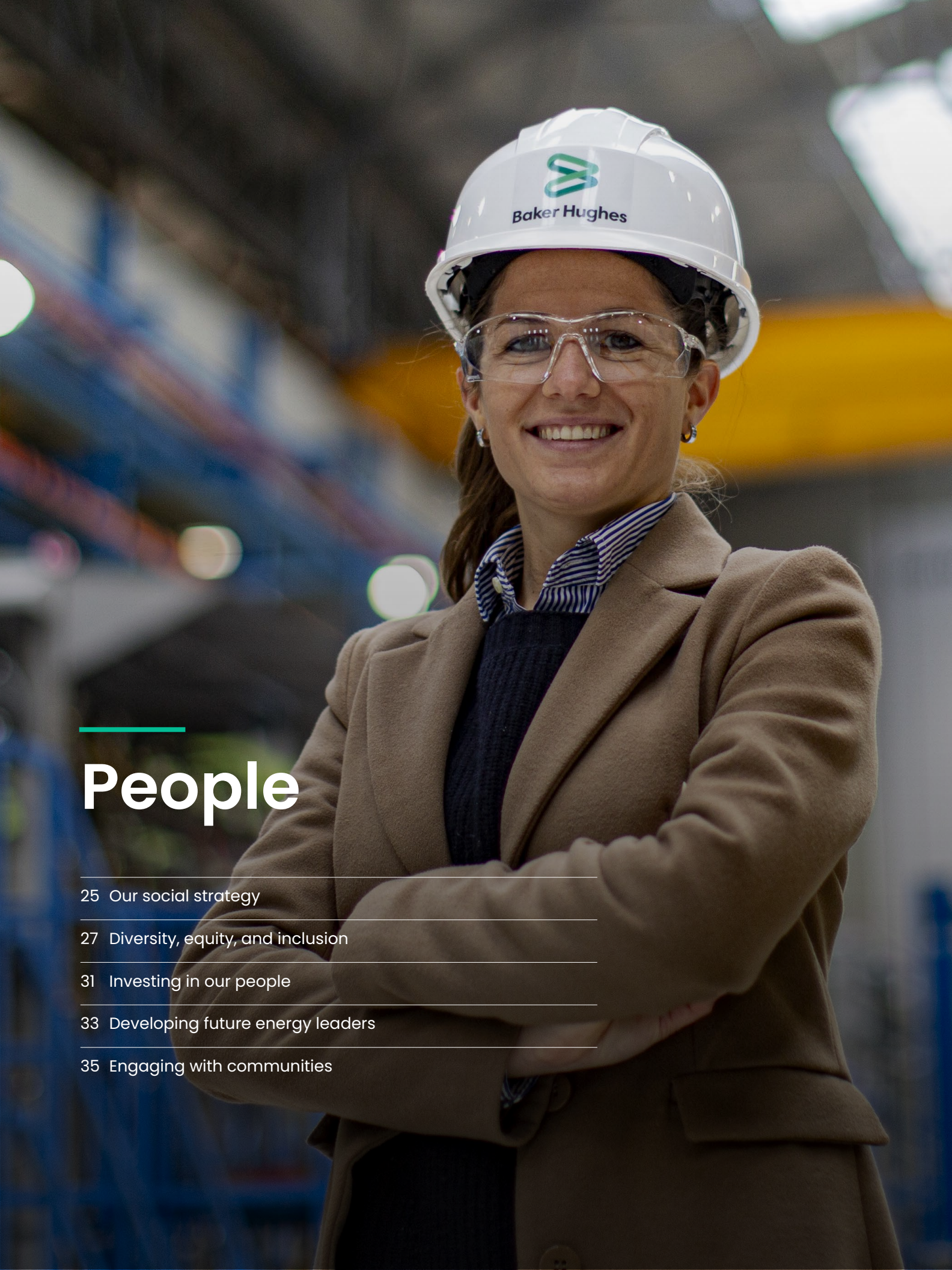
As we expand our strategically aligned relationships, we remain committed to seeking diverse viewpoints and perspectives to garner insights, which we believe will position Baker Hughes as a thought leader in the energy transition and beyond. Our collaborative engagements will continue, as we strive to make energy safer, cleaner, and more efficient for people and the planet.

Stakeholder engagement channels

This chart illustrates our systems and processes for engaging with a wide variety of internal and external stakeholder groups.

STAKEHOLDER ENGAGEMENT	FORMS OF ENGAGEMENT	FREQUENCY
Customers	Global, regional, and local industry events, forums, and conferences. Proprietary company events and meetings. Partnerships and working groups to advance best practices.	Our senior leaders and commercial teams actively participate in hundreds of customer events and meetings across the globe. Most 2021 events took place virtually.
Investors	Via public quarterly earnings calls, annual shareholder meeting, executive meetings and presentations. Outreach program led by our Investor Relations group, the Corporate Secretary's Office, and Executive Compensation Team.	We inform our investors and analysts about our operations formally on a quarterly and annual basis, as well as proactively engage in year-round integrated outreach, to monitor developments in corporate governance and sustainability.
Employees	We engage with employees through town hall meetings, interactive online forums, and people leader engagement. Thousands of employees belong to employee resource groups, many with senior leader sponsors. Our CEO also meets regularly with the Employee Pulse Group.	We exchange ideas and feedback with our employees across a wide array of communications channels weekly, monthly, quarterly, and annually.
Governments	Formal and informal bilateral meetings with public officials at all levels of government. Lobbying and other direct engagement in compliance with applicable laws and regulations.	Given the breadth and scope of our industry and the global footprint in which we operate, Baker Hughes senior leaders across our operations engage with public officials at all levels of government on a regular basis.
Communities	Civic engagement through economic development groups, chambers of commerce and related forums. Collaboration and social investments where we operate and in support of broader society.	We have ongoing dialogue with community partners about charitable projects and planning for employee volunteerism.
Policy groups and associations	Membership participation across the globe. Working groups, committees, and public-private partnership activities in industry groups and associations. Leadership and committee positions that extend and strengthen organizational capabilities.	Our participation in industry groups includes monthly, quarterly, and annual meetings, events, and engagement to advance best practices and policy positions.
Universities, institutions, and NGOs	Connections, collaborations and partnerships on a variety of shared business, industry, social, and environmental interests globally.	We participate in multiple opportunities to collaborate with institutions and organizations on public policy, regulations, technology roadmaps, and a variety of research projects.

People, planet, and principles



People

People

Our social strategy

The People pillar of our sustainability strategy encompasses our relationships with our employees, customers, and communities around the globe. This includes a broad range of social topics including human capital, workforce development, and community engagement. We see these topics as intricately linked and important to advancing our corporate strategy. In this section, we discuss Baker Hughes' programs to advance DEI, promote a just energy transition, attract, retain, and develop talent, and support the communities where we live and work.

Our human capital strategy is crucial to accelerating innovation and to facilitate a just energy transition where workers and communities are not inequitably impacted by changing operations and economies.

As an energy technology company with operations around the world, we recognize that a diverse workforce is an asset.

To attract the best and most diverse talent to lead our energy transition journey, we strive to provide an inclusive and welcoming culture and workplace that allows innovation to thrive. We support this with opportunities for employees in every part of our organization to learn, grow, and develop in their careers and to equip themselves with the skills we will need as our business evolves.

We support our employees through learning and development opportunities, competitive compensation and benefits, health and wellness programs, and opportunities We also honor employees' differences by supporting opportunities for them to share their values through internal networks and external community service and volunteerism.

Even as we advance new technologies and ways of working, we recognize that the energy transition should be a transition for all. For a just energy transition, all communities should realize its benefits, and costs should not be carried disproportionately by any one segment of society.

For our workforce, this means practicing responsible workforce planning and providing equitable access to training and development to prepare our people for the types of skills and job roles that will be needed in the future. For society, it means recognizing that there are historic issues to be addressed. This is achieved when all people are treated fairly with respect to the development of energy and environmental policies and the evolution of energy systems. We are committed to doing our part as an energy technology leader and being a voice for a just energy transition by engaging in public dialogue through our stakeholder engagements and recognizing and supporting the work that remains to be done.

As of December 31, 2021, we have 53,996 effective employees. More than 42,000 of our employees are based outside the US in 90 different countries. This diversity of global perspectives makes our Company stronger, more resilient, and more responsive to our global customers.

Our Board of Directors plays an active role in overseeing the Company's relationships with our employees and communities. Our Human Capital and Compensation Committee provides oversight of our social strategy, policies, programs, and initiatives, with particular focus on DEI, pay equity, culture, talent management, succession planning, and executive compensation and benefits. Our Governance and Corporate Responsibility Committee provides oversight of employee safety, health, and wellness matters.

What's new for 2021?

In this year's report, you will read about some important new actions we've taken in the area of people and social responsibility, including:

- Expanded our reporting of workforce DEI metrics and publishing US EEO-1 report summary on our Company website
- Updated our process to evaluate and reconcile pay equity across the Company
- Increased coverage in our parent and family leave policy

24%
Increase in employee resource group membership

7,163
Employees participating in employee resource groups

36%
Of our US workforce identify as people of color

>30,000
Self-directed learning and development courses offered

Diversity, equity, and inclusion

As we shape the future of the energy industry, we believe unique ideas and perspectives fuel innovation and our differences make us stronger. We value differences in gender, race, ethnicity, age, gender identity, sexual orientation, ability, cultural background, religion, veteran status, experience, and perspective across the globe. We believe that everyone has the right to be treated with fairness, dignity, and respect so that all employees can feel safe to be their authentic selves. We take a strong stance against discrimination in any form and provide avenues for employees to report and address concerns without fear of retaliation. In addition, we continue to focus on attracting, retaining, and advancing diverse talent worldwide.

Accountability for DEI progress begins at the executive level, where each member of the Executive Leadership Team (ELT) develops and executes an annual DEI plan that is specific to the opportunities in their respective area of responsibility. The Chief DEI Officer meets with each leader semi-annually to review their plan and progress. Our executive-level Global Diversity, Equity and Inclusion Council meets quarterly to track progress against our goals, and to identify new opportunities to create a more inclusive and diverse culture. DEI progress is reviewed by the Human Capital and Compensation Committee of the Board of Directors.

We advanced our DEI programs and culture in 2021 in multiple ways. First we established a common framework and definitions, defining four strategic focus areas: diverse workforce, inclusive culture, supplier diversity, and engaging with customers and communities. Then we implemented new processes and tools to manage this important priority.

To help teams across the organization measure their progress, we introduced a new DEI Dashboard with common metrics for representation, hiring, promotions, attrition, gender, race/ethnicity, disability, and veteran status. We also established a DEI Community of Practice, which provides a forum for leaders and HR professionals to collaborate, share best practices, and learn from one another.

How we define DEI

Diversity

The unique attributes that we bring as individuals

Equity

Cultivating fair treatment and access to opportunity to maximize an individual's potential

Inclusion

How we value difference, respect, and interact with one another

Our DEI strategic goals

- Diverse workforce
- Inclusive culture
- Supplier diversity
- Engaging with customers and communities

Diverse workforce

To attract and retain a diverse workforce, we must ensure that Baker Hughes maintains access to and supports a diverse pipeline of talent.

We are managing our DEI priorities by improving our data collection and enhancing our reporting. Beginning with our US-based employees, we invited people to update their demographic information in the HR portal. This voluntary self-identification on gender, race/ethnicity, veteran status, disability status, and sexual orientation helps to better inform and position support of an equitable work environment for all employees at Baker Hughes. For example, this information informs which benefits, programs, and resources can best support our employees. We plan to expand voluntary self-identification to other countries in 2022, subject to local regulation.

Our overall workforce demographic data is provided in this table, and we publish a summary of our EEO-1 report on our Company's website.

Diversity at Baker Hughes

Women at Baker Hughes (%)	2019	2020	2021
Board of Directors	22%	33%	33%
Senior leadership	21%	17%	18%
All employees	17%	18%	19%
Women in STEM roles*			11%
People of color in US who identify as women*			25%

Age diversity at Baker Hughes (%)	2019	2020	2021
Under 30*			10.2%
30–50*			70.4%
Over 50*			19.4%

*New 2021 metric

In 2021, the percentage of people who identify as women in our workforce, in senior leadership positions, and on our Board of Directors was 19%, 18%, and 33%, respectively. Specific to the US, 36% of Baker Hughes employees identify as people of color.

Globally, our most visible diversity opportunity is increasing representation of women in our workforce and leadership, while an additional focus in the US is increasing minority representation. In 2021, we did not see significant shifts in the percentage of those who identify within these categories. While this was partly a function of limited hiring across the organization, we recognize that we have much more to do. We also began to collect and report on age diversity for the first time, as well as women in STEM roles and people of color in the US who identify as women.

During the year, we continued to advance projects to improve our DEI performance. For example, we have enacted a number of talent acquisition initiatives, such as launching pilot projects on blind resumes and debiasing job descriptions, interview templates, and assessments. We also expanded our talent acquisition focus to include executive search services with strong track records in locating diverse candidates.

Inclusive culture

Our Global DEI Council was established in 2021 to increase accountability on this strategic priority.

Our DEI Community of Practice facilitates sharing best practices across the enterprise. We reinforce our inclusive culture with tools, resources, and learning opportunities that raise awareness, foster inclusive behaviors, and build cross-cultural competencies.

Our Employee Resource Groups

Black Employee Network	Asian Pacific American Forum	Enabled	LatinX
Multicultural	Pride@Work	Veterans	Women's Network

	2020	2021
Members enrolled in ERGs	5,789	7,163

Through a collaborative partnership with the Baker Hughes Global Learning team, the DEI Community of Practice designed learning paths for leaders, employees, and our HR community on topics ranging from basic DEI fundamentals to training on unconscious bias.

Our inclusive culture is further reinforced by our Employee Resource Groups (ERGs), groups of employees who have joined together based on shared interests, characteristics, or life experiences. These groups can have a powerful influence on driving change by elevating the conversation and awareness around key issues and engaging with the communities where we operate. All employees are welcome to join ERGs either as members of represented communities or as allies. In 2021, total ERG membership increased by 24%. This effort has enhanced our DEI focus and fostered closer connections between employees in communities around the world.

The ERGs provide learning and development opportunities, professional mentoring and networking, a sense of community, and opportunities for volunteer service.

Some examples of the projects led by our ERGs during 2021 include:

- International Women's Day Choose to Challenge social media campaign
- Annual Juneteenth celebration
- A panel discussion on *The Role of Unconscious Bias in a Multicultural Workplace*
- An International Day of Persons with Disabilities event with comedian, disability advocate, and best-selling author Maysoon Zayid
- A virtual cruise across Latin America
- A Men's Health Awareness Month campaign
- A global Pride celebration and the Company's second annual Virtual Pride Parade
- STEM coaching sessions for children
- Marine Toys for Tots holiday gift drive

Underlying these initiatives and development opportunities is a firm commitment to strive for a workplace free from discrimination. This basic human right is clearly outlined in our Code of Conduct and is communicated to all employees annually as a condition of employment. We prohibit discrimination or harassment against any employee or applicant based on race, color, religion, national or ethnic origin, sex (including pregnancy), sexual orientation, gender identity or expression, age, disability, veteran status, or other characteristics protected by law (see our Fair Employment Practices Statement).

We are committed to providing a work environment free from all forms of harassment and bullying, including sexual harassment, and furthering workplace health and safety. Our holistic program for managing human rights, labor rights, and nondiscrimination is detailed in the Principles section of this report.

How to Report a Concern

+1 800 288 8475 (US Toll Free)
+1 713 626 0521 (Collect)

BakerHughes.Ombuds@bakerhughes.com

17021 Aldine Westfield Road,
Houston, Texas, 77073, US

Supplier diversity

We seek to expand our commitment to DEI across our supply chain, increasing equity and economic opportunity while simultaneously building a more resilient and innovative supply chain for our business. We want to support and build strong partnerships with a diverse array of local and global suppliers that share our values.

In 2021, we spent $82.6 million with diverse suppliers or small businesses globally. Our supplier diversity programs are fully operational globally, and we are in the process of expanding our program.

We recognize that we have work to do in cultivating a diverse supply chain. We increased awareness of our supplier diversity program across the Company through internal training and networking, including dedicated educational outreach to our ERGs, and building a diversity focus into the Company's Supply Chain Days communication campaign.

To engage with our supplier community, we hosted a conference that was attended by more than 900 global suppliers and featured sessions dedicated to the importance of supplier diversity. We also conducted peer-to-peer and customer-to-vendor engagements and met with external organizations, associations, and consultants, such as the **Women's Business Enterprise Alliance** and **WEConnect International.** We were recognized by **Houston Minority Supplier Development Council** with the Rigel Award for reporting the largest increase in annual expenditures with HMSDC Certified Minority Business Enterprises in 2021.

Our broader supplier social responsibility programs are described in more detail in the Principles section of this report.

Engaging with diverse industry and community groups

Leveraging alliances with global DEI organizations and community groups strengthens Baker Hughes DEI visibility, builds our reputation with thought leaders and prospective employees, and contributes to the sharing of knowledge and best practices. Partnership organizations and events include:

ALLY Energy seeks to bring people, academics, companies, and other interested stakeholders together in the journey towards a new form of global energy production and consumption that is sustainable, diverse, and inclusive. In 2021 Baker Hughes was recognized with five ALLY GRIT Awards, including Best Energy Workplaces, Asian Pacific American Talent and Mentoring Program, and African American Forum Mentoring Circles.

Catalyst founded in 1962, drives change with preeminent thought leadership, actionable solutions, and a galvanized community of multinational corporations to accelerate and advance women into leadership.

Disability:IN is the leading nonprofit resource for business disability inclusion worldwide. Their network of corporations expands opportunities for people with disabilities across enterprises.

The Women's Energy Network (WEN) is an international organization of professionals who work across the energy value chain, whose mission is to provide networking opportunities and foster the career and leadership development of women who work in energy-related industries.

Baker Hughes senior leaders presented on various topics at the **ADIPEC Forum for Diversity, Equity, and Inclusion** with a focus on our DEI framework and localization efforts in the United Arab Emirates (UAE).

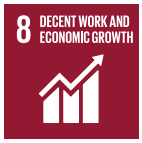
One of the goals of our community outreach programs during 2021 was to increase our presence with diverse communities. We achieved this by forming new partnerships with diverse organizations, involving our ERGs in nominating nonprofits for grant funding, and increasing employee engagement and volunteerism. During 2021, 45% of the Baker Hughes Foundation's strategic giving benefited diverse communities.

A highlight of our community program was establishing new partnerships with four Historically Black Colleges and Universities. Through Baker Hughes Foundation contributions to North Carolina A&T State University, Prairie View A&M University, Southern University, and Texas Southern University, we are working to promote academic excellence in STEM, business, and legal fields, mentoring, and career opportunities for students.

For the first time, we engaged our ERGs in nominating diverse and inclusive causes for Baker Hughes Foundation grants. Through the program, we identified new programs to support K-12 education, literacy, refugee relief, LGBTQ+ equality, and support for people with disabilities.

Our ERGs' members are among our most active fundraisers and volunteers. In one example, members of our Asia Pacific American Forum ERG joined with our Middle East, North Africa, and India regional team to raise more than $50,000 to support India's fight against COVID-19. Thanks to their generous donations we provided humanitarian support, medical aid, and vaccine access.

Attracting, retaining, and developing people



We recognize the importance of recruiting and retaining the best talent to lead in the energy transition. To do this, we provide a welcoming, diverse, and inclusive workplace, opportunities to grow and develop, and the ability to contribute in a meaningful way, both on the job and in the community. We also recognize that flexible and competitive compensation and benefits are an important part of our employment value proposition. While turnover is inevitable in any business, we seek to minimize it. Our voluntary turnover during the year was higher than prior years driven by industry and workforce trends, but we remain confident in our ability to attract and retain the talent needed to serve our customers and advance our strategic priorities.

In addition to our commitment to providing a welcoming and inclusive culture, as described in the previous section, we also focus on giving employees flexibility in their work and benefits and opportunities to be the architects of their own development.

Underpinning this employee value proposition is a belief in fair and equitable compensation.

In 2021, the long tail of the global COVID-19 pandemic caused us to focus more intently on how to achieve longer-term solutions to challenges around workplace flexibility, work-life balance, and global collaboration. Some changes we had implemented during 2020 as stop-gap measures emerged as positive and more permanent options, enabled by increasing capabilities in digital communications.

Compensation and benefits

Competitive compensation

We believe in compensating people competitively, fairly, and in alignment with our pay for performance philosophy. We work to ensure that our compensation programs are competitive and aligned with local markets through regular and robust benchmarking. We manage a single global incentive plan that covers most employees globally, to align employee compensation with the Company's financial and strategic metrics.

Equitable pay

We strive to ensure that our compensation programs are fair and equitable and that our employees are fairly

compensated for the work they do. In 2021, the Company refreshed our pay equity approach. We partnered with leading advisors and subject matter experts to update and refine our analytical models and to build new tools and real-time dashboards to allow us to evaluate, analyze, and monitor pay equity globally. We work to proactively identify and address potential pay disparities and their underlying causes. We published an updated report in 2021 detailing our pay equity statistics and strategies in the UK, as required.

Flexible benefits

We support our employees' well-being and the wellbeing of their families by offering flexible and competitive benefits to our full-time employees globally. Our benefits programs are designed to protect and promote physical, emotional, and financial wellbeing. Healthcare plans and life insurance are a core benefit of the Company and are provided in most locations globally. During the COVID pandemic, we extended medical insurance coverage for up to an additional three months for employees leaving the Company involuntarily. We offer fitness reimbursement program to support health and wellness at most of our locations. Like our compensation programs, we regularly assess our benefits programs by benchmarking with industry peers and local markets to continue meeting employee needs. Our benefits programs are overseen by the Benefits Administrative Committee as appointed by the Board of Directors, and updates are provided to the Human Capital and Compensation Committee on an annual basis.

Family and personal leave

Baker Hughes offers various leave-of-absence options for certain quality-of-life needs, including family care. To assist and support new parents with balancing work and family matters, in most countries in which Baker Hughes operates, the Company provides paid parental leaves, inclusive of maternity, paternity, and adoption of a child. For example, in the US, eligible employees can take up to 12 weeks of leave to care for children, spouses, or parents. For new mothers in the US, we provide on-site mother's rooms at many sites.

Career transition

Our overall voluntary workforce attrition rate increased from 6% to 8%. We recognize that jobs must sometimes change or be reduced due to our dynamic business environment and the needs of customers. We employ forward-looking strategic workforce planning across our product companies to anticipate workforce changes and attempt to redeploy or retrain employees where possible. This is a benefit both to employees and the Company as we seek to retain valuable skills, knowledge, and experience whenever possible. In the unavoidable event of involuntary workforce reductions, we comply with local laws and requirements regarding notice periods, engagement works councils, and other processes. We provide severance payments that meet or exceed local requirements and also offer outplacement assistance and services in many locations.

2021 Employee turnover and hires

METRICS	NUMBER	PERCENTAGE
Total employee attrition		
Total	6,497	12%
Male	5,356	12%
Female	1,139	11%
Voluntary employee attrition		
Total	4,371	8%
Male	3,558	8%
Female	812	8%
New hires		
Total	6,516	Not applicable
Male	4,790	74%
Female	1,726	26%

Work and well-being

Flexible work

In light of the many changes that have taken place in the global workplace, we have taken a fresh look at our approach to traditional workplaces and schedules. We have put global, flexible work guidelines in place to support workers and managers in navigating the future of work while balancing business needs, safety, and ergonomics, cybersecurity and data privacy, and other considerations. We encourage employees to explore ways to better balance work and personal life through

arrangements such as flexible schedules, compressed work weeks, hybrid work, remote work, and other options. This policy is applicable to all employees, but individual circumstances vary based on local laws and regulations, positions, and job requirements.

Supporting mental health

We recognize that change and uncertainty are ever present and we can play an important role in helping our people manage the pressures of work and personal life. To do this, we offer a number of mental health programs through our global employee assistance program (EAP), training for people leaders, peer support networks, and wellness seminars.

We offer EAP support in all countries in which we operate, for employees and their immediate family members. This program provides immediate counseling on the phone and connection to support resources in the community and via telehealth.

People leaders have the closest relationship with our employees around the world, and so we have built personal wellbeing awareness into our learning and development program. These courses are focused on the importance of wellbeing, the role of managers, discussion guides, and how to provide resources to help. We also established peer support programs during 2021. For example, our UK team established a formal program to train our people as mental health first responders. We also successfully piloted the integration of mental wellbeing risk and awareness into safety training for our front-line managers.

To engage our global workforce, we offer a wide variety of live and virtual seminars on health and wellness topics that involve our senior leaders, ERGs, and external experts. These programs range from weekly live fitness and yoga classes to frank conversations on burnout and workplace stress. One of our most successful events was a panel discussion entitled *Everyone Struggles Differently*, which was widely attended by our global employees.

Developing our future energy leaders

As we move the energy transition forward, the skills we need are changing, and we expect our needs to continually evolve over time as we lean more heavily into areas such as Industrial Energy Technology (IET) that are themselves evolving at a rapid pace. That requires not only new technical skills, but new soft skills in adapting to rapid change, risk-taking, and collaboration.

Our culture and processes need to support and drive this level of evolution and innovation. Providing access to for all 53,996 employees to continuous learning and development is essential.

One insight we gained from managing through the pandemic is the huge democratization of access that can be gained through virtual tools.

Personalizing professional development

As an organization, we empower our employees to be the architects of their own development and to follow their passion for personal knowledge, job-related skills development, and the domain expertise needed for professional and personal growth. We empower our employees to be the architects of their own development and to follow their passion for personal knowledge, job-related skills development, and the domain expertise needed for professional and personal growth. We encourage employees to set development goals with guidance from their managers and human resource teams, as part of their formal objectives for the year. We launched a new internal career development site in 2021. Available to all employees, the site provides guidance and resources on how to identify, navigate, and successfully achieve their personal career goals. Throughout the year, employees and leaders were reminded to follow up on personal development goals in ongoing performance and development touchpoint conversations.

Learning and development

Continuous learning and development are key priorities at Baker Hughes. Our leadership development programs provide learning and growth opportunities for our employees, including women, new hires, and mid-level employees, to broaden their leadership capability.

We believe that all employees should be empowered to own and direct their professional development, with guidance from their managers and human resource teams. Employees have access to more than 30,000 on-demand training courses for professional development, job-related skills, and technical knowledge that can be accessed anytime, anywhere. We also regularly offer learning events featuring internal and external experts, addressing important topics such as DEI, personal wellness, industry trends and transformation, leadership behaviors, and more.

Our new CORE community, piloted in 2021, is an innovative digital approach to leadership development. Each quarter, the CORE community provides curated, on-demand learning resources, virtual workshops, and social activities focused on the Baker Hughes values: Grow, Care, Lead, and Collaborate. Through these engagements, not only do employees gain knowledge and skills, but they also build their global network and actively practice leadership behaviors as they share their expertise and learnings with others. Employees who complete various components of the CORE experience earn virtual badges that can be shared both internally and externally to highlight their commitment to development. We are enthusiastic about expanding the CORE pilot in 2022 and beyond.

With the rapid pace of change and constant flow of information and learning resources available, we have made several efforts to drive awareness, streamline access, and help employees find what is most relevant to them. Our global learning intranet site serves as a starting point that provides an overview of our continuous learning philosophy, links to our learning management system and other partner platforms, a support page, and information on activating key user accounts. We also issue a monthly all-employee global learning newsletter highlighting curated learning recommendations, upcoming virtual events, news, and quick tips and we leverage Microsoft Teams for urgent updates and reminders.

Average hours of training

	2021
All employees	17
Male employees	18
Female employees	13
Employees who did not specify gender	11
Professional band and above employees	12
Senior professional band and above employees	10

We have a different, regular performance and career development review process for our employees who are not professional band and above and are currently not included in this metric. Out of the employees who we require a regular performance and career development review, 86% of them have completed regular performance and career development reviews.

Employees receiving regular performance and career development reviews[10]

	2021
All employees	50%
Male employees	46%
Female employees	64%
Employees who did not specify gender	44%
Professional band and above employees	86%
Senior professional band and above employees	86%

Leadership development programs

Our formal leadership development programs play a pivotal role in attracting retaining and developing talent and increasing the pipeline of diverse talent into and within the organization. Our ASPIRE program for early-career employees graduated 243 employees this year. This two-year program includes classroom sessions and on-the-job learning experiences.. Although our absolute number of leadership program participants declined year-over-year due to business conditions, we have maintained a focus on investing in leadership development.

[10] Employees who are not professional band and above have a different career development review process and are not included in the numerator of this metric.

Leadership program participation

	2019	2020	2021
ASPIRE	>300	321	243
Percentage of female participants in ASPIRE	43%	48%	51%
IMPACT	36	16	21
Percentage of female participants in IMPACT	43%	50%	43%
CULTIVATE	80	101	129
Percentage of female participants in CULTIVATE	100%	100%	100%
Total	**>416**	**438**	**393**

Our leadership programs

ASPIRE

A two-year rotational program for recent graduates and early-career employees to grow functional and leadership skills through challenging assignments, learning plans, and global cross-functional projects.

IMPACT

A three-year leadership accelerator for top performing mid-career employees who have already built functional expertise and are ready to be developed into our executive pipeline.

CULTIVATE

A one-year non-rotational program that fosters the development of high-potential female leaders through immersive learning experiences and one-on-one mentoring.

Engaging with communities

Baker Hughes seeks to make a positive impact in the communities in which we operate around the world. Consistent with our purpose and values, we work to advance environmental quality, educational opportunities, and health and wellness. We support our communities through financial contributions, in-kind donations of goods and services, and volunteer projects. The Baker Hughes Foundation makes strategic philanthropic contributions, matches Baker Hughes employees' charitable contributions, and awards volunteer recognition grants for outstanding employee community service.

Baker Hughes strives to contribute to the communities where we operate, beyond simply the economic impact of our business. In many of the places where we have major operations, we participate as part of local business and civic organizations, such as chambers of commerce and community development organizations. For example, in Houston, we are a part of the Greater Houston Partnership (GHP), a business organization dedicated to advancing the civic life and economy of Houston. Through the GHP, Baker Hughes participated in the Complete Communities project, which seeks to spur investment in under-resourced neighborhoods of the city, as well as the Houston Energy Transition Initiative, which aims to transition the city's economy to advance its place in the new energy economy of the future.

When Baker Hughes establishes new operations or makes investments in new facilities, engagement with our customers and the local communities is a key part of our project development process. As a service company, partnership with our operating customers in community outreach is essential. One example is in Guyana, where we partnered with a broad industry consortium to engage local communities during the construction of a new service facility opened in early 2022.

We view community engagement and civic participation as a key responsibility for our leaders. Our operational leaders are empowered to support community initiatives in their local markets. Our CORE, ASPIRE, and IMPACT leadership development programs emphasize the role of community engagement in building leadership skills, and courses on community leadership are offered as part of the curriculum. Our ERGs also organize community engagement and service projects as part of their work.

Our community outreach strategy and execution are overseen by our Chief Corporate Affairs Officer and by the board of trustees of the Baker Hughes Foundation. We report our community affairs performance and plans to the Governance and Corporate Responsibility Committee annually.

Corporate giving

In 2021, we contributed $45,215,173 in financial and in-kind contributions, including $669,215 in matching grants to causes our employees contributed to and 16,905 volunteer service hours to causes and projects they support. Our 2021 contributions were lower than the prior year due to the donation of a building which occurred in 2020. While we increased our volunteer hours, they have not yet returned to pre-pandemic levels. We seek to continue to grow our volunteerism over time and expect to see an increase in volunteer hours as restrictions ease on in-person gatherings.

Community contributions

	2019	2020	2021
Employee-matched financial contributions by the foundation	$400,000	$800,000	$669,215
Company and foundation financial contributions	$2,000,000	$2,966,951	$2,578,208
Company in-kind contributions	$23,600,000	$115,070,021	$41,967,750
Total company in-kind and financial charitable contributions	**$26,000,000**	**$118,836,972**	**$45,215,173**

Our community development priorities

Baker Hughes has defined three key community development priorities which lead our community engagement and philanthropic efforts. They are aligned with our sustainability priorities. We take an impact-based approach, focused on identifying the projects and programs where Baker Hughes can make the greatest impact in advancing sustainability and the relevant UN SDGs. We strive to make our community contributions more global, diverse, and transparent.

Our community development priorities are:

Environment

We seek to advance environmental priorities aligned with our business and the UN SDGs, including reduced global GHG emissions, access to clean water, and biodiversity. This is aligned to our Company purpose and complements our energy technology strategy. To the extent that carbon reduction benefits occur through our philanthropic projects, Baker Hughes does not claim carbon credits or offsets for this work, as our Company's focus is on achieving direct carbon emissions reductions throughout our value chain. Through the Baker Hughes Foundation, we funded several important environmental projects during the year including:

- Promoting reduced-impact logging practices in sensitive forest areas of Indonesia in partnership with **The Nature Conservancy**.
- Commissioning the planting of 250,000 trees in five different regions of the world with **One Tree Planted**. Planting projects took place in Brazil, Cameroon, India, Romania, and the US, and contributed to outcomes such as erosion control, biodiversity, forest fire restoration, carbon sequestration, and economic diversification.
- Supporting a pilot program to help small landowners quantify, verify, and monetize carbon credits from their landholdings through the **American Forest Foundation's Family Forest Carbon Program**.
- Promoting access to clean water in local communities in collaboration with **Geoscientists Without Borders**.
- Maintaining biodiversity of the Texas Gulf Coast through the **Katy Prairie Conservancy**.
- Contributing to the **Tahoe Foundation** to support environmental projects near our Bently Nevada facility in Nevada.

Education and opportunity

We see the promotion of education as a crucial part of building energy leaders of the future and enabling a qualified workforce for our Company and our industry. In addition, education can be a powerful tool to promote equality, nondiscrimination, and economic empowerment. Through in-kind contributions of products and services and the Baker Hughes Foundation, we funded several important educational projects during the year including:

- Future energy leaders are expanding their knowledge of digital technology and subsurface geoscience through in-kind **contributions of Baker Hughes software** to colleges and universities. During 2021, we contributed $42 million in software licenses and associated maintenance to more than 50 institutions in more than 20 countries.
- For the first time, we engaged our ERGs in nominating diverse and inclusive causes for Baker Hughes Foundation grants. Through the program, we identified new programs in the K-12 education, literacy, refugee relief, LGBTQ+ causes, and support for people with disabilities.

Health, safety, and wellness

Baker Hughes has long been recognized as a leader in health and safety, and we seek to promote health and wellness among our employees, families, and communities. During the COVID-19 pandemic, we saw the opportunity to use our global scope and scale to aid in the response to this global crisis through vaccine equity and human service programs. We also supported community disaster relief in the areas where we operate, such extreme weather events as storms, wildfires, and other unforeseen emergencies.

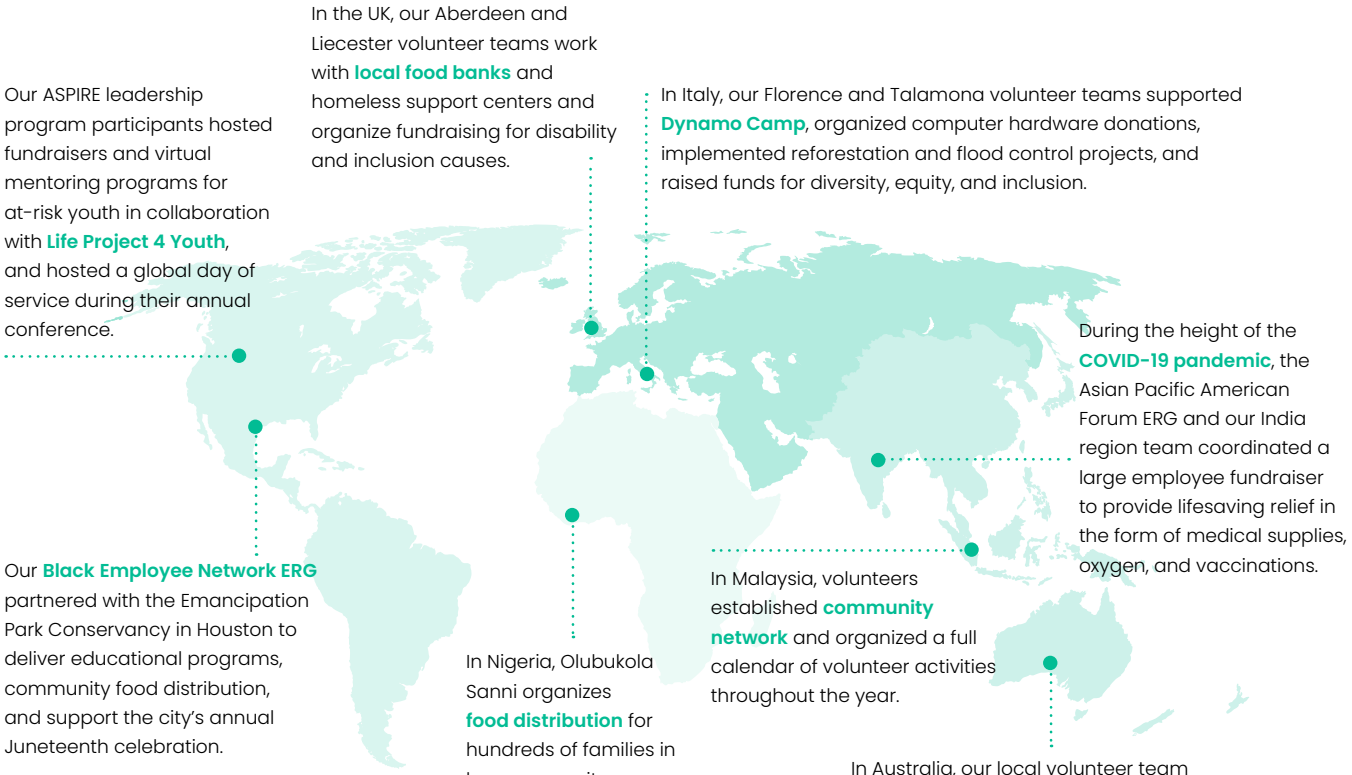
- We worked with **UNICEF's Campaign to End the Pandemic**, which promoted equitable access to COVID-19 vaccination and other treatments. We were proud to play a small part in this coordinated global effort which delivered more than 1 billion lifesaving COVID-19 vaccine doses in 144 primarily low- to middle-income countries around the world. This charitable work complemented our own Company's internal efforts to ensure vaccine access for our employees around the world.
- The pandemic placed a tremendous burden on human service organizations that supported people who suffered loss of income and other challenges. To that end, the Baker Hughes Foundation contributed to **food banks and human service organizations** in five of our local communities in the US and the UK.
- We continued our long-running relationship with **Dynamo Camp**, the first recreational therapy camp of its kind in Italy, which is designed to host sick children and their families free of charge.
- We supported disaster relief efforts in our local communities following storms and wildfires, working with organizations such as the **American Red Cross and All Hearts and Hands Smart Response**.

Community service and volunteerism

Our employees demonstrate our "Care" value when they volunteer their time to help others. Despite the ongoing challenge of organizing in-person events, we were able to more than double our community volunteer hours during the year, with more than 16,000 employee volunteer hours logged around the world. Reenergized volunteer teams are active in many of our communities around the world, and we recognized individuals and teams for their outstanding volunteerism during the year.

The Baker Hughes Foundation matches employee contributions to qualified nonprofits, up to $5,000 per person per year. Many of our people participated in organized fundraisers, personal giving, and matching gifts. The Company has contributed $669,215 to charities to match employee contribution in 2021.

Some notable examples of organized employee volunteer projects around the world are shown on this map.



Above: A snapshot of our global community service and volunteer activities.

Planet

Planet

Our Planet strategy

The Planet pillar of our sustainability strategy includes disclosure of a broad range of important environmental and natural capital topics concerning energy, climate change, resource conservation, and pollution prevention. In this section, we will discuss Baker Hughes' programs to achieve net-zero operational GHG emissions, reduce emissions to air, water conservation, reduce and recycle waste, and protect biodiversity around the world.

The energy industry plays a significant role in powering basic needs and improving the standard of living for people around the world. The importance of enabling affordable and equitable access to energy cannot be overstated.

We are committed to the health and safety of people, protection of the environment, and compliance with environmental laws, regulations, and our policies. Through proactive and preventative programs and reporting, innovative approaches and technology, and community investment and engagement, we aim to bring positive and lasting environmental progress to our customers, the industry, and the world.

23%

Reduction in Scope 1 and 2 GHG emissions compared to our 2019 base year

24%

Of our electricity comes from renewable or zero-carbon sources

4

New categories of Scope 3 emissions reported

125,222

Metric tons of waste recycled

What's new for 2021?

In this year's report, you will read about some important new actions we've taken in the area of planet and environmental responsibility, including:

- Expanded our Scope 3 emissions reporting
- Launched our new Carbon Out program to drive emission reductions across the globe
- Increased transparency around our Biodiversity and Chemical Management reporting

Energy and climate change

The world faces the dual challenge of meeting increasing energy demand, while simultaneously reducing associated GHG emissions.

Baker Hughes can play a role in addressing this challenge through our leading portfolio of technologies and solutions. We provide proven technologies to help our customers as they progress towards their own net-zero objectives.

We believe that private sector has a crucial role to play in limiting the global temperature rise to 1.5-degrees Celsius. Policies that drive meaningful methane emissions reductions can be designed to be cost-effective and performance-based to facilitate future technological developments to cover all sources of operator emissions, and paced to allow for transition.

Alongside the development of commercial solutions, we are taking real action as a company to reduce our own GHG emissions, engage our employees, work with our suppliers and customers, and take a leading role in industry collaborations aimed at achieving a net-zero GHG emissions future.

Scope 1 and 2 GHG emissions

Scope 1 and Scope 2 GHG emissions refer to emissions from our direct operations and purchased electricity, respectively. We have pledged to reduce these emissions by 50% by 2030, on our way to achieving net-zero emissions by 2050.

During 2021, our combined Scope 1 and 2 emissions were 23% lower than our 2019 base year. Our Scope 1 emissions reduced from 515,384 MT CO_2e in 2019 to 391,346 MT CO_2e in 2021 and our Scope 2 from 271,207 to 215,996 MT CO_2e respectively.

We achieved these reductions by executing on our Net-Zero Roadmap and the key decarbonization pathways through a combination of energy efficiency initiatives, facility consolidation, increasing electric power consumption from renewable energy sources, and improvements in our vehicle fleet, among other reasons. Please see our carbon offset policy for additional information.

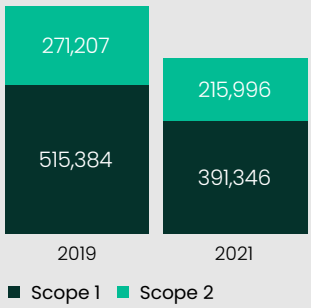
[11] Other fuels include residual fuel oil (No. 5 or 6), kerosene, and liquefied petroleum gas.

In this section of the report, we will share some specific examples of projects that have contributed to our GHG emissions reductions.

In accordance with the Greenhouse Gas Protocol, we restated our 2019 emissions baseline to account for company structural changes, including emissions related to additional field activities and to reflect enhancements in our carbon accounting methodology. For detailed information, please refer to the Statement and Notes on Greenhouse Gas Emissions in the appendix of this report.

Scope 1 & 2 GHG emissions by year

(Metric tons CO_2e)



Our 2030 goal is to reduce GHG emissions by half.

Scope 1 GHG emissions (MT CO_2e)

	2019	2021
Facilities	New 2020 metric	118,182
Vehicles	New 2020 metric	104,269
Field activities	New 2020 metric	168,895
Total	**515,384**	**391,346**

Energy use by category (MWhs)

	2019	2020	2021
Renewable electricity	104,457	163,075	159,678
Non-renewable electricity	615,082	571,658	499,011
Total electricity	**719,539**	**734,733**	**658,689**
Diesel/distillate	188,038	934,012	1,028,130
Natural gas	922,746	670,641	514,929
Gasoline/petrol	30,242	288,571	432,376
Propane	2,247	4,982	2,611
Other fuels[11]	Not Reported	38,247	6,939
Total fuels	**1,143,273**	**1,936,453**	**1,984,985**
Total energy	**1,862,812**	**2,671,186**	**2,643,674**

Scope 3 GHG emissions

Scope 3 emissions are the indirect emissions that occur across the value chain outside of an organization's direct operations, generated as a result of all upstream and downstream activities from assets not owned or controlled by the organization. There are currently 15 Scope 3 categories that fall under the GHG Protocol, ranging from transportation and distribution, use of sold goods and services, and employee travel, to end-of-the-life treatment of products.

To identify and measure the emissions generated by every material Scope 3 category is a significant undertaking, partly because it involves the cooperation of other companies and stakeholders, such as suppliers, and contractors. However, reducing Scope 3 emissions material to our business is an important part of our emissions reductions and sustainability strategy.

Since 2019, Baker Hughes emissions teams have completed a multi-year Scope 3 base-lining project. In 2019, we disclosed travel-related emissions and a subset of our logistics-related emissions. In 2020, we added reporting on emissions from the capital goods acquisition of property, plant, and equipment, an expanded view of international shipping across the Baker Hughes enterprise, waste generated from our operations, and a portion of the use of sold products.

In 2021, we significantly expanded Scope 3 emissions reporting to include purchased goods and services, fuel- and energy-related activities, use of sold products and services, a complete view of upstream and downstream transportation and distribution, employee commuting, a complete view of business travel, waste generated in operations, and investments.

In addition, through our detailed analysis and Scope 3 emissions quantification work, we've determined that Category 11—use of sold products—presents the largest category of emissions for our Company. Hence, we saw an increase in our total Scope 3 emissions in 2021, due to the increase in sales of our equipment in our TPS business, as well as increase in waste from operations and investments. However, we saw a decrease in all other identified Scope 3 categories in 2021.

This insight has helped us identify ways for designing lower-emissions products and services where it matters most to drive emissions reduction, and provide useful information for risk management and scenario planning as part of our climate risk (TCFD) analysis and long-range planning efforts. We are now proactively collaborating with our suppliers, customers, and other stakeholders to assess pathways for reducing Scope 3 emissions.

This foundational work will help us finalize our Scope 3 categorical goals in the future as we continue to identify the most effective levers for emissions reductions through our value chain.

Scope 3 emissions (MT CO_2e)

CATEGORY	2019	2021
1–Purchased goods and services	4,717,822	4,395,257
3–Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	183,087	141,036
4–Upstream transportation and distribution	543,723	322,038
5–Waste generated in operations	43,191	163,010
6–Business travel	102,028	31,858
7–Employee commuting	153,871	101,992
9–Transportation and distribution	525,464	368,678
11–Use of sold products	173,688,241	230,914,558
15–Investments	233,111	572,005
Total Scope 3	**180,190,538**	**237,010,432**

A manufacturing team in Singapore participates in energy efficiency training as part of our Carbon Out program.

Meeting our emissions reduction goals

Engaging our employees to take Carbon Out

The journey to net-zero requires fundamental culture change and involvement of people across the Company. To achieve net-zero operations as a company, it is imperative that Baker Hughes adopts a sustainability mindset in how employees work. Every individual can make a difference by making more sustainable choices, whether in Baker Hughes offices or at a remote work location.

In 2021, we launched "Carbon Out", a company-wide initiative to take carbon out of our operations and meet our pledge to achieve net-zero emissions by 2050. This engagement program provided tools, a framework, funding, and resources to engage Baker Hughes employees in systematically reducing operational emissions.

Each of our product companies identified mid- to long-term carbon abatement projects to drive emissions reductions across its operations. Abatement projects are being included in our mid- and long-range planning efforts to ensure timely, efficient, and cost-effective abatement project implementation in the years ahead.

Our Carbon Out program indicates our holistic view of climate change risk analysis, to not only manage and mitigate physical risks, but also to identify opportunities to balance out any physical risks of climate change at our sites by implementing carbon reductions in the near term.

In addition, we continue to build the Renew Community Resource Group (CRG), a virtual community of people who are interested in sustainability, environmental, and energy transition topics. The group organizes events, hosts speakers, and pursues environmental improvement projects by employees at work and at home.

We view Carbon Out and Renew CRG as crucial enablers of sustainability culture change and a source of ongoing innovation to improve operations and reduce emissions at Baker Hughes.

Energy efficiency and facility emissions reductions

Our employees are engaged in practical energy efficiency and emissions reduction projects across our sites. Global site leaders and employee teams organized energy efficiency awareness weeks—a set of week-long campaigns at various sites to encourage employees to identify opportunities to reduce emissions.

Our site teams are equipped with resources and training, and take a standardized approach to energy-efficiency assessments and action plans. Energy "treasure hunts" are designed to evaluate a comprehensive set of improvement opportunities applicable to our operations. More than 100 energy treasure hunts were completed in 2021, and approximately 350 have been completed since the program's inception in 2019.

In early 2021, an energy efficiency module was added to our new digital toolkit for comprehensive efficiency assessments, allowing manufacturing facilities and assembly and maintenance sites to identify and implement energy conservation measures into their processes. Twenty-seven training sessions were held in 2021 at various global sites to evaluate their energy efficiency practices and identify opportunities for improvement using the digital tool.

Some examples of facility improvement projects include:

- An office in the **UK** reduced its energy consumption by implementing a number of measures including monthly meter checks, hazards hunts, heating controls, and other awareness efforts. In the first six months of 2021, the site decreased its average monthly kilowatt usage by more than 16% on due to these energy conservation measures.
- In **India, our Drilling Services** facility reduced its annual energy consumption from 526 kWh/yr to 116 kWh/yr by replacing all compact fluorescent lamp tube lights with motion sensor-equipped LED lights.
- In **China, our Suzhou industrial park** facility decreased electricity consumption by 53% and reduced natural gas usage by 64% through dedicated energy efficiency projects and by embedding energy savings factors into daily operations.
- In **Turkey, an Assembly, Maintenance, and Overhaul workshop** reduced its carbon footprint by switching from diesel-powered to electric forklifts, while reducing noise levels and costs by 32%.
- The Drill Bit product line has reduced electricity usage through innovation, building on its prior efforts. One initiative involved improving the manufacturing process for polycrystalline diamond compact drill bits through the use of more efficient heating systems and better heat transfer.

Powering our sites with renewable and zero-carbon electricity

We have increased our share of renewable and zero-carbon electricity from 22% in 2020 to 24% in 2021. From the US to Brazil, Europe, and Singapore, we continue to find opportunities to use renewable and zero-carbon energy sources both onsite and offsite across all of our global locations. This includes contracting renewable energy through power purchase agreements, collaborations with utility and retail energy providers, as well as on-site solar installations at our Company owned or leased facilities.

In January 2021, we commissioned a solar project at the Singapore Oilfield Services Completions and Wellbore Intervention facility. More than 3,000 solar photo-voltaic modules were installed onto the roof and two adjacent structures to generate clean energy for over 30% of the facility's needs. Since coming online, this installation has produced more than 2,400 MWhs, equivalent to reducing the use of electricity in 171 homes or 204 passenger vehicles driven in one year.

We now have on-site solar installations at 10 locations, including:

- Bari, Italy
- Billerica, Massachusetts, US
- Changzhou, China
- Coimbatore, India
- Florence, Italy
- Massa, Italy
- Minden, Nevada, US
- Talamona, Italy
- Singapore
- Vibo Valentia, Italy

Elara Solar Farm, together with the White Mesa Wind Farm, officially went live in 2021.

We now have 100% renewable electricity or zero-emission nuclear energy for all Baker Hughes sites in two countries: Germany and the United Kingdom. For Germany, we have a mix of hydroelectric and wind power, while in the UK, we use a combination of wind and nuclear power. In Texas, our renewable power originates from the White Mesa wind farm in Crockett County, generating 500 MWs from 180 wind turbines, and the Elara solar installation in Frio County, generating 130 MWs and spanning 1,700 acres. Baker Hughes' share is 55 MWs for both solar and wind from these renewable power sources, both of which officially came online during 2021.

We continue to evaluate a mix of technology options to achieve further carbon emissions reduction, including on-site solar, microgrids, natural gas fuel cells, and other solutions.

Reducing vehicle fleet emissions

At Baker Hughes, a key component of our strategy is enhanced management of our global motor vehicle fleet, including reducing unnecessary idling and increasing electrification and low-carbon fueling.

Unnecessary idling occurs when a vehicle is stopped but continues to run for more than two minutes, therefore emitting CO_2e that could have been reduced by turning the vehicle off when in a safe, stopped position. For the past two years, we have tracked idling across more than 3,000 company vehicles that are fitted with an in-vehicle monitoring system. These systems were originally used to track driving behaviors (e.g., acceleration, deceleration, and harsh braking) to improve safety, and have since been expanded to also measure idling time. Our transportation procedures were expanded to include defined idling time limits of no more than five minutes and related requirements for anyone driving a company vehicle.

During the year, we reevaluated our idling metric to align with the International Association of Oil and Gas Producers (IOGP) method of calculating vehicle incidents per million kilometers[12]. Our new metric is average idling hours per million miles driven.

In this new metric, the distances driven would be accounted for or "normalized" as compared to the prior metric of average idling hours per vehicle. For 2021, our new vehicle idling metric reflects a 36% reduction in the average number of idling hours per million kilometers driven as compared to the prior year. While we believe that increased awareness is a significant contributor to this reduction, we also recognize there are a variety of other factors affecting this metric. For example, the number of miles driven increased by 20% year-over-year, and we believe that the proportion of highway miles also increased significantly in 2021.

[12] Refer to the IOGP land transportation procedure for additional details on their method for calculating vehicle incidents: https://www.iogp.org/oil-and-gas-safety/land-transport-safety/.

To underscore the importance of minimizing unnecessary vehicle idling—for employees driving company vehicles, as well as during personal time—we developed a broad awareness campaign in 2021 to educate leaders and provided practical tools to educate and engage employees. We launched a resource hub on our Company intranet, shared environmental moments focused on vehicle idling, awareness posters, and other materials.

Electric vehicles are also a key component of our fleet emissions reduction strategy. We are collaborating with vendors to procure electric vehicles and are working with our largest vehicle leasing vendor on a strategic vehicle replacement plan that includes increasing percentages of electric vehicles in our fleet over time. During 2021, we had 137 hybrid and 14 electric vehicles in our fleet of 8,546 vehicles.

Engaging with our suppliers

Reducing GHG emissions requires a collaborative approach across the value chain. A proactive approach to supplier engagement can contribute to lower Scope 1 and 2 emissions, as well as partnership on reducing Scope 3 emissions.

We engage actively and constructively with our suppliers. By increasing awareness and implementing new programs, we can identify and implement emissions reduction opportunities across our shared value chains.

In 2021, we launched our first emissions survey to our supplier base, representing 80% of our direct spend, to begin understanding emissions upstream of our operations from our suppliers directly. This important work has provided insight on how we can better collaborate to drive emissions reductions going forward.

We organized Supply Chain Days—an internal conference open to all employees of Baker Hughes—to promote emissions reductions challenges and create awareness on sustainability topics.

We hosted our Baker Hughes virtual supplier conference with the theme of partnering for sustainability, to facilitate exchange of knowledge and best practices with our vast supply chain network, and to achieve emissions reductions goals.

We also expanded our quarterly reviews with suppliers to include sustainability topics. This ongoing dialogue and measurement will be key to innovation and continuous improvement in our supply chain.

Innovation to drive a circular economy and reduce waste

We are committed to using our resources wisely, reducing our volume of waste, and increasing the recycling and reuse of materials. We seek to apply the principles of a circular economy across our operations and value chain—to include the full lifecycle of applicable products.

We consider innovation critical in offering products and services with a lower environmental footprint, improving our own operational efficiency, and reducing our emissions, while helping customers meet their targets.

Sustainability Design Prize

In 2021, we organized the Sustainability Design Prize—a company-wide contest of innovators, engineers, and technologists—to propose designs, solutions and processes that will have a positive impact on sustainability of our operations. Thirty-seven innovative projects were submitted from across the Company, of which the top six were chosen as winners of the contest. From accelerated quantification of additively manufactured parts and machines and carbon-free, low NO_x gas turbine to high-tech open energy park and green artificial intelligence software, these projects offered sustainable solutions for our business operations.

Artificial Lift

Our Artificial Lift product line has implemented processes to move toward a circular economy aligned business model. At end of life, customers can return equipment which is then assessed to determine if it can be refurbished. If suitable, it is repaired, tested, and confirmed that it meets original equipment criteria, then it's redeployed at the customer's location. Where unsuitable, the equipment is assessed to reclaim materials as feasible, and the remainder is recycled. Recycling and repairing this equipment allows us to keep the locations from excess contaminants, as well as reducing the need to produce components therefore reducing energy consumption and carbon output.

This program includes pumps, intakes for gas separators, seals, and motors. During 2021, more than 16,770 units were reclaimed.

Gas turbines

Baker Hughes designs a wide range of gas turbines, including aeroderivative and heavy-duty technologies, for oil and gas and other industrial applications. While these gas turbines are designed to operate for decades, we also address their recovery, repair, and reuse. We work with suppliers to manage the disposal of all metallic parts from these turbines at the end of their maintenance cycle. In addition, we have developed a Certified Renewed Equipment (CRE) initiative in partnership with our customers to minimize the environmental impact and promote circular economy. Under CRE, we ascertain residual value of certain models at the end of their maintenance cycle, and depending on its residual value, we take back from our customers the used equipment (full or spare parts). After careful engineering verification and dedicated metallurgic analysis, we refurbish and resell them as CRE. Since 2012, our CRE initiative has resold 107+ certified renewed equipment, including 18 in 2021.

Climate change as a financial risk and opportunity

We recognize climate change as a global societal challenge that poses particular challenges and opportunities to our business. Supporting the transition to a lower carbon economy will enhance our business resilience by providing new commercial opportunities, while we manage potential physical risks to the Company.

To better understand how the potential long-term impacts of climate change could impact our business, in accordance with the TCFD recommendations, we undertook quantitative climate change scenario analysis and opportunity hotspot mapping to understand the climate issues that could impact the business in the future under different scenarios. We are incorporating these insights in our long-range and medium-range strategic planning to build business resilience.

Climate-related risks and opportunities extend beyond normal business strategic planning cycles. Climate change has the potential to impact Baker Hughes over short (5 years), medium (5-10 years) and long term (beyond 10 years) time horizons. Accordingly, climate change risk and opportunity assessments at Baker Hughes are conducted to include these time horizons.

In line with the TCFD recommendations, we divide our risk assessment into two major categories: (1) risks related to the transition to a lower-carbon economy and (2) risks related to the physical impacts of climate change.

Transition opportunity and risk

The transition risk assessment derives estimated financial impact on our business from modelled portfolio responses to four energy market scenarios as published by the International Energy Agency (IEA): the 1.5C Net Zero Emissions Scenario, the <2°C Sustainable Development Scenario, the Announced Pledges Scenario, and the Stated Policies Scenario. The four IEA scenarios encompass a broad range of energy market scenarios that, when applied to our existing portfolio, might translate to a wide range of revenue impacts across our different businesses. In some cases, these scenarios yield an estimate of increased revenues generated by our existing portfolio.

While we recognize the potential for transition risk, Baker Hughes is playing a key role in enabling an orderly low carbon energy transition. Our growing portfolio of energy transition solutions, products, and services can service growing energy demand with low emissions products, emissions monitoring and measurement solutions, and low-carbon and renewable energy services, for both new and existing customers. In evaluating the short- and medium-term scenarios and factoring in our internal transition risk analysis, we estimate that revenue growth from new energy frontiers should offset revenue declines from our existing portfolio in the medium-term time horizon in all transition risk scenarios except for the net-zero scenario.

Under a long-term scenario, we estimate that our existing portfolio will generate significant growth under the Stated Policies Scenario, along with a growing contribution of revenue growth from our energy transition portfolio. We estimate that potential material declines in revenue from our existing portfolio under the Announced Pledges Scenario, the Sustainable Development Scenario, or the Net-Zero Scenario should be offset by revenue growth from our energy transition portfolio.

Physical risk management

The Baker Hughes physical risk assessment models severe weather events using Jupiter predictive climate data analytics and Intergovernmental Panel on Climate Change (IPCC) temperature scenarios.

We estimate an average annual maximum of approximately $90 million in damage and disruption over the long term in a >4°C 2100 IPCC climate scenario (SSP5-RCP8.5) compared to a baseline annual expectation of physical damages of $77 million if unmitigated. We are incorporating the results of this assessment into our strategic business planning and enhancing facility level climate change risk mitigation and adaptation plans.

Protecting the environment

Responsible environmental practices are core to how we operate. We are committed to minimizing the environmental impact of our activities at our facilities, at our customers' operations and in our communities. We take a holistic, risk-based approach to meet our commitments, centered on a robust environmental management system, innovative technology, community and industry engagement, and proactive learning and improvement.

Our environmental management system

Our environmental management system is built on stringent environmental standards that we set for ourselves and meet or exceed global regulatory requirements. It consists of risk assessments, global procedures, training, reporting, and assurance and control measures that detail the minimum standards for controlling environmental risk.

The following procedures are included in our management system and are applicable to all of our sites and operations globally:

1. Agency visits
2. Air emissions management
3. Chemical management
4. Due diligence for property transactions
5. Due diligence for business transactions
6. Environmental reporting
7. Emergency response
8. Energy management and efficiency
9. Land quality protection and secondary containment
10. Spill prevention and response
11. Waste management and minimization
12. Waste vendor audits
13. Water quality protection

Baker Hughes utilizes a tiered approach that enables customization at the regional, product line, or site level based on local requirements or risk profiles.

Governance of environment

Our approach is embedded throughout the organization with the highest levels of accountability and engagement at the top. The Board of Directors and the executive leadership team oversee the Company's annual enterprise risk assessment and reviews major risks facing the Company, such as those related to the potential severity of our activities. Our global environmental team is responsible for systems and standards, as well as specific technical topics and regions.

Engineering and manufacturing teams are responsible for addressing environmental risks during the product design and development process, as well as when conducting equipment maintenance and repair activities. Local product company site and operations management have a leadership role in identifying, communicating, and completing site- and operations-specific environmental activities in accordance with required standards.

All employees have a responsibility to adhere to policies and procedures, and they are empowered to take an active role in driving sound environmental practices. To encourage leadership at all levels, we promote environmental awareness, train and engage employees, and share best practices to drive proactive learning and improvement. Environmental and sustainability leadership is recognized and celebrated through our employee recognition programs.

In addition, we align with customers, suppliers, and others across the value chain through partnerships, representation in industry organizations, and ongoing engagement and dialogue. This includes adhering to our customers' environmental standards and ensuring our suppliers comply with our requirements. We hold leadership roles in associations dedicated to environmental conservation and sustainability, including IPIECA—the global oil and gas association dedicated to advancing environmental and social performance—and the environment committee of International Association of Oil and Gas Producers (IOGP). Through our work with these groups, we collaborate to develop industry best practices, share trends and new developments, and inform our environmental strategy. We strive to make a positive impact in our communities through collaboration, volunteer efforts, and investment.

We track and report our environmental metrics and progress globally, and we regularly assess and adapt our approach to drive continuous improvement.

Standards, certifications, and external alignment

Our internal standards are aligned to ISO14001 (international standard for environmental management systems) and ISO50001 (international standard for energy management systems) in line with our energy-efficiency goals. In 2021, 99 Baker Hughes locations were certified to ISO14001 standards and subject to environmental audit requirements due to the nature of the operations conducted at those sites and local business needs. At our sites where a third-party certification is not applicable, our environmental management system nevertheless meets or exceeds the requirements of the ISO standard, based on documentation from independent reviews of the management system.

We have extensive assurance processes in place through a multifaceted approach. This includes our internal self-assessment and audit programs, the ISO multi-site certification process, and other external audits which may include regulatory agencies and customers. For our ISO multi-site certifications, the annual audit schedule includes a sampling of sites with all certified locations audited within a three-year certification period. In addition, a comprehensive audit of the Company's management system and central HSE organization is conducted every year by our ISO registrar to verify effectiveness and continuing suitability. In 2021, no findings of non-conformance were identified. All ISO multi-site certifications were maintained and feedback documented in the audit report affirmed our strong HSE culture, processes, and systems. Specific strengths were noted, which included reporting of environmental objectives, our communications and intranet, enhanced data systems, and our site self-assessment process, which includes required environmental and energy management activities. Find additional information on our ISO certifications in the occupational safety section on page 68.

2021 environmental focus areas

1. Strengthening our processes, systems, and reporting
2. Water stewardship: minimizing risks and conserving water
3. Resource management: preventing spills, protecting air quality, and managing waste
4. Preserving biodiversity and habitat management
5. Restoring our environment

UN Sustainable Development Goals

In 2020, Baker Hughes took a leadership position in our industry sector by becoming a signatory of the United Nations (UN) Global Compact: a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices.

We are committed to supporting and reporting our progress toward the Ten Principles of the United Nations Global Compact, which include human rights, labor, environment, and anti-corruption, as well as the UN Sustainable Development Goals (SDGs). Each year, we file a formal Communication on Progress with the UN Global Compact.

Reporting topics which are related to the UN SDGs are indicated in our reporting dashboard on pages 8–10 and by the inclusion of the relevant SDG logo in the sidebar of the report.

WE SUPPORT
UN GLOBAL COMPACT

Improving processes, systems, and reporting

As part of ongoing efforts to digitize, standardize, and simplify our environmental management system, in 2021, we revised a number of environmental procedures to provide our site teams with enhanced guidance and tools for carrying out the activities needed to maintain our environmental standards. These were focused on energy efficiency, protecting land quality, and implementing secondary containment, coordinating agency visits, auditing waste vendors, and protecting air quality. Streamlined change management processes, procedure implementation guides, and other resources were created and shared with employees to support further efforts to operationalize our standards at the site level.

A new environmental, social, and governance (ESG) information governance process was established in 2021, which defines Baker Hughes' ESG operating model, along with reporting guidelines and standards to drive consistency, visibility, and other improvements while creating a system of record for all ESG metrics contained in this and other ESG-related public, voluntary disclosures.

At the time of this report, eight environmental dashboards were introduced to provide real-time visibility to energy use and emissions data, water and waste metrics, as well as reporting of environmental compliance requirements across the Company.

Water stewardship

We are committed to conserving and protecting freshwater resources throughout the water cycle—from withdrawal to use and eventual reuse or discharge. We focus on monitoring our water use, understanding associated risks, and taking proactive steps to minimize residual risks. We also work with other stakeholders, including our customers and industry, on adopting efficient water practices.

Due to the nature of our operations, our current use of water does not significantly impact the availability of water in the regions where we operate. More than 90% of our water is withdrawn from and discharged to municipal water systems.

Through enhanced risk identification, mitigation efforts, and other factors we have continually reduced our water use over the last three years. In 2021, total water withdrawn was 3,143 megaliters (ML), down 60% compared to 7,882 ML in 2019. Total water consumed was 374 ML, down 38% versus 605 ML in 2019. In addition, 2,769 ML of water was discharged in 2021, down 62% compared to 7,294 ML in 2019. These results were also due in part to structural changes to our business. For example, approximately half of the 34% reduction in water use from 2020 to 2021 resulted from business divestitures.

Similar trends were realized in water-stressed areas over the last two years, due in part to increased understanding and mitigation measures at our facilities located in high or extremely high water risk areas. We assess areas of water stress using the World Resources Institute's Aqueduct tool. In 2021, water withdrawn from these areas was 249 ML, down 49% from 490 ML in 2020. Water consumed was 13 ML, down more than 45% compared to 24 ML in 2020. In addition, 236 ML of water was discharged in these areas, down more than 49% compared to 2020. See data tables on page 54.

Risk identification and mitigation

Water risks were identified and assessed utilizing the World Resources Institute's Aqueduct tool, which produced a digital risk map that provided a consolidated view of Company facilities and operating environments. We began using this tool in 2020 and continue to use it for an annual review of our water use across the globe. As of year-end 2021, 78 Company sites were located in an area of high water risk and 64 were located in an area of extremely high-water risk based on their physical, regulatory, and reputational risk profile.

The global environment team oversees water quality standards and provides site teams with effective tools to manage risks, promote effective water management, and elevate our conservation practices. Our global water quality protection procedure sets the minimum standards and requirements for all of our sites and operations globally, regardless of risk profile. Sites with high- or extremely high-water risk are required to complete an additional assessment (see table on the next page) to evaluate their activities where water is used and identify options for conservation, improved efficiency, and risk mitigation.

Water Conservation and Management Assessment

TOPIC	AIMS TO
Screening	Focuses on activities that warrant evaluation of water use, including: • Equipment or chemical manufacturing • Vehicle or tool washing • Hydrotesting and laboratory operations • Cleaning activities including line/vessel rinse • Outdoor water use/irrigation
Monitoring and education	Evaluates actions related to the following: • Installation and monitoring of water meters • Leak detection and repair programs • Implementation of control measures and water shutoff • Use of “dry” cleaning methods where feasible • Optimization of water pressure to equipment needs • Increasing awareness of water conservation and management
Fixtures and equipment	Identifies equipment or conservation measures associated with: • Fixtures, equipment, and valves inspection and maintenance • Automatic sensors and metering of faucets • Wash bay efficiency evaluations including pre-rinse • Options for equipment water supply including flow rate • Evaluation of cooling towers, boilers, and chilled water systems
Outdoor water use	Provides options for improved water management including: • Using drip system or weather-based irrigation system • Maintaining irrigation system components on a routine basis • Exploring opportunities to plant native/drought-tolerant species • Evaluating reuse of "grey water" for irrigation
Laboratory equipment	Provides options for improved water management including: • Using drip system or weather-based irrigation system • Maintaining irrigation system components on a routine basis • Exploring opportunities to plant native/drought-tolerant species • Evaluating reuse of "grey water" for irrigation
Sharing ideas	Provides a forum to collect input, questions, or topics not included in the assessment. • Includes a formal opportunity for site personnel to share best practices

Water conservation and management assessments were completed at 81 Company locations in 2021.

These assessments enabled site teams to evaluate current measures for water conservation and wastewater reduction and identify opportunities for further improvements with the intent to build a site-specific action plan for implementation over a three-year period.

Several examples of ongoing improvement programs at our facilities, include:

Mumbai, India

To combat COVID-19 transmission and reduce water consumption, touch-free washrooms were installed. As a result, water consumption was reduced by more than 30,000 gallons of water per year, on average, while also improving hygiene to decrease the risk of COVID-19 transmission.

Neiva, Colombia

In Columbia, a project was implemented at a local manufacturing facility to automate the document generation process and enable shop-floor technicians easier access to critical information. We reduced paper documentation as a part of this effort, reducing the water footprint by approximately 150,000 liters of water. A rainwater capture system was also installed at the site.

Niterói, Brazil

The team at this logistics base reviewed their cleaning processes for water conservation opportunities. They implemented a new pipe cleaning process that uses compressed air instead of water, saving an estimated 280,000 gallons of water per year.

Minden, Nevada

Baker Hughes' Bently Nevada business received Nevada's Green Business Certification, which recognizes companies for going above and beyond standards for environmental practices. In addition to energy efficiency and waste reduction, a variety of improvements were made to conserve water by converting to closed loop cooling systems in equipment and installing water softeners and automatic faucets.

Pointe-Noire, Congo

The local team recognized that access to clean water is a challenge for people living across this water stressed area. To reduce water usage, they installed automatic taps on faucets which allow for 7–10 seconds of water flow as well as automated sanitary flushing systems to conserve water.

Coimbatore, India

Located in a water stressed area, the local team set out to limit groundwater use from their supply well. They installed a rainwater harvesting system and reduced their groundwater use 30% in six months. The site achieved a "water positive" state for two months with no use of groundwater for that time.

Throughout the year, we increased awareness and reporting efforts through training, knowledge sharing, and other efforts. All Baker Hughes employees are encouraged to take proactive actions to conserve and protect water—at home or work—and submit success stories along the way for recognition across the Company's communication channels.

Our specific water metrics are depicted below.

Water use (ML)[13]

	2019			2020			2021		
	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED
Surface	330		7	249		27	4		51
Groundwater	297		74	485		90	487		105
Municipal	7,255		7,213	4,063		4,128	2,652		2,606
Seawater				0		0.2	0		7
Total	**7,882**	**605**	**7,294**	**4,797**	**552**	**4,245**	**3,143**	**374**	**2,769**

Water use in water stressed areas (ML)

	2019			2020			2021		
	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED
Surface	New 2020 metric			1		16	0		7
Groundwater				81		1	54		15
Municipal				408		449	195		212
Seawater				0		0.2	0		2
Total				**490**	**24**	**466**	**249**	**13**	**236**

[13] 2020 figures restated based on improved methodology.

Resource management

Preventing spills

We are committed to reducing spill volumes to minimize potential effects to the environment. Our approach is built on the core concept of spill prevention, with internal standards involving risk identification and control measures, including secondary containment and other engineering controls, as well as improved systems and processes.

Sites are expected to conduct and document periodic inspections to identify spill risk factors as outlined in the updated spill prevention and response procedure. Timely corrective actions or improvements must be implemented and tracked in our system of record.

Our core control measures to address potential spill risks include:

- Ensuring container condition, compatibility and proper handling procedures
- Maintaining equipment, hoses, valves and vehicles to prevent leaks
- Securing containers adequately for safe transport
- Testing control equipment such as high-level alarms
- Conducting tank integrity testing in accordance with regulatory requirements
- Completing routine site inspections
- Following proper procedures for liquid transfer activities
- Affirming adequate secondary containment for liquid storage areas
- Conducting spill drills to increase effectiveness of response capabilities

When spills do occur, effective response procedures foster immediate mitigation of environmental effects and prompt reporting, as required, promoting continual learning. Spill reporting, investigation, and corrective actions are closely monitored.

Our performance improved year-over-year related to spills that affected soil or water outside of containment.

We reduced the total volume by 25% in the categories of oil, fuel, waste, and chemicals, with oil spills down by 79%.

The total volume of significant spills was less than 1,700 barrels, and while double the prior year, still reflects good performance during more typical activity levels as compared to historical trends. Significant spills are defined as those recorded as spills by the Company, and the majority of these occur within secondary containment. The increase in significant spill volume during 2021 was due to a single spill of 1,100 barrels of calcium chloride brine into secondary containment, in which the product was fully recovered and reused. We strive to recover the materials and conduct timely and effective cleanup to minimize waste and the potential for environmental or safety effects.

Spill volume (barrels)

CATEGORY	2019	2020	2021
Significant spills	1,598	738	1,693
Oil spills	214	28	6
Fuel spills	3	<1	2
Waste spills	<1	<1	<1
Chemical spills	350	155	130

Protecting air quality

We are committed to managing our air emissions aligned to industry best practices and regulatory standards. This includes reducing the emissions of carbon dioxide and other GHGs. Our progress is reported in the Energy and Climate section of this report.

Our overall approach to protecting air quality is centered on robust environmental practices to minimize routine emissions and prevent emergency releases. We identify, assess, mitigate, and control potential sources of air emissions from processes and operations, including both stationary and mobile sources. Where needed, we install emission-control devices, such as scrubbers, dust collection systems, and paint booths to protect air quality and meet regulatory requirements.

A project to improve our air emissions reporting for volatile organic compounds and other regulated

substances was initiated in 2021 This enhancement will offer more efficient compilation of regulatory reports required by local, state, and federal regulations in the US.

Baker Hughes applies for individual site air permits, as required by applicable regulations and maintain those at the local level. Emissions limits are specified in site permits or in local, state/provincial, or country regulations. In the US, the Environmental Protection Agency (EPA) is mandated by the Clean Air Act to set national ambient air quality standards which include requirements for nitrogen oxides (NOx) and sulfur oxides (SOx) compounds. We use an emissions-compliance tool connected to our inventory and product databases to calculate emissions of these compounds for our chemical manufacturing and blend plants.

Managing chemicals

Baker Hughes is committed to minimizing risk in how we develop, manage, and distribute chemicals across our operations. Our robust chemicals management process covers activities from product development, sourcing/procurement, manufacturing, and transportation to product stewardship including safe handling, storage and use. We comply with a rigorous set of quality, safety, and environmental standards we set for ourselves, and meet regulatory requirements and customer needs across the globe. Safety risk reviews, regulatory assessments, and compliance reviews are conducted at key stages of chemical development, manufacturing processes, and field operations. Opportunities for improvement are identified through annual internal audits, and any corrective actions are implemented in a timely manner. Employees are empowered and have a responsibility to "stop work" for safety, environmental, or quality concerns and report related observations to management and in our system of record.

Our product development management stage-gate process includes early risk assessments and product application measures for product design and life-cycle evaluation. During product development, we strive to incorporate new or enhanced low-carbon chemical solutions and improve our existing chemistries by substituting less hazardous materials while maintaining efficacy for their intended use. For our Oilfield Industrial Chemicals product line, we use a Product Maintenance Request workflow. This process is used to manage and document new product introductions, additions, changes, and improvements to promote regulatory compliance and meet customer expectations for our chemicals. This process is aligned to business activities and is supported by executive leadership. The following reviews and approvals are required: 1) product management; 2) Health, Safety, and Environment; 3) chemical plant processing and management of change; 4) purchasing; and 5) formula management. To support our commitment to transparency and product stewardship, we require suppliers to provide a full, detailed disclosure for purchased chemicals before they are included in our chemical portfolio.

Our comprehensive quality management system encompasses the chemical manufacturing and distribution process. Product specifications, manufacturing procedures, storage, and transportation requirements are determined before a product is commercialized. Manufacturing quality inspection plans may be applied to new material as well as finished products, depending on the complexity of the product. We handle, package, store, protect, transport, and deliver products and services in a manner that preserves their identification, traceability, and conformity to product specifications. Flawless execution is one of Baker Hughes' quality principles that reinforces efficiency by manufacturing and delivery of our products and services correctly the first time. We support this principle by setting quality objectives, including metrics such as first pass yield and defect ratios designed to maximize production efficiency and minimize waste.

Across our business, employees have worked to minimize the use of chemicals that may pose a threat to the environment. For example, our environmental procedures prohibit the use of chlorinated hydrocarbon-based solvents or ozone depleting chemicals. We undertake an annual comprehensive survey across our operations to help us avoid the use of ozone depleting substances. Our survey results for 2021 did not identify the use of these materials, excluding refrigerants used in air conditioning systems.

For our turbine testing, we previously used HFC-134a, however, this gas has a high global warming potential. It has been phased out in a multi-year improvement project and replaced with a more environmentally friendly gas (HFO1234ze) with a dramatically lower global warming potential of 1 (as compared to 1300). HFC 134a was discontinued at three locations in Italy by the end of 2020 and was phased out at the one remaining location in France by year-end 2021 as the final step to complete this project.

We comply with a variety of regulations governing the production and use of chemicals across the globe, including specifically defined registration procedures which vary depending on specific country regulations. To monitor and manage these evolving regulations, a steering committee was initiated in 2021 to bring together subject matter experts to ensure knowledge sharing and facilitate further research and development activities. This committee is comprised of experts from the environmental services group, global chemical regulatory affairs, technology support, research and development, and operational support with representation from the UK, continental Europe, US, and Australia.

In the European Union (EU), we are subject to REACH regulations, which involves the registration, evaluation, authorization, and restriction of chemicals. The Company holds 54 REACH registrations for our chemical products, and we strive to substitute substances identified by the regulation as having "properties of very high concern" with suitable alternatives where possible. We also categorize our chemicals using the CHARM model for "Chemical Hazard Assessment and Risk Management." During 2021, we had 276 products classified as gold, designated as the lowest hazard and therefore "best" category. We conduct due diligence on our suppliers to determine whether they hold the correct REACH registrations in alignment with our standards. To promote compliance, we use an automated Substance Volume Tracking tool at the point of product order to track shipment quantity and product movements.

We have been members of the Society of Chemical Manufacturers and Affiliates (SOCMA) for more than 35 years. This trade association serves specialty chemical manufacturers in the U.S. and provides a network to share industry knowledge and best practices. A membership requirement is implementation of the ChemStewards® principles, which is SOCMA's environmental, health, safety, and security (EHS&S) performance improvement program. Established in 2005, this program was designed to improve safety, reduce environmental footprint, and enhance security at the facility level and throughout the supply chain with the intent to build customer confidence, community trust and product stewardship.

Our chemical manufacturing and blend operations received six awards during 2021 for demonstrating excellence in ChemStewards® core principles including:

1. Stakeholder communications
2. Product stewardship
3. Employee training and engagement
4. Resource and waste minimization
5. EHS&S in planning and operations

The Rayne, Louisiana blend plant also received the SOCMA Sustainability Performance Improvement Award for their efforts to improve environmental stewardship.

Managing waste

Baker Hughes prioritizes the responsible use of natural resources through quality control and assurance processes. thus minimizing scrap and waste materials. We also strive to design products for longer life and adopt business models centered on product lease or service options where equipment is returned for refurbishing and reuse rather than disposed. We believe this approach will help minimize resource extraction, waste, and emissions and address environmental challenges including climate change, plastics pollution, and natural resource scarcity. We are committed to increasing our efforts in this area to help reduce pressure on the world's resources.

Our sites follow our formal procedure for waste management and minimization, which requires that all waste types be identified and tracked. We provide guidance to promote efforts to minimize waste volumes and increase the recycling and reuse of materials at each facility. Even with our best efforts, there are still instances where materials are generated for which there is no economic demand and which require eventual disposal. To manage waste in an environmentally sound manner, we audit our waste vendors and recyclers and only use those who are approved based on rigorous criteria that goes beyond regulatory compliance. We seek to collaborate with our waste vendors to provide additional sustainability benefits including waste to product conversion and preferred alternatives to landfill disposal. In 2021, we produced more than 1,800 metric tons of solvent material that is classified in our "waste to product conversion" category, through a relationship with our North America vendor. We are working to broaden this effort from our chemical manufacturing sites and expand to a number of chemical blending plants during 2022.

Waste and recycling metrics

In 2021, we recycled about 25% of total waste volume generated. The volume of waste reported is 29% lower than the prior year.

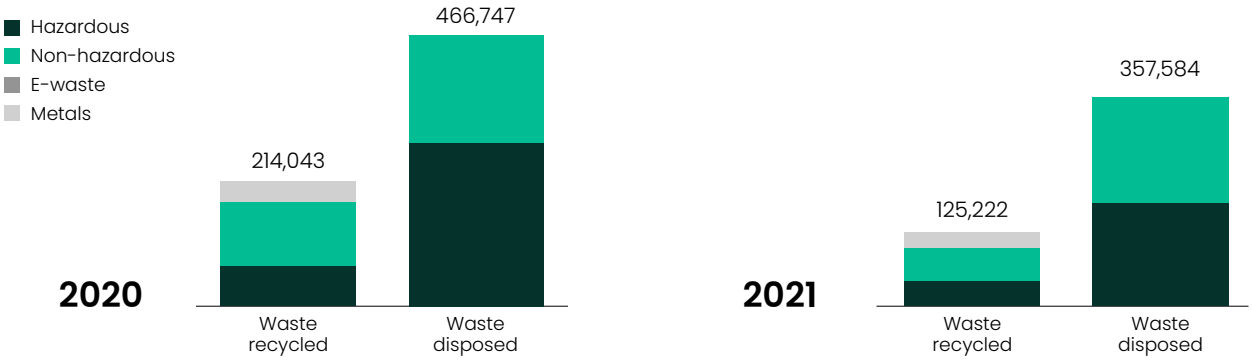
We track and report volumes of hazardous and non-hazardous waste as well as the disposal methods, including treatment, fuels blending, incineration, and landfill. We also measure recycling of metals including steel, aluminum, and special alloys, as well as paper and cardboard, wood, plastics, batteries, and electronics. We partner with our primary electronics vendor to maximize the reuse or recycling of electronic equipment, especially computers. Through this partnership, we recycled or repurposed 70 metric tons of electronics, commonly referred to as e-waste. Metal recycling ensured 26,829 metric tons of this valuable raw material were returned to effective use, minimizing land affects from mining ore and carbon emissions from processing activities. Our efforts to recondition and reuse containers continues, with more than 80,000 drums and more than 4,000 tote tanks recycled during 2021. Through this type of effort, a 70% reduction in new materials was realized at our Oilfield Service facility in the Middle East, by converting to a drum reuse program. Many of our sites reuse equipment and other packaging materials as a way of responsibly using our natural resources. This includes our Changzhou site where a new process was implemented to reuse wood shipping crates. Overall, 125,222 metric tons of material were diverted from disposal using preferred options including recycling, reuse, energy recovery, and treatment methods.

The organizational boundary for our waste and recycling metric includes facilities under our operational control that are active at any time during the calendar year and does not exclude divestitures. This will allow our local teams to more easily identify reduction opportunities and track progress in the future.[14]

Waste generation, management, and disposal are subject to stringent local, national, and international regulations across our operations. Such regulations include compliance requirements for waste segregation, storage, transportation, and disposal.

Training sessions are conducted regularly to promote our employees' understanding of and adherence to specific regulatory requirements.

Waste volume (metric tons)[15]



	GENERATED	RECYCLED	DISPOSED
Hazardous	349,414	67,889	281,525
Non-hazardous	294,133	109,378	184,755
E-waste	573	106	467
Metals	36,670	36,670	0
Total	**680,790**	**214,043**	**466,747**

GENERATED	RECYCLED	DISPOSED
217,698	41,740	176,228
238,204	56,853	181,351
75	70	5
26,829	26,829	0
482,806	**125,222**	**357,584**

[14] The boundary for waste and recycling metrics is different from the boundary for Scope 5 Category 3 (waste generated in operations). The Scope 3 Category 5 metric is aligned with our Scope 1, 2, and 3 operational boundary which considers structural changes.

[15] 2019 waste values are not directly comparable because of new calculation methodologies shifting from modeled data to measured data and because of expanded reporting. 2020 figures will be restated based on improved methodology.

Protecting biodiversity and natural capital

We value biodiversity as the rich variety of all living organisms and recognize that preserving it is essential to our future. Biodiversity provides for healthy, well-functioning ecosystems necessary for clean air and water, our supply of food and other materials, as well as a beautiful planet for all to enjoy through cultural and recreational activities.

In line with our core value of "Care," we strive to operate responsibly and protect biodiversity wherever we operate around the world. As a signatory to the UN Global Compact and with respect for the SDGs, we commit to exploring our potential impacts on biodiversity, protected areas, and areas of significant biological value at or near our operational sites. We endeavor to minimize our environmental footprint, preserve natural habitats, and protect and restore ecosystems through nature-based projects. We accomplish this through our internal standards for establishing sites in new areas, sound environmental practices throughout our existing operations, volunteer efforts by our employees, and foundation grants to support environmental efforts.

We evaluate potential impacts on biodiversity by conducting environmental due diligence for each new location. For industrial sites, this comprises a review of environmental risks, including sensitive habitats, such as wetlands, and the potential presence of threatened or endangered species. We conduct formal environmental-impact assessments when required by local regulations. This is particularly important for new business activities around the world, and with continuing changes to our real-estate portfolio. We strive to minimize effects on biodiversity and generally establish facilities in existing industrial areas since the majority of our activities commence after exploration activities have begun. We develop mitigation plans whenever necessary to protect biodiversity in areas on or adjacent to our sites. These plans protect wetland areas and other water features, as well as specific species of interest.

We recognize the UNESCO "No-Go" commitment for Natural World Heritage sites as an important program for the protection of unique and valuable locations. We are concerned about the potential effects that industrial operations can have on protected and ecologically sensitive sites. For 2021 reporting, we have expanded our review of our operations with the intent of improving our reporting related to protected areas and threatened or endangered species. More than 100 key contacts in our HSE and facility management functions participated in this review. We have identified 14 sites with operations that are located in or adjacent to a protected area or an area of high biodiversity value outside a protected area. This represents less than 2% of our Company facilities and operations across the globe and includes locations in Brazil, Mexico, Angola, Australia, France, Germany, the US and the UK. Our assessment did not reveal any significant impacts on biodiversity from our activities, products, or services. However, we recognize that we are in the early stages of understanding what a full and comprehensive assessment might entail, and there is more work to be done on this topic.

We publicly disclose the presence of International Union for Conservation of Nature (IUCN) Red List species on or adjacent to our Company locations. Based on our review, we are reporting 202 species on the IUCN Red List which have habitats in areas that may be potentially affected by our operations. The majority of these are classified as vulnerable (74) or least concern (71), comprising 72% of the total, while 19% are classified as endangered (39). In 2021, we expanded our review for identified 202 IUCN Red List species which have habitats in areas that may be potentially affected by our operations. Our assessment did not reveal any significant impacts on biodiversity from our activities, products, or services. We believe that growing awareness of biodiversity and a better understanding of the presence of these species and their current status can help us do our part to promote their survival. Looking to the future, we plan to enhance our management practices to conserve biodiversity and ecosystem services.

In 2021, the Baker Hughes Foundation made three grants to support our biodiversity efforts in key areas where we operate.

Katy Prairie Conservancy

In Harris and Waller Counties, Texas, $50,000 in funding was provided to support the conservancy's Land Stewardship Program. This program supports critical coastal prairie restoration and enhancement projects on the 20,000 protected acres of the Katy Prairie Preserve.

One Tree Planted

Through a $250,000 contribution to One Tree Planted, Baker Hughes supported tree planting and habitat restoration projects on 185 hectares of land in five countries. Along the Salmon River in Idaho, planting projects were focused on watershed restoration and fire-resistant species. In Minas Gerias, Brazil, planting was focused on restoration of native vegetation around springs, riparian areas, and areas of aquifer recharge. In East Cameroon, reforestation planting will promote biodiversity through the return of animal species that have deserted the environment. In India, fruit tree planting will support economic diversification and native pollinators. In Arges, Romania, a replant of clear-cuts will recreate natural forest composition.

The Nature Conservancy

A $250,000 contribution was made in 2021 to continue our multi-year relationship with the Nature Conservancy in the East Kalmitan Province in Indonesia. The project contributed to the implementation of reduced-impact logging (RIL-C) standards and other programs. Indonesia was selected as a location for the grant because it is home to some of the world's highest biodiversity. Baker Hughes operates substantial commercial and service operations in Indonesia, with more than 800 employees.

Restoring our environment

Our comprehensive standards and assurance processes are designed to protect our environment for present and future generations. While we seek to embed and verify sound environmental practices throughout our business, historical practices or spill incidents may result in the need to restore the environment. For remediation at Company owned or leased sites, we strive to evaluate and select the most appropriate approach and consider environmental and social aspects, such as the generation of waste, energy use, transportation, noise, and the views of local communities. Through proactive engagement with regulatory agencies, consultation with subject matter experts, and the use of effective technologies, we are able to restore properties and associated ecosystems.

Walpole, Massachusetts

Beneficial reuse of this remediation site involved converting 25 acres of the former manufacturing footprint for the installation of 14,700 solar panels, generating nearly 25,000 MWhs since it became operational. We've intentionally maintained 48 acres as valuable habitat.

Brazoria County, Texas

Remediation of this thirty-acre former superfund site included restoring native grasses and other plants on more than 20 acres, planting trees on 6 acres, and enhancing a three-acre evaporation pond. The evaporation pond was deepened, stocked with native fish species, and enhanced with wetland species around the perimeter to provide more diverse ecological habitat.

Principles

Principles

Our principles strategy

The Principles pillar of our sustainability strategy includes a broad range of topics, including corporate governance, oversight of ESG, compliance, anti-corruption, health, safety, security, human rights, supply chain sustainability, and working with governments. In this section, we will discuss Baker Hughes' programs to foster ethical, compliant, and sustainable operations aligned with our values.

At Baker Hughes, doing the right thing always comes first. We are committed to safety, honesty, and taking care of our people, our customers, and the communities in which we operate.

This commitment enables us to be trusted partners with our customers and suppliers, distinguishes us in the industry, and drives our success. We have put systems and processes in place to ensure that our Company acts with integrity, meets the highest possible professional standards, and abides by all applicable laws, regulations, and industry policies.

The energy industry is a complex global business, and Baker Hughes conducts business under many different regulatory and legal frameworks around the world. Because of this, we not only strive to meet the requirements in the countries where we operate, but in many cases we exceed those requirements. We are guided by our Code of Conduct, policies, and procedures that outline consistent global principles and practices across our operations. Our Code of Conduct and our policies are available for download on our website.

What's new for 2021?

In this year's report, you will read about some exciting new steps we've taken in governance, including:

- Reported consistently strong occupational safety and health performance, including an increase in the number of Perfect HSE Days
- At the time of this report, 100% of Baker Hughes security personnel and embedded security contractors have completed human rights training
- Expanded explanation of our Company tax strategy and disclosure of our tax payment to governments

0
Employee fatalities

204
Perfect HSE Days

100%
Operations assessed for corruption

100%
Security personnel trained on human rights

We recognize that policies alone are not enough. As such, we make the following commitments.

We are committed to...

1

...operating safely and responsibly and promoting a healthy, safe, respectful, and secure environment for our people, customers, partners, and communities.

2

...preventing human rights violations, including child labor, human trafficking, and modern slavery, within our Company and our partners.

3

...identifying, preventing, and fighting corruption in all forms, promoting free and fair enterprise, and preventing money laundering and terrorist financing.

4

...actively managing and monitoring our enterprise and strategic risks.

5

...supporting the objectives of the UN Global Compact, the Paris Climate Agreement, and the Voluntary Principles on Security and Human Rights, and aiming to align with other global agreements that advance sustainability.

6

...building digital trust through sound oversight of cybersecurity and data privacy protections and the responsible use of data and technology.

7

...purposeful leadership, sound governance, and corporate responsibility.

8

...conducting business with integrity and compliance with applicable laws and regulations.

In this section of the report, we detail the managing and assurance process we use to identify risks, verify performance, encourage stakeholders to report concerns, and investigate and resolve those matters when they arise.

Corporate governance

Our framework for corporate governance is set forth in our Governance Principles, committee charters, and our Third Amended and Restated Bylaws, which can be found on our website.

Our Governance Principles provide guidelines for Board matters, including the leadership structure of the Board. Written charters for the Board's Audit Committee, Human Capital and Compensation Committee, Governance and Corporate Responsibility Committee, and Conflicts Committee (a subcommittee of the Governance and Corporate Responsibility Committee) describe the roles and responsibilities of each committee. Additionally, our Code of Conduct applies to all officers, directors, and employees.

Our Board of Directors

Operating responsibly and with accountability to serve the best interests of our stakeholders requires sound corporate governance—a commitment that begins with our Board of Directors. Our Board is led by our Chairman, President, and CEO, Lorenzo Simonelli. Geoffrey Beattie has been elected as lead independent director, a role specifically required under our Governance Principles. As lead independent director, Mr. Beattie has a clear and comprehensive set of duties, including responsibility to lead meetings of the independent directors and to regularly meet with the Board Chair. Our Board has determined that this role provides an effective check on management and provides the appropriate balance between our focus on strategic execution and independent Board oversight.

Our Board recognizes that operating responsibly—minimizing the environmental impact of our operations, fostering employee engagement, and respecting human rights by creating an environment of respect, integrity, and fairness for our employees and customers wherever we do business—is fundamental to the long-term success of our Company.

Our Board exhibits an effective mix of skills, experience, diversity, and perspectives, collectively demonstrating leadership and a substantive understanding of our strategy as an energy technology company. Our directors' sustainability expertise includes direct experience with human resources and talent development, legal and corporate governance issues, environmental and safety regulations, and risk oversight including cybersecurity, finance, and operations. Our Governance and Corporate Responsibility Committee, which recommends director candidates for annual election, evaluates the composition of the Board annually and identifies desired skills, experience, and capabilities. The Committee strives to maintain a Board with varied expertise and perspective and one that reflects diversity, including but not limited to gender, ethnicity, background, and experience.

Contacting the Board

To provide our shareholders and other interested parties with a direct and open line of communication to the Baker Hughes Board, shareholders may communicate with any member of the Board, including our independent lead director, the chair of any committee, or with the non-management directors of the Company as a group, by sending such written communication to our Corporate Secretary, c/o Baker Hughes Company, 17021 Aldine Westfield Road, Houston, Texas, 77073, USA or by email at boardofdirectors@bakerhughes.com.

Governance of corporate responsibility

The Board Governance and Corporate Responsibility Committee has oversight responsibility of the Company's environmental matters, including monitoring its sustainability strategy and initiatives and management of environmental, health and safety compliance and related risks. The Governance and Corporate Responsibility Committee receives regular reports from management on the Company's environmental, health and safety, corporate responsibility, and sustainability activities and risks, including risks related to climate change, among others.

Attracting, developing, retaining, and inspiring the best people globally is crucial to all aspects of our business. The Board believes that the Company's strong ethical leadership, grounded in the values expressed in Our Code of Conduct, is central to the Company's long-term success. To that end, the Board and its Committees are actively engaged in overseeing the Company's human capital management strategy. The Human Capital and Compensation Committee assists the Board in discharging its oversight responsibility for the Company's human capital management matters, including DEI initiatives, talent development, and corporate culture, among other programs. Management provides regular updates to the Human Capital and Compensation Committee on human capital management strategy and programs, and the Board is kept apprised of any developments in these areas.

Executive compensation and sustainability

We design our compensation programs to support our long-term strategy and shareholder value. We are deliberate in making a significant portion of total compensation is at-risk and performance-based. We combine financial metrics and strategic blueprint priorities in our short-term incentive plan and performance metrics and time-based awards in our long-term incentive plan. We believe this strikes the right balance to ensure compensation is responsive to performance and appropriately aligned with the interest of shareholders.

Our Human Capital and Compensation Committee made decisions through the course of 2021 that aligned with the key drivers of the Company's success:

Retained key talent

We believe our key employees represent the future of the Company and their focus on execution of the strategy is integral to our long-term success.

Maintained short- or long-term incentive goals

The management team focused on responding to market disruption and accelerating the strategic transformation of the Company.

Supported the acceleration of our business strategy with changes to go-forward compensation programs

In 2021, we changed our go-forward incentive plans to include and emphasize metrics that align with our transformation strategy, including a heavier weighting on free cash flow.

Approximately 89% of Mr. Simonelli's target total compensation is performance-based and at-risk. Our other named executive officers have an average of 81% performance-based and at-risk compensation.

Our incentive-based compensation plans for our CEO and other named executives balance financial metrics with quantitative and qualitative performance goals. Payouts under our annual bonus plan in 2021 were weighted 70% based on achievement of formulaic, financial metrics and 30% based on achievement of strategic goals.

The strategic objectives included several of our people, planet, and principles priorities, demonstrating our Board's commitment to our sustainability framework. These include performance related to "Perfect HSE Day" improvement and progress on leading HSE indicators, leadership of the compliance-first culture, execution on our energy transition portfolio strategy, focus on DEI growth, and training on baseline emissions and waste.

Enterprise risk management and sustainability

Baker Hughes identifies risks to our strategic and business objectives utilizing an effective enterprise risk management (ERM) process: a risk-based management and continuous monitoring program that is aligned to the business cycle, leads to more informed decision making, and builds resilience across the organization.

Our ERM process includes an annual risk review with representatives of business segments and functions to proactively identify and monitor key risks and opportunities that have significant potential to affect our business or strategy.

Every identified risk is rated according to probability, impact, and our preparedness. Those that are identified as severe require enhanced monitoring and improvement efforts.

Identified risks are then reviewed with executive leadership for validation and alignment. Executive sponsors are assigned to the top risks, and key risk indicators are established to monitor the mitigation and adaptation. The ERM Steering Committee and the Board of Directors have oversight of the ERM program and will recommend further analysis or in some cases, specific improvements to strengthen the Company's safeguards.

The CEO and ERM executive sponsors perform deep-dive reviews of response actions and key risk indicators with the risk owners and quarterly updates are presented to the Executive Leadership Team. In addition, the top sixteen risks are reviewed during Board of Directors meetings throughout the year. In 2021, the ERM process was expanded to identify environmental, social, and governance risks. In response to the evolving risk environment, our 2022 risk categories now specifically include Supply Chain and Climate Change.

The ERM Team works closely with key stakeholders to introduce, support, and promulgate the risk management culture across the Company. There are six main cultural values driving Baker Hughes' ERM practices. These are:

1. Tone at the top
2. Awareness of risk
3. Willingness to participate
4. Ownership of risks
5. Inclusion of risk in decision making
6. Ongoing risk management education

A summary of our Company's material risks is presented in our 2021 Form 10-K filing and quarterly reports on Form 10-Q.

Leadership responsibility

The primary responsibility for developing, managing, and executing our strategy, including our people, planet, and principles priorities, rests with our management team. Allyson Anderson Book, our Vice President of Energy Transition, oversees our energy transition strategy and serves as the primary point of contact on day-to-day sustainability matters. Additionally, Ms. Anderson Book chairs our Sustainability Steering Team that, together with subject matter working teams, manages our sustainability priorities, sets goals, monitors our progress, and coordinates our sustainability reporting. We also have a formalized sustainability management structure with designated executive sponsors that report to the Board.

Compliance and anti-corruption

Baker Hughes has a best-in-class global ethics and compliance program, which is designed to prevent, detect, and appropriately respond in a timely fashion to any potential violations of law, our Code of Conduct, and other Company policies and procedures. We believe that this commitment to integrity across the entire organization is fundamental to running a sound, successful, and sustainable business.

2021 Compliance performance[16]	
% of employees who completed the annual Code of Conduct training	92%
% of operations assessed for risks related to corruption	100%
% of governance body members who have received training on anti-corruption	90%

Ensuring integrity and compliance is a foundational element of our culture and a business priority. We set high expectations outlined in our Code of Conduct, which are reinforced through our leadership. Our annual Code of Conduct training was completed by 92% of our employees, including part-time employees, in 2021.

Our Code of Conduct includes commitments in the following areas:

- Regulatory excellence
- Anti-bribery, anti-corruption, and improper payments
- Supplier relationships
- International trade compliance
- Anti–money laundering
- Working with governments
- Competition law
- Fair employment practices
- Health, safety, and environment
- Securing Baker Hughes globally
- Intellectual property
- Cybersecurity and privacy
- Controllership
- Conflicts of interest
- Insider trading and stock tipping

Open reporting and consultation

Baker Hughes believes that a work environment in which all employees maintain the highest levels of integrity, conduct business in a professional manner, treat one another with dignity and respect, and strongly support open communication without repercussions creates a better place to work as well as a more productive company.

Employees have multiple ways to raise compliance concerns, and they are encouraged to report any ethics or compliance matters without fear of retaliation in multiple ways: a global network of trained employee ombudspersons; a dedicated website where employees can raise anonymous concerns; and a worldwide, 24-hour integrity helpline operated by a third party and available in 150 languages.

In 2021, we complemented our formal Compliance training program with monthly awareness campaigns intended to reinforce key messages about open reporting and other key integrity topics at multiple levels in the organization. Topics for the monthly campaigns included open reporting, trade compliance, and anti-bribery and anti-corruption.

Anti-bribery and anti-corruption

Our Code of Conduct includes a summary of our Anti-Bribery and Corruption policy, which prohibits bribery and facilitating payments in all business dealings, in every country around the world, with governments, employees of state-owned companies, and the private sector—or anyone else whatsoever. We have internal controls and governing policies addressing compliance-sensitive activities, such as travel and expenses, charitable donations, and working with third parties to prevent bribery and live training in high-risk countries. We conduct audits on our processes and procedures, including more than 300 one-on-one interviews with employees in high-risk countries, to prevent corruption. In addition to our Code of Conduct training that covers anti-corruption, we host annual, specific Anti-Bribery training for employees based on their job function and responsibilities.

[16] Governance body members at Baker Hughes include 123 senior executive band plus employees, which include the most senior-level managers and individual contributors, such as vice presidents, and above. At the time of publication, 100% of governance body members have completed the Code of Conduct training.

Occupational safety

HSE is built into everything we do and how we work—how we develop technology, deliver for customers, and recruit and develop our employees. We are committed to operating safely and responsibly, in a way that takes care of our people, customers, partners, community, and the environment.

Our management system

The Baker Hughes HSE Management System is an enterprise-wide framework that drives continual improvement in our performance and legal compliance across our operations globally.

It includes more than 50 global operational control procedures that detail the minimum requirements for managing health, safety, and environmental risk in our operations, which apply to all of our employees, sites, and operations globally, including contractors and third parties working on behalf of Baker Hughes. These policies and procedures conform to the recognized International Organization for Standardization (ISO) certifications noted below. We take a multi-tiered approach that enables region, product company, and product line leadership to create localized procedures based on location, work activities, and/or operating environments. This approach helps us comply with relevant legislative, regulatory, internal, customer, works councils, and industry requirements.

For key operations and based on business needs, we hold individual or multi-site certifications to these standards[17]. These certifications include manufacturing, operations, and administration across our regions and product companies, which were all maintained in 2021:

- **99 sites were certified to ISO 14001,** the international standard for environmental management systems.
- **71 sites were certified to ISO 45001,** the international standards for occupational health and safety management systems.
- **270 sites were certified to ISO 9001,** the international standard for quality management systems.
- **In addition, our internal standards are aligned to ISO 50001,** the international standard for energy management systems in support of our energy-efficiency goals.

[17] Business needs may include customer requirements defined in tenders or the nature of operations conducted at those sites.

Since our internal policies and procedures are aligned to ISO standards, at sites where a third-party certificate is not applicable, they nevertheless meet or exceed the requirements of the ISO standard. Independent reviews are conducted through the multi-site certification process, our internal audit program, and external audits. Each year, an audit is conducted by an ISO registrar to review and verify the effectiveness of the Company's management system and central HSE organization. In 2021, our management system was recertified to ISO14001:2015 and ISO 45001:2018. Results documented in the audit report were strong, and no findings of non-conformance were identified. Strengths highlighted were on our risk management process, occupational health program, performance excellence programs, data systems, communications and intranet, among others listed in the environmental section of this report.

As part of a multi-year journey to simplify, standardize, and digitize the management system, we continually assess and refine our operating procedures. We encourage employee feedback and participation in this process.

In 2021, we conducted an applicability review and reduced the total number of procedures, removed error traps from processes, and enhanced our communications and resources. This includes a new HSE policy and procedures resource hub on the Company intranet. We also established a monthly employee communications rhythm and introduced a number of new resources to equip and enable our site teams.

Fostering a strong safety culture

As outlined in our HSE Policy, signed by our CEO, our commitment to HSE starts at the highest levels of our Company and is embedded throughout all layers of the organization. All employees have a responsibility and are empowered to actively "own HSE" to ensure the health and safety of everyone around them. We take a risk-based approach and apply human performance safety principles in how we lead and how work gets done.

Human performance principles are based on the philosophy that human actions are rarely malicious, and mistakes are typically caused by error traps in organizational systems or processes and other factors as opposed to non-conformance (e.g., unclear roles and responsibilities, inadequate training, difficult systems or equipment interface, stress, fatigue, etc.).

By strengthening our culture of proactive learning and improvement, we aim to minimize human error, mitigate incidents, and continuously improve our HSE performance.

Visible and engaged leadership is a key contributor to a powerful safety culture. Our Chief HSE, Security, and Quality Governance Officer is responsible for our HSE systems and standards. Baker Hughes' management is responsible for communicating and implementing HSE priorities and metrics into strategic planning, operations, and business reviews. HSE employee engagements are conducted by leadership regularly and reported monthly in our system of record. Managers are also required to complete human performance leadership training every two years.

Employees, contractors, or others directly involved with Baker Hughes activities are expected to stop work when conditions are unsafe and report observations, near misses, and stop-work events to management and in our system of record, as applicable. This feedback is tracked as leading indicators of our performance. If an individual exercises their "stop work authority," activities must be stopped immediately and may resume once the issue is corrected. Site/local leadership periodically review and assess related data trends, communicate feedback to employees, and operational procedures are reviewed and updated, as applicable.

Not only do we have strict policies prohibiting discrimination or retaliation for reporting, but these behaviors are encouraged and reinforced. For example, our Chief HSE, Security, and Quality Governance Officer's annual Hero Awards program recognizes and celebrates employees for their exceptional HSE leadership in action. In 2021, nearly 200 employee "Heroes" were recognized, and many others were highlighted through targeted recognition programs.

Our teams are required to complete recurring training. We offer 263 unique HSE courses including foundational training required for all employees along with workplace and job-specific training. Throughout the year, we continued to streamline and digitize our training curriculum, removing duplicative courses and strengthening content offerings. During 2021, 618,237 individual HSE training sessions were completed.

We set clear targets and regularly track and assess our progress through annual management reviews, site self-assessments completed based on site risk

criteria, internal audits conducted by trained employee auditors, and external annual audits from customers and the ISO registrar.

When incidents do occur, they are tracked in our system of record, investigations are conducted, formal incident reviews are performed, and corrective actions to prevent recurrence are tracked. In addition, learnings are disseminated to targeted employee populations with similar operational risks following an incident. Safety articles, HSE Moments, and learnings from internal and industry incidents are made available to all employees, globally. During the year, we introduced a "learning from incidents" resource hub with a repository that has current and historical learnings to foster knowledge sharing and proactive learning. Our robust risk assessment process is in place to identify, understand, and mitigate impacts through proactive and preventative programs and control measures. Risks are assessed from the site or project level and include material handling activities or remote/offshore operations, as well as other higher-risk activities related to pressure, lifting and rigging, electrical, process safety, along with transportation.

Process Safety Management (PSM)

Baker Hughes' Process Safety risk management program is aligned to industry standards and best practices, aimed at preventing or mitigating events that can cause catastrophic safety or environmental consequences. The program includes training, global and business-specific procedures, risk assessments, barrier management checklists, process safety operations fundamentals, management of change, audits, threat response drills, among other elements.

Our ambition to achieve zero process safety events drives our strategy and approach, which is centered around the following principles:

1. Process safety hazards and risks are understood across the Company.
2. Process safety is intrinsic to product and service delivery.
3. Sound risk mitigation is applied through operational and asset integrity.
4. Process safety is sustained through continual learning and improvement.

A comprehensive training curriculum was developed over the last two years and expanded in 2021, tailor-made for the complex and multi-variate nature of our operational risk profile. It was designed to create technical awareness on risk and recognition of hazards generally, with more detailed technical content for specific audiences. This advanced training focuses intensely on barrier management, operational readiness, contingency planning, and event reporting. Collectively, the curriculum creates a pathway to technical competency in Process Safety, including:

- Technical awareness
- Event reporting and classification
- Risk control using barrier management
- Chemical manufacturing
- Management of change
- Risk assessment and management—a risk-based thinking approach

Process Safety projects are ongoing within some of Baker Hughes' operations. Audits are conducted globally for performance assurance, including execution of a targeted audit strategy covering specific operational business units. The audits help ensure adoption and sustainable performance of process safety risk management across the enterprise. Learnings from incidents are used to focus on reliable execution of safety-critical tasks as a key to reducing risk as low as reasonably practicable. The Process Safety Operations Fundamentals were designed as a human-factors tool to educate, reinforce, and continually remind the workforce of their importance.

Process Safety Events (PSE) are tracked in our internal HSE data system, with classifications aligned with industry standards API RP 754 and IOGP 456. PSEs include barrier impacts and loss of primary containment events, as part of our leading and lagging performance indicators. The emphasis on leading indicators enables us to extract actionable insights from data without the impacts of high consequence events.

Higher-consequence (lagging) PSEs are reported to leadership on a quarterly basis, which include: Tier 1 and Tier 2 Process Safety Events, Level 1 and Level 2 Well Control Incidents, and Process Safety High-Potential events. Since most PSEs occur at a customer location or project, close collaboration, engagement, and alignment is critical.

In addition to project-based collaboration, engagement with customers, industry, and regulatory agencies occur continually to advance process safety performance through learnings and best practice sharing. Other contributions to industry include technical publications or presentations, leading sessions in forums and conferences, and projects with committees and workgroups.

Safety performance

	2019	2020	2021
Perfect HSE days	161	200	204
HSE leadership engagements	67,726	68,886	66,716
HSE observations	1,084,627	1,038,071	1,051,723
Near misses	1,763	1,299	1,075
Total recordable incident rate[18]	0.28	0.23	0.28
Days away from work rate	0.12	0.11	0.13
Days away from work cases	137	104	97
Work-related fatalities– employees	0	0	0
Work-related fatalities– contractors	0	0	0

Our ambition is to make every day a Perfect HSE Day—one without injuries, vehicle accidents, or harm to the environment. In 2021, we improved our HSE performance with an increase to 204 Perfect HSE Days, up from 200 in 2020 and 161 in 2019, a nearly 27% improvement over the last three years. In addition, HSE observations increased to 1,051,723, in 2021, up from 1,038,071 the prior year.

Occupational health performance[19]

	2019	2020	2021[20]
Total recordable illness[21]		69	37
Musculoskeletal disorders	89%	68%	81%
Respiratory disease	0%	19%	19%
Disease caused by physical agents	7%	9%	0%
Disease caused by chemical agents	4%	3%	0%
Skin injuries	0%	1%	0%

Our total recordable incident rate and days away from work case rate were essentially flat year-over-year at 0.28 and 0.13, respectively. And we continue to achieve year-over-year reductions in our near misses with 1,075 in 2021, down from 1,299 in 2020 and 1,763 in 2019, reflecting our commitment to HSE and quality. Throughout the year, we continued our emphasis on proactive prevention measures, human performance, and leadership engagements for higher risk work activities related to transportation, pressure, electrical, lifting and rigging, process safety, along with material handling.

In 2021, our teams were recognized on numerous occasions by our customers, academia, and the industry for HSE achievements, human performance leadership, innovative mindfulness techniques, and other programs.

The pandemic continued to impact our employees and their families in 2021. We recognize that no day is "perfect" during a global pandemic, and health and safety remain at the forefront of our pandemic response.

[18] Total recordable incident rate calculated using OSHA standard.

[19] Work-related ill health metrics are reported in accordance with the GRI standards, which are based on the OSHA guidelines. GRI defines ill health as work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness, or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.

[20] Occupational cancer, biological agents and infectious or parasitic diseases, mental and behavioral diseases, and other diseases accounted for 0% of illness in 2021.

[21] This metric was first reported in 2020.

Health and wellness

Total worker wellbeing is a critical priority for Baker Hughes, and the importance of physical health, ergonomics, preventative health care, and mental wellness cannot be overstated in promoting a healthy, engaged, and productive workplace.

Our approach

We integrate policies, programs, and initiatives to protect employees from work-related health and safety risks and hazards, promote preventative care, and aim to advance the overall well-being of our employees at home and work, with tailored efforts based on job type and operating environment.

Our management system includes the following 15 operational control procedures that set the minimum standards for controlling health-related risks across our operations globally:

	Our health control procedures
1	Blood-borne pathogens
2	Chemical management
3	Crystalline silica
4	Ergonomics
5	Extreme temperatures
6	Fatigue risk management
7	First aid
8	Food and kitchen hygiene
9	Fit for remote assignment medical exams
10	Hearing conservation
11	Hydrogen sulfide management
12	Industrial hygiene
13	Malaria prevention
14	Medical surveillance
15	Respiratory protection

Our procedures meet or exceed global health standards, and we align to regulatory requirements in all areas of operation. Our tiered approach enables customization of internal procedures based on local requirements or risk profiles and alignment with customer and government requirements.

Occupational health risk identification and mitigation, including standards, policies, and programs, is managed through our Global Health team. Global well-being initiatives are managed within the HR, in close coordination with our global health team. Company management has a leadership role in the communication and implementation of health-related activities.

All Baker Hughes employees are expected to adhere to requirements related to their role and job type. Our teams are also encouraged and empowered to take personal responsibility of their own health and the health of those around them through advocacy efforts, participation in voluntary programs, and by using available resources.

Occupational health and preventative care

In 2021, we provided critical care for employees on projects in locations with limited access to healthcare through our medical surveillance program. Employees who work offshore or in a remote location (approximately four hours from secondary medical care) are required to complete a fit-for-remote assignment medical exam (FRAME) as a condition for hire and every two years during employment to evaluate both physical readiness and psychological ability to perform jobs safely. To improve efficiencies and enhance reporting, we introduced a new process for FRAME in 2021, including migrating administrative activities to a third-party provider.

Based on learnings from an external risk assessment, hearing conservation was an important focus in 2021, especially in Norway and the North Sea. Many sites conducted assessments to mitigate hazardous noise and promote compliance with our established global hearing exposure limits. Employee education efforts focused on the causes and impacts of hearing loss, proper use and maintenance of ear plugs and earmuffs, and ototoxic chemicals.

Supporting mental and emotional wellbeing

The mental health and emotional well-being of our employees is a critical priority. We work with our health benefit providers and internal teams to offer employees health and wellness programs, telemedicine access, health screenings, immunizations, fitness reimbursements, and virtual wellness tools. Our Employee Assistance Program (EAP) gives employees and their family members direct access to professional coaches for in-the-moment counseling or referrals to community experts and extended care providers to help navigate daily life, manage remote work, and cope with major life events, among others. Understanding the pressures on our international rotators, travelers, and expats who tend to be away from home for extended periods, we offer additional mental health services and access to trained professionals in multiple languages and formats through our relationship with International SOS (ISOS), our health and security risk management partner. These services have been especially critical during the COVID-19 pandemic with extended quarantine and isolation periods.

Throughout the year, we hosted global events with Baker Hughes leaders and external experts, further embedded mental wellbeing into leadership engagements, and provided resources and tools to all employees. We also conducted targeted initiatives focused on populations working in higher risk environments. For example, we participated in a study with the University of Houston to evaluate the effects of mindfulness on offshore safety. Based on these learnings, we piloted our new Time 2 Refocus program in North America, aimed at improving situational awareness by incorporating mindfulness techniques into daily routines. A substantial reduction in incidents was observed in the first half of 2021 compared to the same time period the prior year following the program's implementation, and we were recognized by the Center for Offshore Safety with a Safety Leadership Award for our innovative approach and strong performance.

Earlier this year, we worked with Headspace, a global leader in mindfulness, to provide all Baker Hughes employees access to their premium services.

Leading through COVID-19

As we navigate the third year of the pandemic, our top priorities remain: protecting our employees, maintaining operations, and supporting customers and communities globally. Since March 2020, our global crisis management structure has stayed active in managing a coordinated pandemic response.

Throughout 2021, we continued taking proactive steps to minimize the risk and spread of the virus, and we adapted our approach to align with global health and safety standards and local requirements. Enhanced safety measures at our facilities remained, and remote work continued in many places. As conditions improved, we created opportunities for more remote employees to come into an office or site to work or collaborate where it was safe to do so. As travel requirements evolved, we kept employees informed of changes, reinforced safety and compliance, and helped travelers in transit return home, as needed. We also provided regular updates and resources through our global communications channels to stay informed of the evolving situation.

Caring for employees and communities in crisis

We supported our employees and communities in crisis through evacuations and mobilization, critical case support, as well as fundraising and donations. For example, when India faced their most severe COVID-19 outbreak on record, our operations teams collaborated with employee resource groups and the Baker Hughes Foundation to raise funds for **Give India**, **GOONJ**, and **ActionAid India**, local organizations that provided humanitarian support, medical aid, and vaccine access across the country. Alongside these efforts, we donated oxygen tanks, launched a COVID-19 helpline, introduced new HR policies, and procured vaccines for employees and their families. A similar approach was taken in other hot spots throughout the year.

Enabling vaccine education and access

As vaccines became available, we encouraged all Baker Hughes employees to vaccinate and prioritized education and access for our employees and communities. Throughout the year, we shared regular updates and resources, hosted education sessions with medical experts, held on-site vaccination clinics, and partnered with local health authorities to help our employees and their families get vaccinated. Our HR policies were also adjusted in many places to provide employees paid time off to receive vaccinations. In addition, the Baker Hughes Foundation contributed $250,000 to the **United Nations Children's Emergency Fund (UNICEF)** in support of its efforts to end the pandemic through equitable COVID-19 vaccine distribution in partnership with the Global Vaccine Alliance.

All Baker Hughes employees subject to customer, government, and travel vaccine requirements are expected to comply. External requirements are tracked centrally, and during the year, we updated our travel process to ensure employees affirm they understand and will follow all requirements prior to booking travel. We also introduced a system to track internal vaccination rates to ensure compliance with requirements, support mobilization, and enable data-based decisions to maintain a safe work environment for the long term. In certain locations, we followed guidance from health authorities and required vaccinations and testing for employees and contractors.

We continue to closely monitor the situation and will adjust our protocols as needed to continue protecting our employees, customers, partners, and communities in alignment with all associated requirements.

Security

We are committed to protecting our people, workplaces, and operations and to respecting communities globally through intelligence-based risk mitigation measures. The Baker Hughes security team is horizontally structured to support product companies, functions, and regions in accordance with global risk and operational structure.

As a signatory to the UN Global Compact, Baker Hughes also aligns with the principles outlined in the Voluntary Principles on Security and Human Rights. Internal training and awareness resources were developed in 2021 to further embed these principles into our operations. Starting in 2022, security personnel are now required to complete related training and monthly employee and contractor awareness sessions delivered by the Security Team also include elements on principles on security and human rights.

At the time of this report, 100% of Baker Hughes security personnel, including embedded security contractors, have completed training on principles on security and human rights, and annual refresher training will be required going forward. Our security vendors are expected to adhere to the Baker Hughes Supplier Integrity Guide, which includes guidelines on Human Rights. We are also working to incorporate principles on security and human rights into future requests for proposals and tenders to ensure all security suppliers and contractors understand and adhere to our commitments to ethical business conduct going forward.

Throughout 2021, the Security team also remained focused on protecting the safety and security of our employees, supporting the Company's ongoing COVID-19 response, and increasing preparedness for other potential unplanned situations. This includes supporting the ERM program and security risk associated with a response to a significant disruption event.

Employee engagement and reporting

Other priorities included monitoring global developments and educating and equipping employees to recognize, report, and prevent an array of potential risks at our workplaces, while traveling, or across our operations. Workplace violence, natural disasters, terrorism, and broader socioeconomic or geopolitical risks are just a few of the potential risks monitored and managed.

Virtual town halls, security-awareness campaigns, and webinars were conducted with increased attendance and engagement in 2021 versus the prior year. Completion rates for all-employee-required security training also increased, as well as utilization of the Company's security reporting tool with 587 submissions in 2021 versus 133 in 2020, when the tool was initially launched. The reporting tool enables the Security team to respond to employee concerns or incidents quickly and track trends over time to improve the effectiveness of our programs and better support employees.

The reporting system allows employees to report security-related concerns and incidents/potential incidents that are then escalated to regional security teams to address. The system enables a quick response and ability to track trends over time to improve the effectiveness of our security programs and better support employees.

Crisis management and business continuity

The Security team oversees the administration, governance, and implementation of the crisis management and business continuity programs for Baker Hughes through global standards and processes, training, exercises, resources, and ongoing engagement.

Our crisis management structure is composed of enterprise, product company, regional, country, and site teams charged with monitoring and managing the Company's response to a crisis or emergency that impacts or has the potential to impact Baker Hughes' employees and operations. Our crisis management teams (CMTs) also play a key role in relief and recovery efforts, including actions to mitigate business continuity, coordinating employee support, informing community giving decisions, and engaging with customers, among other activities.

Throughout the year, the security team continued supporting our CMTs globally in response to the fluid COVID-19 situation and other events across the globe. Training, exercises, and drills were increased to ensure preparedness for other potential situations beyond COVID-19, including extreme weather, civil unrest, and geopolitical escalations. To support our communities and recognize employees across our response teams for their efforts throughout the pandemic, the Baker Hughes Foundation donated $35,000 across five non-

profits selected by each regional CMT, including **Food Aid Foundation**, **UNICEF**, **Mozambique School Lunch Initiative**, **Give India**, **Fresh Spirit Wellness for Women, Inc.**, and the **Dara Private Foundation**. Employees were also recognized by leadership and in global communications.

Situation monitoring, travel, and emergency notifications

At the center of Baker Hughes' security operations is the Global Intelligence and Travel Security Operations Center (GITSOC) focused on monitoring global developments and issuing timely updates, administering the travel security program for high-risk locations, and operating the emergency-notification system for critical communications and operational impact.

In 2021, the GITSOC and the broader security organization continued to keep employees and leadership informed of global events through timely dissemination of security advisories, notifications, or alerts. Social unrest persisted in response to COVID-19 prevention policies, most notably in Europe. Other events included geopolitical, socioeconomic, and criminal and terrorist related activity in the Middle East, Sub-Saharan Africa, and Europe, as well as mass casualty events and high-profile trials in the US.

In addition, an assessment of the Company's travel security program was conducted, and we continued to support employee travelers. Since the start of the pandemic, the GITSOC has played a critical role helping travelers impacted by border closures return home to their families safely. As restrictions and requirements evolved, employees were kept informed of changes and safety and compliance were continually reinforced.

The Baker Hughes emergency notification system was expanded in 2021 to enable CMTs and site teams to use the system in any crisis or emergency, as opposed to using it exclusively for security threat messaging as it was historically. Testing was conducted across several high-risk countries. To increase the Company's ability to contact employees in a crisis, a global communications campaign was launched to drive further adoption of the system.

Privacy and cybersecurity

Baker Hughes takes cybersecurity and data privacy very seriously. We are committed to individual's rights to data protection and privacy, building digital trust through sound oversight of cybersecurity and data privacy protections, the responsible use of data and technology. We protect our digital systems and data through a comprehensive cybersecurity management program, and we operate a comprehensive Cyber Fusion Center to coordinate resources, reduce incident response time, and shift toward a proactive cyber-defense model.

Oversight responsibilities for our cybersecurity and privacy programs and risks lie with the Audit Committee of our Board of Directors. The Board appreciates the rapidly evolving nature of cyber threats and is committed to the prevention, timely detection, and mitigation of the effects of any such incidents on the Company and our stakeholders. Our Board is actively engaged in the oversight of our cybersecurity program. Our Audit Committee receives reports on the Company's cybersecurity program and developments from our Chief Information Officer and Chief Information Security Officer at each of our regular Board meetings. These reports include analyses of recent cybersecurity threats and incidents across the industry, as well as a review of our own security controls, assessments and program maturity, and risk mitigation status.

At the operational level, we take a cross-functional and collaborative approach to address and mitigate cybersecurity and privacy risks, with the Chief Information Security Officer and Cyber Fusion Team working with legal, Privacy Office, controllership, and the internal audit functions.

Cybersecurity

We leverage the National Institute of Standards and Technology (NIST) cybersecurity framework to drive strategic direction and maturity improvement. We also engage third party security experts for risk assessments and program enhancements, including ransomware vulnerability assessments, cybersecurity tabletop exercises, and internal phishing awareness campaigns. We also maintain information security risk insurance coverage. The Company has not experienced a material cybersecurity breach to date.

We also include multi-domain cybersecurity training as part of our required annual training program. In addition, training and awareness is integrated and continues throughout the year, utilizing various delivery methods such as phishing campaigns, live training sessions, and informational articles.

Data privacy

Baker Hughes has a Global Data Privacy Program in place which is designed to ensure that personal data will be protected and handled in accordance with applicable law, Baker Hughes policies, and applicable contractual obligations. The mandate and goal of our Global Data Privacy Program is to mitigate risks and create a global framework for data privacy-compliant business operations. We drive accountability for responsible use of data and technology through our Company's Values, our Code of Conduct, and our compliance and integrity programs. We have mandatory cybersecurity and privacy trainings and ongoing awareness campaigns for our employees to understand Baker Hughes policies and compliance requirements relevant to their functions. This helps to build our employees' capacity to handle data correctly and with clear accountability and it safeguards our Company by providing data privacy risk assurance.

Incident reporting

Employees and stakeholders have the ability to report cybersecurity threats, data privacy incidents, or other concerns through a toll-free hotline or via the intranet for employees. All incidents are then reviewed and investigated as needed by the Cyber Fusion Center and the Chief Privacy Officer.

Product security

Our product security approach spans three critical cornerstones: people, process, and technology. It is based on international standards, regulations and industry best practices, such as:

- NIST Cybersecurity Framework — Framework for management of cybersecurity risks
- ISO 27001–Information technology — Security techniques
- IEC-62443 suite – Industrial Network and System Security

This holistic approach seeks to ensure that organizational and technical security measures are integrated into the product development lifecycle at all stages, from requirements specification to design, implementation, operation, and maintenance. Methods and tools commonly accepted by both the security and industry communities are used to ship products free of known vulnerabilities. Baker Hughes serves as a trusted partner to energy-related operators willing to keep or improve their operational security posture.

Human rights

Human rights are fundamental rights and freedoms to which every individual is equally and inalienably entitled. While governments have the duty to protect the rights of citizens, we recognize human rights as a universal obligation to uphold and a principal core to Baker Hughes' business practices everywhere we operate. As a member of the UN Global Compact, we are committed to communicating progress toward the Ten Principles and partnering across sectors to advance the SDGs.

Our Human Rights Policy applies to all employees, business partners, vendors, suppliers, and contractors. This policy is informed by the UN Guiding Principles on Business and Human Rights. The Baker Hughes Code of Conduct, supported by a framework of policies and guidelines, sets forth the expectations that we do what is right and safe, and considers the wellbeing of our people, customers, communities, and environment. We integrate onboarding, training, management, due diligence, and reporting systems to identify, prevent, mitigate, and take prompt corrective action to address identified compliance issues. Due diligence tools we rely on include, but are not limited to, legal and regulatory compliance reviews and supplier audits. When adverse human rights impacts are identified relating to our business activities or from linkages to our operations, we are committed to taking timely and transparent action to remediate in a fair and equitable manner. Grievance mechanisms are available for all individuals across our value chain, including our Ombuds process and our Baker Hughes Help Line, which is operated by an independent third party. The service is available 24 hours a day. Confidentiality is respected and individuals may choose to remain anonymous.

Our human rights commitments

- We commit to responsible business practices, high standards of integrity and ethical conduct, compliance with all applicable laws, and respect for the rights and dignity of all people. We respect internationally recognized human rights as expressed in the International Bill of Human Rights and the fundamental conventions of the International Labour Organization Declaration on Fundamental Principles and Rights at Work (see our Human Rights Policy Statement). If there is a conflict between internationally recognized human rights and national laws, the Company will follow processes that seek ways to honor the principles of international human rights.
- We prohibit slavery, servitude, forced and compulsory labor, human trafficking, and child labor—collectively "modern slavery." (See our Modern Slavery Act Statement.) We prohibit discrimination or harassment against any employee or applicant based on race, color, religion, national or ethnic origin, sex (including pregnancy), sexual orientation, gender identity or expression, age, disability, veteran status, or other characteristics protected by law. (See our Fair Employment Practices Statement available on every vacancy announcement.)
- We are committed to providing a work environment free from all unlawful forms of harassment and bullying, including sexual harassment, and furthering workplace health and safety.
- We respect the freedom of association and right to collective bargaining.
- We respect individual privacy rights and commit to processing, collecting, handling, and protecting personal information responsibly, in compliance with applicable privacy and information security laws, the Baker Hughes Data Privacy Policy, and related policies, guidelines, and notices.
- We commit to avoiding complicity in human rights abuses or violations, consistent with Principle 2 of the UN Global Compact.
- We respect the human rights of local communities, including vulnerable, marginalized, and indigenous groups. Our businesses engage with communities, customers, local governments, and other key stakeholders to integrate local considerations into operational plans. In instances where local communities may be adversely impacted by our activities, our businesses are supported by functional teams and processes which work to manage and mitigate potential impacts on public well-being.

  For example, reconciliation with Canada's indigenous population has become a growing priority for the country's energy industry. As part the Baker Hughes commitment to respecting rights of local communities, every member of the Canadian leadership team has taken cultural awareness training to learn more about Canada's indigenous population and the process of reconciliation. The training provides an overview of Canada's indigenous history and offers perspectives on present-day engagement. Baker Hughes in Canada is working to further reconciliation efforts through the Indspire scholarship program and refining our strategies to work with indigenous communities and businesses.

Sustainable supply chains

Baker Hughes is part of a broad global supply chain, and we source materials from many countries around the world. In addition to managing our own corporate responsibility performance, we also have a desire to ensure that the suppliers we work with adhere to high standards. As a major equipment manufacturer and service provider, we have some influence, along with our peer companies, to help raise the standards of our industry. Our Supplier Integrity Guide governs all aspects of our relationships with suppliers, contractors, consortium partners, and consultants. Our Supplier Social Responsibility Program (SSRP) is intended to set standards for and monitor compliance of HSE performance, ethics, compliance, and respect for human rights. Suppliers that are flagged as high risk in regards to social responsibility would be audited on the standards as listed on the previous page.

Our sustainable supply chain framework consists of four core pillars, outlined below. As a part of the SSRP, all new direct material suppliers are screened and assessed for social risks. We believe that integrity and compliance are a foundational element of our culture. Our direct suppliers are required to hold their own suppliers to equivalent standards. Our enterprise-wide global ethics and compliance program is designed to prevent, detect, and appropriately respond to any potential violations of the law or Company policies, and this program applies to our direct material suppliers. We plan to continue to enhance our supplier social responsibility frameworks in the future, through the addition of new programs addressing supply chain labor and emissions reporting.

Supplier integrity management

We review our direct material suppliers to determine our SSRP applicability through our common supplier onboarding process.

Assessment: We take a risk-based approach to our supply chain auditing program to identify higher risk suppliers based on country risks, the supplier's past performance, and other factors. We look to continuously improve our risk profiling by further identifying additional risk factors, such as process risks, to include in our reviews. Additionally, pre-engagements and on-site periodic assessments are the responsibility of every sourcing professional as they visit suppliers.

Verification: If suppliers are identified as having the potential for engaging in high-risk activities, then they are subject to audit by our trained auditors. These auditors conduct on-site audits on a one- to five-year basis, using a global questionnaire and risk-weighting metrics. In 2021, we used desktop audits in regions that did not allow travel or that had COVID-related health and safety risks for our sourcing auditors. In some areas, we did resume on-site supplier audits and plan to continue in 2022.

Requirements: Our Supplier Integrity Guide prohibits activities associated with human trafficking, such as withholding passports, charging recruitment fees, and misleading recruitment. Our guide also imposes certain affirmative obligations on suppliers, such as a requirement to reimburse workers for transportation costs and to provide workers with written contracts in a language they understand. The guide encourages open and direct reporting.

Accountability: All assessment findings from on-site audits are recorded in our automated assessment tracking tool. This tool monitors each assessment finding of concern until it is closed, which occurs only after the supplier provides evidence that all noted findings of concern have been corrected.

Supplier Social Responsibility

Under our Supplier Social Responsibility program (SSRP), we audited 111 more suppliers in 2021 than in 2020. In addition, we revealed 1,696 red-flag audit findings[22] in 2021, and 95% of them were closed within 90 days. We will suspend business relationships with suppliers immediately in the case of serious labor-related findings.

SSRP Metrics

METRIC	2019	2020	2021
Number of certified SSRP auditors	145	152	93
Number of SSRP audits	590	434	545
Number of SSRP audit red-flag findings	3,301	965	1,696
% of audits that were re-audits	64%	74%	82%
% of audit red-flag findings closed within 90 days	96%	83%	95%
Number of suppliers rejected due to SSRP policy	55	21	52

[22] A red-flag finding is a warning sign. Once found, new suppliers should not be issued an order unless further review indicates that there is no issue or until significant progress has been made on the corrective action.

Tax

Baker Hughes is committed to ensuring compliance with tax requirements worldwide and to maintaining an open and constructive relationship with tax authorities. Baker Hughes has zero-tolerance for tax evasion and maintains procedures to prevent the facilitation of tax evasion.

Baker Hughes recognizes that, among its duties to its shareholders, it has an obligation to pay no more tax than is due under laws and regulations of countries in which Baker Hughes and its subsidiaries operate, in accordance with rules set by governments.

In 2021, Baker Hughes reported net tax cash payments to governments totaling $314 million. Our tax payments are disclosed as part of our audited financial statements.

The Vice President of Tax is responsible for, and implements, Baker Hughes' approach to tax, reporting directly to the Chief Financial Officer. The VP of Tax is supported by a team of in-house tax professionals based in Baker Hughes' primary operational locations. External tax advisors are engaged when there is a need for specialist guidance and support, or in those locations where Baker Hughes' activities do not warrant having an in-house tax resource; however, responsibility for Baker Hughes' tax affairs remains with the VP of Tax and the in-house team.

We have global policies and procedures in place to maintain robust internal controls in relation to the Company's operations including taxation and financial reporting. The Company also complies with the country-specific reporting requirements for multinational entities.

We understand that sometimes there is more than one tax outcome in commercially motivated transactions. However, Baker Hughes does not willfully engage in tax schemes nor structure transactions in such a way that the Baker Hughes tax team considers are contrary to the clear intentions of the tax legislation concerned.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment, and economic development. Where these exist and are applicable to our business, Baker Hughes seeks to apply them in the manner intended, taking external professional advice where necessary.

We monitor changes in tax laws and tax practices in order to manage tax risk. This is a key area of focus of the in-house tax professionals with regular training from both in-house subject matter experts and external advisors, to teach staff the skills to identify and address tax risks. Knowledge is shared among the tax group with the discussion of relevant tax technical information.

It is Baker Hughes' policy to be compliant, transparent, and proactive in interactions with tax authorities. Where appropriate, the Company will engage with tax authorities to assist with the shaping of future legislation and tax policy. Baker Hughes will make fair and accurate disclosures in correspondence and returns and respond to queries and information requests in a timely manner.

Where disputes arise with tax authorities, in areas of doubt or where legal interpretations differ, Baker Hughes endeavors to address the matter promptly, provide support for the position taken and resolve it in a responsible, open, and timely manner. Questions or concerns about issues related to tax can be reported through our public compliance line at reportconcerns.bakerhughes.com, or by calling 1-800-288-8475 (US only) or 1-713-626-0521 (International) to anonymously speak with a third party agent.

Policy engagement and working with governments

Given the breadth and scope of our industry and our global footprint, senior leaders across our operations engage with public officials at all levels of government. At times, public policy can have a significant effect on our business. We believe it is in the best interest of Baker Hughes and our stakeholders that our perspective informs the development of relevant public policies. Our participation in the policymaking process is subject to an extensive framework of laws and regulations and Company policies and internal oversight that demonstrate our commitment to both the letter and the spirit of the laws governing our activities.

Baker Hughes may, from time to time, contribute to candidate or issue committees and other political organizations as generally authorized by its Board of Directors and consistent with applicable laws. Baker Hughes does not currently utilize a Political Action Committee. On an annual basis, the Governance and Corporate Responsibility Committee reviews all corporate political contributions, as well as all nondeductible portions of payments in excess of $50,000 made to trade associations. We publicly report information regarding our advocacy activities and political contributions. For the 2021 reporting year, Baker Hughes did not make any political contributions.

Appendix

Standard Tables

GRI Index

The information in the index below is based on the best available data at time of publication and is subject to change. In some cases, data is estimated and is based solely on our interpretation and judgment. The index below lists indicators from GRI, TCFD, and SASB on which we have full or partially reported. We strive to continually improve our data performance reporting and continue to assess alignment with other emerging frameworks.

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
General disclosures	**102-1**	Name of the organization	a. Baker Hughes Company
	102-2	Activities, brands, products, and services	a. About Baker Hughes, page 12; Form 10-K, Business, pages 1–13
	102-3	Location of headquarters	a. 17021 Aldine Westfield Road, Houston, Texas 77073; Floor, 245 Hammersmith Road, London W6 8PW
	102-4	Location of operations	a. 120 countries; Form 10-K, Properties, page 24
	102-5	Ownership and legal form	a. Form 10-K, Business, page 1
	102-6	Markets served	a.i.iii. About Baker Hughes, pages 12–15; Form 10-K, Business, pages 1–13
	102-7	Scale of the organization	a.i About Baker Hughes, pages 12–15; Form 10-K, Business, pages 1–13 a.ii About Baker Hughes, pages 12–15; Form 10-K, Properties, pages 24 a.iii About Baker Hughes, pages 12–15; Form 10-K, Business, pages 1–13 a.v Data not available
	102-8	Information on employees and other workers	Full-time employees: People, pages 25–35; Other worker types: Data not available
	102-9	Supply chain	a. Supplier diversity, page 30; Engaging with our suppliers, page 46; Sustainable supply chains, page 79
	102-10	Significant changes to the organization and its supply chain	a.i Form 10-K, Business, pages 1–13 a.ii Not applicable a.iii Form 10-K, Business, pages 1–13
	102-11	Precautionary Principle or approach	a. Precautionary Principle not applied. Please see Planet section for additional information
	102-12	External initiatives	a. Strategy and vision, page 13; Stakeholder engagement, pages 19–22
	102-13	Membership of associations	a. Stakeholder engagement, pages 19–22
	102-14	Statement from senior decision-maker	a. Letter from our CEO, pages 4–5
	102-15	Key impacts, risks, and opportunities	a. Letter from our CEO, pages 4–5; Form 10-K, Risk factors, pages 14–23
	102-16	Values, principles, standards, and norms of behavior	a. Principles, pages 61–81
	102-17	Mechanisms for advice and concerns about ethics	a.i.ii Open reporting and consultation, page 67

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
	102-18	Governance structure	a:b. 2022 Proxy Statement, Corporate governance, pages 15–20
	102-19	Delegating authority	a. Governance of corporate responsibility, pages 65–66
	102-20	Executive-level responsibility for economic, environmental, and social topics	a.b. Leadership responsibility, page 66
	102-21	Consulting stakeholders on economic, environmental, and social topics	a. Stakeholder engagement, pages 19–22 b. Corporate governance, page 64
	102-22	Composition of the highest governance body and its committees	a.i:viii. 2022 Proxy Statement, Corporate governance, pages 15–20
	102-23	Chair of the highest governance body	a:b. 2022 Proxy Statement, Corporate governance, page 16
	102-24	Nominating and selecting the highest governance body	a:b. 2022 Proxy Statement, Election of directors, pages 6–15
	102-25	Conflicts of interest	a:b. 2022 Proxy Statement, Certain relationships and related party transactions, page 25
General disclosures	**102-26**	Role of highest governance body in setting purpose, values, and strategy	a. Corporate governance, page 64; Governance of corporate responsibility, pages 65–66
	102-27	Collective knowledge of highest governance body	a. 2022 Proxy Statement, Director skills and experience matrix, page 11
	102-28	Evaluating the highest governance body's performance	a:d. 2022 Proxy Statement, Board evaluation, page 14
	102-29	Identifying and managing economic, environmental, and social impacts	a:b. Corporate governance, page 64; 2022 Proxy Statement, Board and committee oversight of environmental, social and governance matters, page 19
	102-30	Effectiveness of risk management processes	a. Enterprise risk management and sustainability, page 66; 2022 Proxy Statement, Risk management, pages 18–19
	102-31	Review of economic, environmental, and social topics	a. Corporate governance, page 64; Governance of corporate responsibility, pages 65–66
	102-32	Highest governance body's role in sustainability reporting	a. Corporate governance, page 64; Governance of corporate responsibility, pages 65–66
	102-33	Communicating critical concerns	a. Contacting the Board, page 64
	102-35	Remuneration policies	a.b. 2022 Proxy Statement, Director compensation, pages 22–25; Executive compensation, pages 27–51
	102-36	Process for determining remuneration	a:c. 2022 Proxy Statement, Executive compensation, pages 37–38
	102-37	Stakeholders' involvement in remuneration	a:b. 2022 Proxy statement, Executive compensation, page 37
	102-38	Annual total compensation ratio	a. 2022 Proxy Statement, CEO pay ratio disclosure, page 51
	102-40	List of stakeholder groups	a. Stakeholder engagement, pages 19–22
	102-41	Collective bargaining agreements	a. Approximately 25% of employees are represented under collective bargaining agreements or similar-type labor arrangements.
	102-42	Identifying and selecting stakeholders	a. Stakeholder engagement, pages 19–22
	102-43	Approach to stakeholder engagement	a. Stakeholder engagement, pages 19–22

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
	102-44	Key topics and concerns raised	a.i:ii. Stakeholder engagement, pages 19–22
	102-45	Entities included in the consolidated financial statements	a. Form 10-K, Exhibit 21.1, page 114 b. None
	102-46	Defining report content and topic boundaries	a:b. Boundaries and reporting frameworks, page 17
	102-47	List of material topics	a. Boundaries and reporting frameworks, page 17
	102-48	Restatements of information	2019 restatements include: GRI 305; 2020 restatements include: GRI 303, 305, 306, and 404-3
	102-49	Changes in reporting	None
	102-50	Reporting period	a. January 1, 2021 to December 31, 2021
	102-51	Date of most recent report	a. June, 2021
	102-52	Reporting cycle	a. Annual
	102-53	Contact point for questions regarding the report	a. SustainabilityTeam@bakerhughes.com
	102-54	Claims of reporting in accordance with the GRI Standards	a:b. This report has been prepared in accordance with GRI Standards: Core option
	102-55	GRI content index	a.:b. GRI Index, pages 83–90
	102-56	External assurance	a:b. Third party assurance, pages 96-97, 109
Management approach	**103-1**	Explanation of the material topic and its boundary	a:c. Our corporate responsibility framework, pages 16–18
	103-2	The management approach and its components	a:c. Our corporate responsibility framework, pages 16–18
	103-3	Evaluation of the management approach	a.i:iii. Our corporate responsibility framework, pages 16–18
Economic performance	**201-1**	Direct economic value generated and distributed	a.i:iii Direct and indirect economic impacts, page 14
	201-2	Financial implications and other risks and opportunities due to climate change	a.i:v. Climate change as a financial risk and opportunity, pages 47–48
Market presence	**202-2**	Proportion of senior management hired from the local community	a. Percentage not available, 5,515 senior leaders and 62 senior executives b. Senior leaders include everyone in our senior professional band or higher; Senior executives includes everyone in our executive band c. "Local" includes leaders who live outside of the United States d. Baker Hughes conducts business in 120 countries. Our significant operations are those where we conduct manufacturing, assembly, maintenance, and service operations.
Indirect economic impact	**203-2**	Significant indirect economic impacts	a:b. Business and economic impact, pages 14–15

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
Procurement practices	**204-1**	Proportion of spending on local suppliers	a. 77% b. "Local" is defined as being purchased in the same country as the location of the order issuances. c. Baker Hughes conducts business in 120 countries. Our significant operations are those where we conduct manufacturing, assembly, maintenance, and service operations.
Anti-corruption	**205-1**	Operations assessed for risks related to corruption	a. 100%; # of operations: 4 product companies b. Data not available
	205-2	Communication and training about anti-corruption policies and procedures	a. 10, 77% b. 50, 161, 92% c. Data not available d 111, 90% e. 50, 161, 92%
	205-3	Confirmed incidents of corruption and actions taken	a:c. Data not available due to confidentiality constraints d. Material legal actions, if any, are reported in our Form 10-K, Legal proceedings, and financial statements and supplementary data
Anti-competitive behavior	**206-1**	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a:b. Material legal actions, if any, are reported in our Form 10-K, Legal proceedings, and financial statements and supplementary data
Energy	**302-1**	Energy consumption within the organization	a:b. Energy use by category, page 41 c. Electricity consumption – 658,689 MWhs d. We do not sell heat, cooling, or steam. Amount of on-site solar sold is immaterial. e. Energy use by category, page 41 f:g. Energy and climate change, pages 41–45
	302-3	Energy intensity	a. 0.000129 MWh/ $ revenue Note: Our carbon intensity per unit of revenue has decreased (pending verification) b. Revenue in USD c. Fuel and electricity d. Energy usage within the organization
	302-4	Reduction of energy consumption	a:d. Data not available
Water and effluents	**303-1**	Interactions with water as a shared resource	a:d. Water stewardship, pages 51–54
	303-2	Management of water discharge-related impacts	a.i:v. Water stewardship, pages 51–54
	303-3	Water withdrawal	a.i.b Water use, page 54; Water use in stressed areas, page 54 c.i:ii Surface, groundwater, and municipal waters are withdrawn from freshwater (≤1,000 mg/L Total Dissolved Solids). Seawater is withdrawn from other water (>1,000 mg/L Total Dissolved Solids). d. Water stewardship, pages 51–54. Water withdrawal is estimated for any site that did not report usage.

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
	303-4	Water discharge	a.i:iv. Water use, page 54 b.i:c. Water use in stressed areas, page 54. Surface, groundwater, and municipal waters are discharged to freshwater (≤1,000 mg/L Total Dissolved Solids). Seawater is discharged to other water (>1,000 mg/L Total Dissolved Solids). d.i:iii Data not available e. Water stewardship, pages 51–54. Water discharge is estimated for any site that did not report usage.
	303-5	Water consumption	a. Water use, page 54 b. Water use in stressed areas, page 54 c. Standard not applicable d. Water stewardship, pages 51–54
Biodiversity	**304-1**	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	a.i:vii. We have identified 14 sites with operations that are located in or adjacent to a protected area or an area of high biodiversity value outside a protected area. However, we recognize that we are in the early stages of understanding what a full and comprehensive assessment may entail, and there is more work to be done on this topic.
	304-2	Significant impacts of activities, products, and services on biodiversity	a.i:b.iv. No significant impacts known
	304-3	Habitats protected or restored	a. 9 habitats protected or restored b:d. Protecting biodiversity and natural capital, pages 59–60
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	a Total IUCN Red List species: 202 a.i:v. 13 critically endangered species, 39 endangered species, 74 vulnerable species, 4 near threatened species, 71 least concern species. We expanded our review for 2021 and identified 202 IUCN Red List species which have habitats in areas that may be potentially affected by our operations. Our assessment did not reveal any significant impacts on biodiversity from our activities, products, or services.
Emissions	**305-1**	Direct (Scope 1) GHG emissions	a:b. Statements and Notes on Greenhouse Gas Emissions, pages 98–108 c. Not applicable d:g. Statements and Notes on Greenhouse Gas Emissions, pages 98–108
	305-2	Energy indirect (Scope 2) GHG emissions	a:g. Statements and Notes on Greenhouse Gas Emissions, pages 98–108
	305-3	Other indirect (Scope 3) GHG emissions	a. Scope 3 emissions, page 42 b. Statements and Notes on Greenhouse Gas Emissions, pages 98–108 c. Not applicable d. Statements and Notes on Greenhouse Gas Emissions, pages 98–108
	305-4	GHG emissions intensity	a:d. Statements and Notes on Greenhouse Gas Emissions, pages 98–108
	305-5	Reduction of GHG emissions	a. 77,043 MT CO_2e reduction of Scope 1 and 2 GHG emissions versus 2020 b:d. Statements and Notes on Greenhouse Gas Emissions, pages 98–108

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
	305-6	Emissions of ozone-depleting substances (ODS)	a:c 0 MT CFC eq. d. To confirm our zero ODS usage, Baker Hughes surveyed more than 100 Real Estate and Facility Management employees across the globe.
Waste	**306-1**	Waste generation and significant waste-related impacts	a.i:ii. Managing waste, pages 57–58
	306-2	Management of significant waste-related impacts	a:c. Managing waste, pages 57–58
	306-3	Waste generated	a. Waste volume, page 58 b. Managing waste, pages 57–58
	306-4	Waste diverted from disposal	Total: 162,511 MT

Waste directed to disposal (metric tons)

	Hazardous Waste	Non-Hazardous	E-waste	Metals
Offsite preparation for reuse	1,284	4,187	3	
Offsite reclamation	199	1,014		
Offsite recycling			67	
Offsite material recovery				26,790 MTv
Other offsite options	77,340	51,627		

	306-5	Waste directed to disposal	a. Waste volume, page 58

Waste Diverted from Disposal (metric tons)

	Hazardous Waste	Non-Hazardous	E-waste
Offsite incineration with energy recovery	5,257	5,167	
Offsite incineration without energy recovery	1,658	2,601	
Offsite landfilling	14,049	59,401	
Offsite disposal			5
Offsite other disposal operations	155,232	113,919	

Effluents and waste (2016)	**306-3**	Significant spills	a. Preventing spills, page 55 b:c. Data not available
Environmental compliance	**307-1**	Non-compliance with environmental laws and regulations	a.i:b. Form 10 K, Environmental matters, page 91
Supplier environmental assessment	**308-1**	New suppliers that were screened using environmental criteria	a. Data not available
	308-2	Negative environmental impacts in the supply chain and actions taken	a:e. Data not available
Employment	**401-1**	New employee hires and employee turnover	a.b. 2021 Employee turnover and hires, page 32 Data not provided by region and age group.
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	a:b. Compensation and benefits, pages 31–32
	401-3	Parental leave	a:e. Data not available
Labor/ management relations	**402-1**	Minimum notice periods regarding operational changes	We comply with local laws and collective bargaining agreements pertaining to operational changes. Notice periods vary by geography but are generally at least one month.

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
Occupational health and safety	**403-1**	Occupational health and safety management system	a:b. Our management system, pages 68–69
	403-2	Hazard identification, risk assessment, and incident investigation	a:d. Fostering a strong safety culture, pages 69–70; Process Safety Management (PSM), pages 70–71
	403-3	Occupation health services	a. Occupational health and preventative care, page 72
	403-4	Worker participation, consultation, and communication on occupational health and safety	a. Occupational safety, pages 68–71 b. Engagement with work councils occurs where required; Occupational safety, pages 68–71
	403-5	Worker training on occupational health and safety	a. Fostering a strong safety culture, pages 69–70
	403-6	Promotion of worker health	a:b. Health and wellness, pages 72–74
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	a. Process Safety Management (PSM), pages 70–71; Fostering a strong safety culture, pages 69–70
	403-8	Workers covered by an occupational health and safety management system	a:c. Our management system, pages 68–69
	403-9	Work-related injuries	a. Employee fatalities: 0; TRIR: 0.28; Days away from work case rate: 0.13 b. Contractor fatalities: 0 c:d. Process Safety Management (PSM), pages 70–71 e:g. Formula for calculating TRIR: # of recordable cases X 200,000 hours divided by total hours worked. Total hours worked is calculated using factors based on job family data for each employee, such as length of shift and overtime typical of job families.
	403-10	Work-related ill health	a.i Employee fatalities: 0 a.ii Safety performance and occupational health performance, page 71 a.iii Safety performance and occupational health performance, page 71 b.ii:iii Not categorized c. Our formal Baker Hughes Risk Assessment procedure includes a detailed assessment of hazards and the identification of appropriate controls and is required for work activities conducted by our employees and supervised contractors. d. All employees and contractors supervised by the Company are included in these calculated values. Contractors not under day-to-day supervision by BH are excluded from the metrics. e. Baker Hughes follows OSHA standard recording methodologies to determine recordability of illnesses.
Training and education	**404-1**	Average hours of training per year per employee	a.i:ii. Average hours of training, page 34
	404-2	Programs for upgrading employee skills and transition assistance programs	a:b. Career transition, pages 32–33

	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
	404-3	Percentage of employees receiving regular performance and career development reviews	a:b. Employees receiving regular performance and career development reviews, page 34
Diversity and equal opportunity	**405-1**	Diversity of governance bodies and employees	a.i:iii 2022 Proxy statement, Director nominees, pages 7–10 b.i Male - data not available; female - 19% b.ii Age diversity at Baker Hughes, page 28 b.iii People dashboard, page 8
	405-2	Ratio of basic salary and remuneration of women to men	a:b. Data breakdown not available, but company-level data is available in our 2020 UK Gender Pay Gap Report
Non-discrimination	**406-1**	Incidents of discrimination and corrective actions taken	a:b.iv Data not available due to confidentiality constraints
Child labor	**408-1**	Operations and suppliers at significant risk for incidents of child labor	a:b. Data not available c. Sustainable supply chains, page 79
Forced or compulsory labor	**409-1**	Operations and suppliers at significant risk for incidents of forced or compulsory labor	a.i:ii Data not available b. Sustainable supply chains, page 79
Security practices	**410-1**	Security personnel trained in human rights policies or procedures	a. 100 % b.b. Security, page 75
Rights of indigenous peoples	**411-1**	Incidents of violations involving rights of indigenous peoples	a.:b.iv Data not available due to confidentiality constraints
Human rights assessment	**412-1**	Operations that have been subject to human rights reviews or impact assessments	a. Data not available
	412-2	Employee training on human rights policies or procedures	a. Data not available b. 92%
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	a. None b. Significant investment agreements includes business development deals (e.g., merger and acquisition investments and debt-related deals)
Local communities	**413-2**	Operations with significant actual and potential negative impacts on local communities	a.i:ii Restoring our environment, page 60; Form 10-K, Environmental matters, page 91
Supplier social assessment	**414-1**	New suppliers that were screened using social criteria	a. 13%
	414-2	Negative social impacts in the supply chain and actions taken	a. 545 b. Data not available c. 1,696 d. 95% e. 52
Public policy	**415-1**	Political contributions	a:b. Political contributions report
Customer privacy	**418-1**	Substantiated complaints concerning breaches of customer privacy and losses of customer data	a. 0 substantiated complaints received concerning breaches of customer privacy b. 0 identified leaks, thefts, or losses of customer data
Socioeconomic compliance	**419-1**	Non-compliance with laws and regulations in the social and economic area	a.i:c. Material legal actions, if any, are reported in our Form 10-K, legal proceedings, and financial statements and supplementary data

Index to SASB sector standards

SECTOR	TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Oil & gas–services	Emission reduction services & fuels management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110a.1	(1) Total Non-Renewable Fuel Consumption: 7,134,171 GJ (2) Data not available (3-1) Data not available (3 -2) Data not available
		Discussion of strategy or plans to address air emission-related risks, opportunities, and impacts	EM-SV-110a.2	Energy and climate change, pages 41–46
		Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110a.3	Data not available
	Water management services	(1) Total volume of fresh water handled in operations, (2) percentage recycled	EM-SV-140a.1	(1) Standard not applicable (2) Standard not applicable
		Discussion of strategy or plans to address water consumption and disposal related risks, opportunities, and impacts	EM-SV-140a.2	Water stewardship, pages 51–54
	Chemicals management	Volume of hydraulic fracturing fluid used, percentage hazardous	EM-SV-150a.1	(1) Data not available (2) Data not available
		Discussion of strategy or plans to address chemical related risks, opportunities, and impacts	EM-SV-150a.2	Managing chemicals, pages 56–57
	Ecological impact management	Average disturbed acreage per (1) oil and (2) gas well site	EM-SV-160a.1	(1) Standard not applicable (2) Standard not applicable
		Discussion of strategy or plan to address risks, opportunities related to ecological impacts from activities	EM-SV-160a.2	Protecting biodiversity and natural capital, pages 59–60; Restoring our environment, page 60

SECTOR	TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
	Workforce health & safety	(1) Total Incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incidents (TVIR), and (5) average hours of health, safety, and emergency response training for (a) full-time employees, (b) contract employees, and (c) short-service employees	EM-SV-320a.1	(1a) 0.28 (1b) Data not available (1c) Data not available (2a) Data not available. Absolute value is zero (2b) Data not available. Absolute value is zero (2c) Data not available (3a) Data not available (3b) Data not available (3c) Data not available (4a) Data not available (4b) Data not available (4c) Data not available (5a) Data not available (5b) Data not available (5c) Data not available
		Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	EM-SV-320a.2	Process Safety Management (PSM), pages 70–71
	Business ethics & payments transparency	Amount of net revenue in countries that have 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-510a.1	$164,020,327.10
		Description of management systems used for prevention of corruption and bribery throughout the value chain	EM-SV-510a.2	Compliance and anti-corruption, page 67
	Management of the legal and regulatory environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-530a.1	Stakeholder engagement, pages 19–22; Policy engagement and working with governments, page 81
	Critical incident risk management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	Process Safety Management (PSM), pages 70–71
Oil & gas–exploration & production	Biodiversity impacts	(1) Number and aggregate volume of hydrocarbon spills, (2) volume in Arctic, (3) volume impacting shorelines with ESI rankings 8-10, and (4) volume recovered	EM-EP-160a.2	(1) 6 barrels of oil; 2 barrels of fuel (2) 0 barrels (3) Data not available (4) Data not available

SECTOR	TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Electrical & electronic equipment	Waste management	(1) Amount of hazardous waste generated, (2) percentage recycled	RT-EE-150a.1	(1) 217,698 metric tons (2) 19%
Technology–hardware	Product security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	Privacy and cybersecurity, pages 76–77
	Employee diversity & inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1	(1) Baker Hughes does not report this data for "technical staff" specifically (2) Data for all US employees can be found in the 2021 EEO-1 disclosure

Activity metrics[23]

SECTOR	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Oil & gas–services	Number of active rig sites	EM-SV-000.A	Standard not applicable
	Number of active well sites	EM-SV-000.B	Standard not applicable
	Total amount of drilling performed	EM-SV-000.C	Standard not applicable
	Total number of hours worked by all employees	EM-SV-000.D	Data not available

[23] As a core business function, Baker Hughes supplies equipment and services to the upstream oil and gas segment. It is the traditional and prevailing role of our customers to own and operate upstream mineral assets. However, in certain circumstances, our Integrated Well Services (IWS) business enters into Lump Sum Turnkey (LSTK) commercial arrangements whereby we manage the well construction process on behalf of our customers. In 2021, we drilled 68 wells as part of LSTK contract fulfillment.

TCFD Index

The following table references Baker Hughes 2021 financial and sustainability disclosures with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

1. Governance

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe the boards' oversight of climate-related risks and opportunities	• Protecting the environment, page 48 • Governance of environment, page 49 • Corporate governance, page 64 • Governance of corporate responsibility, pages 65–66 • 2022 Proxy Statement, governance and corporate responsibility committee, page 18 • 2022 Proxy Statement, risk oversight, pages 18–20
Describe management's role in assessing and managing climate-related risks and opportunities.	• Protecting the environment, pages 48–49 • Governance of environment, page 49 • Enterprise and risk management and sustainability, page 66 • Sustainable supply chains, page 79 • Policy engagements and working with governments, page 81

2. Strategy

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe the climate-related risks and opportunities the organization has identified over the short- medium- and long-term.	• CEO letter, pages 4–5 • Climate change as a financial risk and opportunity, page 47 • Form 10-K, risk factors, page 20
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	• CEO letter, pages 4–5 • Sustainability Steering Team Chair letter, pages 6–7 • Strategy and vision, page 13 • Innovation and collaboration, pages 14–15 • Climate change as a financial risk and opportunity, page 47
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• Climate change as a financial risk and opportunity, page 47

3. Risk Management

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe the organization's processes for identifying and assessing climate-related risks.	• Energy and climate change, page 41 • Climate change as a financial risk and opportunity, page 47
Describe the organization's processes for managing climate-related risks.	• Meeting our emissions reduction goals, page 43 • Transition Opportunity and Risk, Physical Risk Management, pages 47–48 • Protecting the environment, pages 48–49 • Governance of environment, page 49 • Protecting air quality, pages 55–56 • Enterprise and risk management and sustainability, page 66 • Sustainable supply chains, page 79
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	• Enterprise and risk management and sustainability, page 66

4. Metrics and Targets

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	• Improving processes, systems, and reporting, page 50 • Energy and climate change, page 41 • Statement and Notes on Greenhouse Gas Emissions, pages 98–108
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	• Scope 1 and 2 GHG emissions, page 41 • Scope 3 GHG emissions, page 42
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	• Our planet strategy, page 40 • Scope 1 and 2 GHG emissions, page 41 • Scope 3 GHG emissions, page 42 • Meeting our emissions reduction goals, page 43

KPMG LLP
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Independent Accountants' Report

To the Board of Directors and Management
Baker Hughes Company:

We have examined the Scope 1 and 2 greenhouse gas emissions data and related notes in the accompanying Statements and Notes on Greenhouse Gas Emissions (the "GHG Statements") for Baker Hughes Company (the "Company") for the year ended December 31, 2021 (the "GHG Examination Subject Matter") included in the Baker Hughes 2021 Corporate Responsibility Report (the "Report"). We have also reviewed the Scope 3 greenhouse gas emissions data and related notes in the GHG Statements for the Company for the year ended December 31, 2021, and the Scope 1, 2, and 3 greenhouse gas emissions data and related notes in the GHG Statements for the Company for the year ended December 31, 2019 (the "GHG Review Subject Matter") included in the Report. Management of the Company is responsible for presenting the GHG Examination Subject Matter and the GHG Review Subject Matter in accordance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition, GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and Corporate Value Chain (Scope 3) Accounting and Reporting Standard (collectively, the "GHG Protocol"). Our responsibility is to express an opinion on the GHG Examination Subject Matter based on our examination, and to express a conclusion on the GHG Review Subject Matter based on our review.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the GHG Examination Subject Matter is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the GHG Examination Subject Matter. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the GHG Examination Subject Matter, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the GHG Review Subject Matter in order for it to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether the GHG Review Subject Matter is in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence we obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

The procedures we performed in our review were based on our professional judgment and consisted primarily of inquiries of management to obtain an understanding of the methodology and inputs used in deriving the GHG Review Subject Matter, recalculating a selection of the GHG Review Subject Matter based on the methodology and inputs identified by management, and performing analytical procedures.

Our examination was limited to the GHG Examination Subject Matter presented in the Report and our review was limited to the GHG Review Subject Matter presented in the Report. The Report includes other information and metrics that were not subject to our examination or review procedures. Accordingly, except to the extent stated in our Independent Accountants' Review Report on selected people metrics, we do not express an opinion, conclusion, or any other form of assurance on such information or metrics. For certain metrics and disclosures within the GHG Statements, information for previous years was presented to provide comparative information, and only certain of those metrics and disclosures were historically reviewed by us. Such information should be read in conjunction with the Baker Hughes 2020 Report on Corporate Responsibility. Additionally, the Report includes prospective information such as ambitions, strategy, plans, and expectations. Inherent to prospective information, the actual future results are uncertain. We do not express an opinion, conclusion, or any other form of assurance on any prospective information in the Report.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

As described in Note 1 of the GHG Statements, environmental and energy use data are subject to measurement uncertainties resulting from limitations inherent in the nature and methods of determining such data. Obtaining sufficient appropriate examination evidence to support our opinion and sufficient appropriate review evidence to support our conclusion does not reduce the inherent uncertainty in the data. The selection by management of different but acceptable measurement techniques could have resulted in materially different measurements.

As described in Note 2 of the GHG Statements, the Company has recalculated its 2019 Scope 1, 2, and 3 emissions to account for structural changes, additional field activities, and enhancements in methodology and data collection to enable comparability of emissions over time, in accordance with the GHG Protocol.

In our opinion, the GHG Examination Subject Matter is in accordance with the GHG Protocol, in all material respects.

Based on our review, we are not aware of any material modifications that should be made to the GHG Review Subject Matter in order for it to be in accordance with the GHG Protocol.

KPMG LLP

June 24, 2022

Statements and Notes on Greenhouse Gas Emissions

Statements and Notes on Greenhouse Gas Emissions

Greenhouse gas emissions summary table (MT CO_2e)	2019	2021
Total Scope 1 Emissions	515,384	391,346
Total Scope 2 Indirect Emissions – Market Based	271,207	215,996
Total Scope 1 and 2 emissions	786,591	607,342
Total Scope 3 Emissions	180,190,538	237,010,432

Note 1 – Company

The Statements and Notes on Greenhouse Gas (GHG) Emissions have been prepared based on a calendar reporting year 2021, from January 1, 2021, through December 31, 2021, corresponding to the Baker Hughes Company (the Company) fiscal year. Since the Corporate Responsibility report includes recalculations to the 2019 base year emissions, the Statements and Notes on GHG emissions also include emissions data from a calendar reporting year 2019, from January 1, 2019, through December 31, 2019, corresponding to the Company's fiscal year. The Statements and Notes on GHG Emissions do not include 2020 emissions data since recalculated GHG emissions data for all years between the base year and the reporting year is optional, as noted in the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition.

Scope 1

GHG emissions information has been prepared in accordance with the WRI/World Business Council for Sustainable Development WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. Scope 1 represents direct GHG emissions that occur from sources that are owned or controlled by Baker Hughes.

- **Scope 1, facilities:** Where fuel quantity is known, stationary combustion source methodology is used as described in the EPA Mandatory Reporting Rule, 40 CFR Part 98 Subpart C based on actual purchases during the year. Where fuel quantity is unknown, estimation methodology is based on size of occupied space and type of operation using the US Energy Information Administration (EIA) Commercial Buildings Energy Consumption Survey (CBECS) data.
- **Scope 1, field activities:** Where fuel quantity is known, stationary combustion source methodology is used as described in the EPA Mandatory Reporting Rule, 40 CFR Part 98 Subpart C based on actual purchases during the year, or actual consumption in instances where fuel was not purchased. Where fuel quantity is unknown, fuel quantity is calculated using fuel purchase records, operating hours and an average hourly consumption for field equipment.
- **Scope 1, vehicles and marine vessels:** Where fuel quantity is known, mobile combustion source methodology is as described in the EPA Center for Corporate Climate Leadership GHG Inventory Guidance on Direct Emissions from Mobile Combustion Sources. Where vehicle fuel quantity is unknown, estimation methodology is based on similar vehicles with known fuel usage.

Scope 2

GHG emissions information has been prepared in accordance with the WRI/WBCSD GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard. Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the Company.

- **Scope 2, facilities:** Emissions are calculated from electricity use with EPA eGRID, Canada National Inventory, and International Energy Agency emission factors based on actual purchases during the year. Location-based emissions are calculated using these grid factors by location for our global facility portfolio. We also calculate market-based emissions based on electricity procurement decisions and details including contracts, renewable energy certificates (RECs) in the US, and renewable energy guarantees of origin (REGOs) in the European Union. Where electricity use data is unavailable, estimation methodology involves calculation of energy use based on square footage and facility type using the EIA CBECS data.
- **Scope 2, remote work:** Emissions associated with remote work are included in Scope 2 as a counterbalance to reduced emissions resulting from fewer office-based employees working on-site at our facilities. During 2020, the unprecedented challenges associated with COVID-19 pandemic resulted in remote work requirements for about 90% of our office-based employees. Baker Hughes continues to offer flexible work arrangements to our global employees and remote working has continued in 2021 at a somewhat lower rate. Emissions from home office electricity use were assessed in a Baker Hughes-specific Home Office study. The study assessed the actual electricity use by volunteer employee participants and calculated the corresponding emissions using IEA Emission Factors.

Scope 3

GHG emissions information has been prepared in accordance with the WRI/WBCSD GHG Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard. Scope 3 includes indirect GHG emissions (not included in Scope 2) that occur in the value chain of Baker Hughes, including both upstream and downstream emissions categories listed below.

- Category 1: Spend-based method
- Category 3: Average-data method
- Category 4: Distance and spend-based method
- Category 5: Waste-type-specific method
- Category 6: Distance and spend-based methodology including optional hotel nights
- Category 7: Average-data method
- Category 9: Distance and spend-based method
- Category 11: Direct use-phase from products that directly consume energy during lifetime use of product and GHG released during lifetime use of product
- Category 15: Average-data method

Collectively, the WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard and the GHG Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard are referred to as the "GHG Protocol" in this document.

Estimation uncertainties

The Company obtains energy use data from across our global operations for the calculation of our GHG inventory in accordance with the GHG Protocol. However, there are estimation uncertainties resulting from the limitations inherent in the methodologies used to calculate energy and emissions for the subset of facilities and activities where actual use data is not available. These methodologies are described within the Statements and Notes on GHG Emissions for Scope 1, 2 and 3 emissions categories.

Note 2 – GHG reporting organizational boundaries

The Company has selected the control approach and operational control as the organizational boundary. We include emissions from operations across our wholly owned companies and subsidiaries over which we have operational control, and exclude minority-owned joint ventures not operated by Baker Hughes. Our consolidation approach is also operational.

Operational boundaries

Scope 1-2 Operational boundaries: We include Scope 1 emissions from the combustion of fuels on-site at our facilities, including natural gas, distillate, gasoline, kerosene, propane, residual fuel oil, and hydrofluorocarbons or HFCs. Scope 1 also includes offsite activities associated with transportation in our Company vehicle fleet and field activities related to stimulation work carried out on marine vessels, pressure pumping operations, integrated well services (IWS), and offshore wireline activities. Scope 1 does not include emissions from process and pipeline services (PPS) because robust methods to calculate these are not yet available. Scope 2 includes emissions from the purchase of renewable and nonrenewable electricity used on-site across our global facility portfolio. Baker Hughes accounts for emissions from long-term leased assets (equipment, vehicles, and real estate) that are treated as wholly-owned assets in financial accounting and are recorded as such on the balance sheet. Emissions associated with remote work are also included in Scope 2. For both Scope 1 and 2, the Company includes both owned and leased facilities, vehicles, and equipment. Facilities subleased to third parties are excluded.

Scope 3 Operational boundaries: Scope 3 includes GHG Protocol Category 1 – purchased goods and services; Category 3 – fuel and energy related activities (not included in Scope 1 and 2); Category 4 – shipments paid for by Baker Hughes and captured in transportation management systems; Category 5 – all waste from operations; Category 6 – all business travel; Category 7 – employee commuting; Category 9 – shipments not paid for by Baker Hughes; Category 11 – direct-use phase emissions from products and services; Category 15 – equity investments. The Company's Scope 3 operational boundary has been expanded and revised from the prior year. We have restated Category 3 and Category 15 as relevant to the business, as the result of an enhanced screening policy, and Category 2 is currently not being disclosed as the Company is limited in its ability to identify Category 2 purchasing activity separately from Category 1 purchasing activity.

The Scope 3 operational boundary reflects divestitures of business units in Category 3, 5, and 11, and acquisitions of business units in Category 3. For all other categories, the Company is currently developing a process to identify activity related to divestitures and acquisitions and to determine the materiality of such activity.

Base year

The GHG base year applies to Scope 1, Scope 2, and Scope 3 emissions and has been prepared in accordance with the GHG Protocol reporting policies set out herein. The Company has established 2019 as the base year for Scope 3. Aligned to the Scope 1 and 2 base year, we believe the Scope 3 base year provides an accurate view of our Company and its emissions profile with an enhanced accounting methodology and expanded Scope 3 reporting boundary. We have recalculated our 2019 Scope 1 and 2 emissions to account for recent company structural changes, additional field activities, and enhancements in methodology. We have recalculated our 2019 Scope 3 emissions to account for recent company structural changes, additional activities, and enhancements in methodology and data collection. The recalculation of our fixed-base year emissions after structural changes, and enhanced data quality and information, is in accordance with the WRI/ WBCSD Greenhouse Gas Protocol's "same-year/all-year" approach. Adjustments to the Scope 1 and 2 2019 base year were made for:

1. divestiture of one business unit
2. acquisition of three business units
3. incorporation of EU residual mix emission factors
4. change in calculation methodology for pressure pumping field activities
5. incorporation of offshore wireline activities and integrated well services (IWS) customer-supplied fuel

Adjustments to the Scope 3 2019 base year were made for:

1. divestiture of one business unit for Category 3, 5 and 11.
2. acquisition of three business units for Category 3.
3. incorporation of additional activity data and changes to calculation methodology for Category 4 and 6.
4. incorporation of all direct use-phase emissions across all operating segments for Category 11.

In accordance with the GHG Protocol, Baker Hughes has established a policy to recalculate base year emissions based on a 5% cumulative significance threshold applied to adjustments of Scope 1, Scope 2, and Scope 3 categories individually for any reporting year. Significant changes evaluated for recalculation include improvements in accuracy of emissions factors or activity data, errors, inventory boundary, methods, or any other relevant factors.

Greenhouse gases covered

Emissions data is provided in metric tonnes (MT) for each GHG separately. The GHG emissions disclosed in the Statements and Notes on GHG Emissions include the following seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF_3), and sulphur hexafluoride (SF_6). The total metric tonnes of carbon dioxide equivalent (CO_2e) is also provided in accordance with the GHG Protocol. Please see emissions data in GHG Emissions Factors table on next page.

Market-based approach

Carbon emissions can be reduced through energy efficiency and conservation measures and by increasing the use of zero-carbon or low-carbon energy sources. The market-based approach calculates the carbon emissions based on our electricity procurement decisions which include the use of renewables and zero-emissions energy sources such as nuclear. Details including contracts, renewable energy certificates (RECs), and renewable energy guarantees of origin (REGOs) are used in calculating market-based emissions. We use market-based values to assess our performance against our stated emissions reduction goals in the current reporting year as compared to our base year.

Global warming potentials

GHG emissions were calculated using the Global Warming Potentials (GWP) from the International Panel on Climate Change (IPCC) Fifth Assessment Report (AR5 – 100 year), except for instances where a third-party agency's published emission factors use GWP from a prior Assessment Report.

GHG Emissions Factors

	EMISSIONS SCOPE	EMISSIONS SOURCE	EMISSIONS FACTORS
Scope 1	Vehicle	Distillate fuel, gasoline/petrol	2019: United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020. 2021: United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), April 1, 2021. 2019 and 2021: United States – Environmental Protection Agency (EPA), Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2016 EPA 430-R-18-003, Annex 3.2
	Field activities (pressure pumping, wireline, integrated well services, and marine vessels)	Distillate fuel	2019: United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1 and 5), March 26, 2020. 2021: United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1 and 5), April 1, 2021.
	Facilities	Natural gas, distillate, gasoline, kerosene, LPG, propane, residual fuel oil, HFCs	2019: United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020. 2021: United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), April 1, 2021.
Scope 2	Facilities	Electricity	2019: United States – Environmental Protection Agency (EPA) eGRID 2018, March 9, 2020; 2019 Canada National Inventory Report 1990-2017, Annex 13-2 through 13-14, 2019; International Energy Agency (IEA) – IEA 2017 released 2019; Association of Issuing Bodies, European Residual Mixes 2019, Version 1.1, August 9, 2020 2021: United States – Environmental Protection Agency (EPA) eGRID 2019, February 23, 2021; 2021 Canada National Inventory Report 1990-2019, Part 3, Table A13-2 through Table A13-14, July 2021 International Energy Agency (IEA) – IEA 2021 released September 2021; Association of Issuing Bodies, European Residual Mixes 2020, Version 1.0, May 31, 2021
	Remote work	Electricity	2019: International Energy Agency (IEA) – IEA 2017 released 2019 2021: International Energy Agency (IEA) – IEA 2021 released September 2021
Scope 3	Category 1	Purchased goods and services	2019: EXIOBASE 3 EE MRIO tables, Version 3.7, December 18, 2019 2021: EXIOBASE 3 EE MRIO tables, Version 3.8.2, October 21, 2021
	Category 3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	GHG Protocol and Quantis "Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool," last updated February 2021
	Category 4	Upstream transportation and distribution	2019: DEFRA 2019. UK Government GHG Conversion Factors for Company Reporting 2019, v 1. Freighting Goods Table 2021: DEFRA 2021. UK Government GHG Conversion Factors for Company Reporting 2021, v 1. Freighting Goods Table
	Category 5	Waste generated in operations	2019: DEFRA 2019. UK Government GHG Conversion Factors for Company Reporting 2020, v 1. Waste Disposal Table 2021: DEFRA 2021. UK Government GHG Conversion Factors for Company Reporting 2021, v 1. Waste Disposal Table

EMISSIONS SCOPE	EMISSIONS SOURCE	EMISSIONS FACTORS
Category 6	Business travel	2019: United States–Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Tables 2 and 10), March 26, 2020. UK Government–DEFRA GHG Conversion Factors for Company Reporting (hotel stay, Business travel- air, Business travel- land), 2019. UK Government–DEFRA GHG Conversion Factors for Company Reporting (Business travel- land), 2020. 2021: UK Government–DEFRA GHG Conversion Factors for Company Reporting (hotel stay, Business travel- air, Business travel- land), 2021. United States - Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Tables 2 and 10), April 1, 2021. 2019 and 2021: India GHG Program 2015. v 1, Passenger Car Table, p9 US EPA Environmentally-Extended Input-Output (USEEIO) v1.1
Category 7	Employee commuting	2019: United States–Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 10), March 26, 2020. 2021: United States–Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 10), April 1, 2021.
Category 9	Downstream transportation and distribution	2019 and 2021: Same as Category 4
Category 11	Use of sold products	SimaPro 8.4 2017 Global electricity consumption impact factor, International Panel on Climate Change (IPCC) Global Warming Potentials (GWP) 100-year (Ecoinvent 3.3 database) International Energy Agency (IEA) – IEA 2017 released 2019 International Energy Agency (IEA) – IEA 2021 released September 2021 Ecoinvent 3.6 database United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 7), March 26, 2021. United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 7), April 1, 2021. IEA SDG7: Data and Projections, "Energy intensity," April 2022.
Category 15	Investments	GHG Protocol and Quantis "Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool," last updated February 2021

Note 3 – CO_2e intensity

Market based: MT CO_2e per $ revenue		
	2019	2021
Scope 1 per $ revenue	0.000022	0.000019
Scope 2 per $ revenue	0.000011	0.000011
Scope 3 per $ revenue	0.007559	0.011560
Total per $ revenue	**0.007592**	**0.011590**
Total revenue (millions USD)	**$23,838**	**$20,502**

Note 4 – Emissions data by GHG

GHG emissions by gas (MT CO_2e)									
		CO_2	CH_4	N_2O	HFCS	PFCS	NF_3	SF_6	TOTAL
2021	Scope 1	387,665	1,147	1,399	1,135	0	0	0	**391,346**
	Scope 2, Location-based approach	246,949	354	688	N/A	N/A	N/A	N/A	**247,991**
	Scope 2, Market-based approach	215,238	244	514	N/A	N/A	N/A	N/A	**215,996**
2019	Scope 1	513,019	391	1,615	359	0	0	0	**515,384**
	Scope 2, Location-based approach	290,944	430	812	N/A	N/A	N/A	N/A	**292,186**
	Scope 2, Market-based approach	270,116	368	722	N/A	N/A	N/A	N/A	**271,206**

Note 5 – Emissions data on direct or biogenic CO_2 emissions from biologically sequestered carbon

There are no emissions applicable to biologically sequestered carbon (e.g., CO_2 from burning biomass or biofuels).

Note 6 – Information on offsets

It is the Baker Hughes sustainability policy to exhaust all carbon emissions reduction pathways prior to starting to use offsets. Carbon offsets are not included in our short to mid-term net-zero roadmap (See Note 2, market-based approach).

Note 7 – Scope 3 reporting

Scope 3 reporting (MT CO_2e)

			2019	2021	NOTES
Upstream Scope 3 emissions	Category 1	Purchased goods and services	4,717,822	4,395,257	Includes all spend related to purchased goods and services, except for utilities (Category 3), logistics (Category 4), and business travel (Category 6).
	Category 2	Capital goods	Not reported	Not reported	This category is excluded and will be considered in future reporting.
	Category 3	Fuel- and energy-related activities (not included in Scope 1 or 2)	183,087	141,036	We use the Scope 3 Quantis Evaluator tool to estimate emissions from fuel and energy related activities not already accounted for in Scope 1 and Scope 2 emissions.
	Category 4	Upstream transportation and distribution	543,723	322,038	Includes all domestic and international third-party owned or operated transportation purchased by Baker Hughes.
	Category 5	Waste generated in operations	43,191	163,010	Includes all hazardous and non-hazardous waste and all disposal methods.
	Category 6	Business travel	102,028	31,858	Includes all business travel booked within and outside Baker Hughes' third party booking system, and out-of-pocket business travel expenses.
	Category 7	Employee commuting	153,871	101,992	Includes commuting emissions from all employees, except for home office emissions for employees who tele-work. Home office emissions are reported under Scope 2.
	Category 8	Leased assets	Not relevant	Not relevant	Over 99% of emissions from the operation of leased assets are included in Scope 1 and 2, or Scope 3 Category 11.
Downstream Scope 3 emissions	Category 9	Transportation and distribution	525,464	368,678	Includes all domestic and international third-party owned or operated transportation related to Baker Hughes products, purchased by end consumers.
	Category 10	Processing of sold products	Not relevant	Not relevant	Over 99% of Baker Hughes revenues are from finished goods.
	Category 11	Use of sold products	173,688,241	230,914,558	Includes all sold equipment and services.
	Category 12	End-of-life treatment of sold products	Not reported	Not reported	Further engagement with customers is needed to understand how products are disposed/dispositioned. This also complements our efforts in 2022 to advance the circular economy.
	Category 13	Leased assets	Excluded category	Excluded category	Baker Hughes does not distinguish between products sold and leased and therefore accounts for leased assets within Category 11 – Use of Sold Products.
	Category 14	Franchises	Not relevant	Not relevant	Baker Hughes does not operate any franchises.
	Category 15	Investments	233,111	572,005	Includes equity investments which are not consolidated into Baker Hughes financial statements. Certain equity investments are not included as the Company is limited in its ability to collect data.
	Total Scope 3 emissions		**180,190,538**	**237,010,432**	

Note 8 – Scope 3 additional disclosures

Summary of the category scope, types and sources of data used, data quality, methodology, allocation methods, and assumptions used to calculate emissions.

Description of Scope 3 methodologies and data used

	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS
Upstream Scope 3 emissions		
Category 1 Purchased goods and services	Activity data (primary data) direct and indirect purchasing activity in the reporting year Emissions factors (secondary data) cradle-to-gate emission factors for purchased goods and services were obtained from EXIOBASE3	The calculation uses the spend-based methodology. Where spend cannot be mapped to a UNSPSC code, emissions are estimated through extrapolation of mapped spend. Emissions = (spend by UNSPSC) x (mapped EEIO factor)
Description of the data quality of reported emissions		Very Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Category 3 Fuel-and energy-related	Activity data (primary data) Scope 1 and Scope 2 (market-based) emissions from the reporting year Emissions factors (secondary data) emission factors from the Scope 3 Quantis Evaluator Tool (ghgprotocol.org/scope-3-evaluator)	The estimation uses average-data methodology, and emission factors outlined in the GHG Protocol and Quantis "Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool," last updated February 2021 Emissions = (total Scope 1 and 2 emissions) x (Quantis emission factor)
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Category 4 Upstream transportation and logistics	Activity data (primary data) Details from the Company's transportation management system including the freight spend, origin and destination of the shipment, the mode of transport, and weight for domestic and international movements. Emissions factors (secondary data) The emission factors are from DEFRA Conversion Factors for Company Reporting, Freighting Goods table for each mode of transport.	The calculation uses a combination of the distance-weight and spend-based methodology. Where distance-weight data is not available, freight spend is used to extrapolate emissions. Emissions = (emission factor by mode) x (distance of movement x weight of shipment by mode)
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%

	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS
Category 5 Waste generated from operations	Activity data (primary data) The quantities of hazardous, nonhazardous, recycled, and e-waste generated during operations were obtained from Baker Hughes' HSE data management system. The data also includes the treatment methods recycling, landfill, incineration with and without energy recovery and others. Emissions factors (secondary data) The emission factors are from the DEFRA Conversion Factors for Company Reporting, Waste Disposal table.	The calculation uses the Waste-Type-Specific methodology. Where data is unavailable (does not meet reporting threshold of 10,000 square feet facility or some rental facilities), activity data is extrapolated considering region and facility type. For 2019, we back-cast emissions based on 2021 waste quantities, the 2019 DEFRA Conversion Factor, and 2019 revenue. Emissions = (emission factor by waste type and disposal method) x (amount of waste by type and disposal method)
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Category 6 Business travel	Activity data (primary data) Distance per mode of transportation and number of hotel nights Baker Hughes employees booked in the reporting year is collected by Baker Hughes external partners, namely our travel management partner and preferred rental car providers. (primary data) Distance travelled by personal use of car for business travel as reported in Baker Hughes expense management system. Emissions factors (secondary data) Emission factors for rental cars are from EPA by car class and Global Warming Potential (GWP) values as reported within the IPCC Fifth Assessment Report. (secondary data) Emission factors for hotel are from DEFRA GHG Conversion Factors for Company Reporting – "Hotel stay." Where data is not available by country, an average emission factor is applied. (secondary data) Emission factors for air are from DEFRA's GHG Conversion Factors considering flight types (short haul, long haul) and cabin class. (secondary data) Emission factors for rail are from DEFRA's GHG Conversion Factors considering national and international rail. (secondary data) Emission factors for personal cars used for business travel are from country-specific sources. US – EPA Emission Factors Hub; India. – India GHG Program; UK & all other countries. – DEFRA Conversion Factors. (secondary data) Emission factor for public transportation spend is from US EPA Environmentally-Extended Input-Output (USEEIO) matrices.	The calculation uses the distance-based methodology for all travel and hotel stays, and spend-based methodology for expenses. Emissions = ∑ (distance traveled by vehicle type (vehicle-km or passenger-km) × vehicle specific emission factor (kg CO_2 e/vehicle-km or kg CO_2e/passenger-km)) + ∑ (annual number of hotel nights (nights) × hotel emission factor (kg CO_2e/night)) + ((∑ (Expenses claimed for public transport)–∑ (Expenses covered by other reports)) x EEIO emission factor (kg CO_2e/$)) Reports used for other travel expenses include reports from third party travel vendors.
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		79%

	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS
Category 7 Employee commuting	Activity data (primary data) Employee count from human capital management system (secondary data) Estimated one-way commute miles from U.S. DOT, Federal Highway Administration, 2010 Status of the Nation's Highways, Bridges, and Transit: Conditions & Performance (https://www.fhwa.dot.gov/policy/2010cpr/execsum.cfm for 2019, and https://www.fhwa.dot.gov/policyinformation/statistics/2020/vm1.cfm for 2021) Emissions factors (secondary data) Emissions factors from EPA GHG Emissions Factors Hub – Table 10 Scope 3 Category 6 and 7.	This calculation uses the average-data method, and assumes an average distance traveled each day, number of employees working from home, and 48 working weeks in a year with a 5-day work week. Assumes car travel is representative of employee commuting behaviors as other data is not available. We aspire to improve the data quality in the future by surveying our employee base. Emissions = total distance traveled by vehicle type x ∑ ((# Employees – # Employees Working Remotely) x distance traveled from work to home / day (one-way) x 2 x number of commuting days per year)
Description of the data quality of reported emissions		Fair
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Downstream Scope 3 emissions		
Category 9 Downstream transportation and distribution	Activity data (primary data) Category 4 emissions from upstream transportation and distribution and estimated percentage of Baker Hughes purchased shipments vs. third-party purchased shipments, based on IncoTerms weighted by activity. (primary data) Revenue data, along with IncoTerm weighting, is used to estimate emissions for Category 9.	This calculation uses the average-data method. Emissions are estimated for Category 9 by extrapolating emissions from Category 4 based on revenue. Emissions = (emissions Cat4) x (ratio of BH-purchased vs. not purchased)
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Category 11 Use of sold products	Activity data (primary data) Revenue, sales, build plan data for products and services. (primary data) Product specifications and subject-matter-expert testimony. Emissions factors (secondary data) See GHG Emission Factors table in Note 2 above.	We calculate direct use-phase emissions for products and services. Energy consumption, gas leakage, product utilization, and estimated lifetime of products is based on product expert knowledge and technical calculations. Emissions = Sum of emissions (MT CO_2e) x qty sold in reporting year (functional unit) x expected life (years) x allocation factor
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Category 15 Investments	Activity data (primary data) Revenue and industry of equity investments which are not consolidated into Baker Hughes financial statements. (secondary data) Emission factors from the Scope 3 Quantis Evaluator Tool (ghgprotocol.org/scope-3-evaluator).	This estimation uses the average-data methodology, and emission factors outlined in the GHG Protocol and Quantis "Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool," last updated February 2021. In certain instances where 2021 revenue data is not yet available, the average of the prior two years of data was used to represent 2021 data. Emissions = ($ revenue by industry) x (Quantis emission factor)
Description of the data quality of reported emissions		Fair
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%

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Independent Accountants' Review Report

To the Board of Directors and Management
Baker Hughes Company:

We have reviewed the KPIs as of and for the year ended December 31, 2021 in the accompanying Methodology of Selected People Metrics and related Glossary of Terms on pages 110-113 (the "Human Capital Review Subject Matter") of the Baker Hughes 2021 Corporate Responsibility Report (the "Report"). Management of Baker Hughes Company (the "Company") is responsible for presenting the Human Capital Review Subject Matter in accordance with the methodology set forth in the Methodology of Selected People Metrics and related Glossary of Terms (the "Human Capital Criteria"). Our responsibility is to express a conclusion on the Human Capital Review Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Human Capital Review Subject Matter in order for it to be in accordance with the criteria. The procedures performed in a review vary in nature and timing from and are substantially less in extent than an examination, the objective of which is to obtain reasonable assurance about whether the Human Capital Review Subject Matter is in accordance with the criteria, in all material respects, in order to express an opinion. Accordingly, we do not express such an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed. We believe that the review evidence we obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

The procedures we performed were based on our professional judgment and consisted primarily of inquiries of management to obtain an understanding of the methodology used in deriving the Human Capital Review Subject Matter, recalculating a selection of the Human Capital Review Subject Matter based on the Human Capital Criteria and inputs identified by management, and performing analytical procedures.

Our review was limited to the Human Capital Review Subject Matter presented in the Methodology of Selected People Metrics in the Report. The Report includes other information and metrics that were not subject to our review procedures. Accordingly, except to the extent stated in our Independent Accountants' Report on greenhouse gas emissions, we do not express an opinion, conclusion, or any other form of assurance on such information or metrics.

Based on our review, we are not aware of any material modifications that should be made to the Human Capital Review Subject Matter in order for it to be in accordance with the Human Capital Criteria.

KPMG LLP

June 24, 2022

Methodology of Selected People Metrics

METRIC	CRITERIA[24]	PAGE NUMBER	KPI	METHODOLOGY
New candidates hired	GRI 401-1	32	Total number of new hires, number and percentage of female hires, number and percentage of male hires	Number of external candidates hired in FY 2021 by total number and gender percentage
Employee turnover attrition	GRI 401-1	32	Total number and percentage of employee attrition, total and by gender	Number of effective employees who were voluntarily or involuntarily terminated in FY 2021. Number of effective employees who were terminated divided by the average effective employee count for each month during FY 2021. Number of male or female employees who were terminated divided by the average effective employee count for male or female employees each month during FY 2021
Voluntary attrition	Management metric	8, 32	Total number and percentage of voluntary employee attrition, total and by gender	Number of effective employees who were voluntarily terminated in 2021. Number of effective employees who were voluntarily terminated divided by the average effective employee count for each month during FY 2021. Number of male or female effective employees who were voluntarily terminated divided by the average male or female effective employee count for each month during FY 2021
Employees in leadership programs	Management metric	8, 35	Total number of employees participating in leadership development programs, total participation, and percentage female participation in ASPIRE, IMPACT, and CULTIVATE	Number of employees in enterprise development programs including ASPIRE (early career leadership program), IMPACT (mid-career leadership program), CULTIVATE (mid-career leadership program for women) who were part of the program during the FY 2021, including employees who were terminated before December 31, 2021. Total number of participants in the ASPIRE, IMPACT, and CULTIVATE programs. Participants who identify as women (as a percentage of total participants) for ASPIRE, IMPACT, and CULTIVATE
US Employees – people of color	GRI 405-1, Management Metric	8, 26, 28	Percentage of US employees who identify as people of color, percentage of US employees who identify as people of color in senior leadership positions, percentage of people of color in US who identify as women	Number of effective employees in US who identify as people of color divided by total number of effective employees in US as of December 31, 2021. Number of effective employees in US who identify as people of color and are in senior leadership positions (SPB+ career band) divided by total number of effective employees in US who are senior leadership as of December 31, 2021. Number of effective employees in US who identify as people of color and women divided by total number of effective employees in US who identify as people of color as of December 31, 2021

[24] Included to indicate the most comparable GRI metric; however, GRI disclosures are not complete relative to the requirements of GRI.

METRIC	CRITERIA	PAGE NUMBER	KPI	METHODOLOGY
Average hours of training per year per employee	GRI 404-1	8, 34	Average hours of training per employee, total and by gender and career band	Average training hours includes online and in person training completed during FY 2021, including employees who were active during FY 2021 but left the organization before December 31, 2021, which is recorded in our core learning management system by active employees. Average time per course used is 0.5 hour based on the Company's historical practice. The metric does not include training completions maintained outside of the core system and may contain multiple course completions for the same course by the same employee. Calculated for total active employees and by gender and career band
Professional development	Management metric	8	Number of employees completing professional development planning with their manager	Number of all employees at Baker Hughes, including employees who left Baker Hughes before December 31, 2021 who completed either the annual performance and career development review or completed a professional development planning discussion with their manager as evidenced in HR system
Women in workforce	GRI 405-1	8, 28	Percentage of employees who identify as women in workforce, percentage of women in senior leadership, percentage of women on Board of Directors	Effective employees who identify as women divided by total effective employees as of December 31, 2021. Effective employees who identify as women and are in senior leadership (SPB+) divided by total effective employees in senior leadership (SPB+) as of December 31, 2021. Board of Directors who identify as women divided by total members of the Board of Directors as of December 31, 2021
Women in STEM roles	Management metric	8, 28	Percentage of women in STEM roles	Baker Hughes has identified job groups as STEM roles consistent with roles defined by US Bureau of Labor Statistics. Active employees who identify as women and who work in these STEM roles divided by all active employees in STEM roles as of December 31, 2021
Global employee data	GRI 405-1	28	Employees by age group under 30, 30-50, above 50 years	Effective employees' age as of December 31, 2021 classified by age group, divided by total effective employees
Employees working outside the US	Management metric	15, 26	Employees working outside US, number of countries with employees	Number of effective employees of Baker Hughes that are working outside of the US as of December 31, 2021. Total number of countries with effective employees
Performance development metrics: Career development review	GRI 404-3	34	Percentage of employees receiving regular performance and career development reviews, total and by gender, and career band	The number of effective PB+ employees (excluding employees on leave) who have completed annual performance and career development reviews divided by total number of effective employees. The number of effective male, female, or undeclared gender PB+ employees (excluding employees on leave) who have completed annual performance and career development reviews divided by total number of effective male, female, or undeclared gender employees. The number of effective PB+ or SPB+ employees (excluding employees on leave) who have completed annual performance and career development reviews divided by total number of effective PB+ or SPB+ employees

METRIC	CRITERIA	PAGE NUMBER	KPI	METHODOLOGY
Community contributions	Management metric	8, 36	Volunteer service hours, employee-matched financial contributions by the foundation, company and foundation financial contributions, company in-kind contributions, total company in-kind and financial charitable contributions	a. Volunteer service hours: Sum of total self-reported volunteer hours completed during FY 2021 by Baker Hughes active employees, including volunteer hours reported by employees who have left Baker Hughes before December 31, 2021 b. Employee matched financial contributions to eligible charity defined by the Company: Sum of employee - matched contributions, approved in FY 2021, made by the Baker Hughes Foundation to nonprofit organizations or registered charities c. Company and foundation financial contributions: Sum of company financial contributions and Baker Hughes Foundational financial contributions to nonprofit organizations or registered charities (excluding employee-matched contributions by the foundation) approved in FY 2021 d. Company in-kind contributions: sum of company in-kind contributions, donated in FY 2021, to education institutions. In-kind value is calculated by looking at product sales price of the in-kind donations e. Total company in-kind and financial charitable contributions: Sum of b, c, d
Local and diverse spend with suppliers	Management metric	8, 15, 30	Amount spent with diverse suppliers and small businesses	Amount invoiced by diverse suppliers in FY 2021. Classifications for diverse suppliers include certified enterprises self reported using our vendor system which are 51% owned, operated, and controlled by one or more of the diverse categories. These include Minority, Woman, Veteran, LGBTQ, and Small Business
Employee resource group (ERG) membership	Management metric	26, 29	Members enrolled in ERG	All employees enrolled in at least one employee resource group as of December 31, 2021

Glossary of Terms

TERM	DEFINITION
Gender	Self-identified as male or female in HR enterprise system
Career band	Company's internal classification of various jobs depending on level of accountability and leadership, decision making authority, knowledge and expertise, and skills and abilities
Professional Band and above (PB+)	Career band including Professional Band, Leadership Training Band, Lead Professional Band, Senior Professional Band, Executive Band, Senior Executive Band, Vice President, Senior Vice President who are in office-based developing, supporting, applying, leading, and shaping roles who are at professional, lead professional, or functional tactical positions
Senior Professional Band and above (SPB+)	Career band including Senior Professional Band, Executive Band, Senior Executive Band, Vice President, Senior Vice President who are in office-based applying, leading, and shaping roles and who are senior level managers, seasoned managers, and specialized individual contributors requiring in-depth understanding of their business or function
PoC (people of color)	People of color includes employees who identify as American Indian or Alaska Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian or other Pacific Islander, two or more races, and self-reported in the US
ERG	Employee Resource Group. We have the following ERGs: Black Employee Network, Asian Pacific American Forum, Enabled, LatinX, Multicultural, Pride@work, Veterans, Women's Network
FY 2021	Financial year counted from January 1, 2021, to December 31, 2021
Senior leadership	Senior leadership are employees in Senior Professional Band and above, as mentioned above
Effective employees	All employees excluding interns, co-ops, inactive employees and contingent workers
Active employees	All employees excluding inactive employees and contingent workers
All employees	All employees excluding contingent workers and employees in divested joint ventures

About this report

Unless otherwise specifically stated, this report covers Baker Hughes' performance in 2021. Incremental information regarding our corporate responsibility has been included in our 2021 Annual Report on Form 10-K and our 2022 Proxy Statement, which can be found at https://investors.bakerhughes.com/investor-relations.

The goals and projects described in this report are aspirational; as such, no guarantees or promises are made that these goals and projects will be met or successfully executed. Furthermore, data, statistics, and metrics included in this report are not prepared in accordance with generally accepted accounting principles (GAAP), continue to evolve and may be based on assumptions believed to be reasonable at the time of preparation, but should not be considered guarantees and may be subject to future revision. This report uses certain terms including those that GRI or others refer to as "material" to reflect the issues or priorities of Baker Hughes and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting.

Statements of future events or conditions in this report, including those that concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target," or other similar words or expressions are forward-looking statements. Forward-looking statements are based upon current plans, estimates, and expectations that are subject to risks, uncertainties, and assumptions.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates, or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates, or expectations include, among others: changes in demand for oil and natural gas, as well as integrated products and services; expenditure reductions; changes in economic, political, and business conditions; changes in laws, regulations, other requirements or the enforcement or interpretation thereof including those related to oil and gas exploration and production, natural resources and fossil fuels management and climate-related initiatives; technological developments of, and substantial investments in, alternative energy; success of our CCUS and other initiatives; inability to reduce environmental impact; involvement in litigation; inability to satisfy service, equipment and power purchase agreements; inability to obtain, maintain, protect or enforce our intellectual property rights; remedial or non-compliance actions; the financial and operating conditions of our supply chain; defects in risk management; losses from, or the inability to identify and mitigate, risks inherent in operating in the global energy industry; high cost or unavailability of infrastructure, materials, equipment, supplies, and/or personnel; potential disruption of operations due to war, accidents, weather and seasonal factors, political events, civil unrest, cybersecurity, geopolitical or terrorism threats, pandemics, economic downturns or other causes beyond our control; and the risk factors in the "Risk Factors" section of our 2021 Annual Report on Form 10-K and those set forth from time-to-time in other filings by the Company with the U.S. Securities and Exchange Commission (SEC), available through our website or through the SEC's Electronic Data Gathering and Analysis Retrieval (EDGAR) system at http://www.sec.gov.