



Corporate Sustainability Report 2022  
People First. Energy Forward.

## About this report

### Accessibility and usability

This report delivers enhancements designed to improve usability:

- Audio features narrate the report for the visually impaired, readers with dyslexia, or other reading impairments. The expansion of the color palette supports accessibility for visually impaired readers.
- QR codes provide access to closed captioned videos which augment report content, benefiting the deaf and hard of hearing communities.

### Reports and policies:

Our archived reports and policies are accessible on our [website](#).

**On the cover:** Manufacturing Shop Operators in Industrial & Energy Technology, Florence, Italy

From the left: Lorenzo Giaccari, Giulia Rovai, Fadia Mansouri, Eleonora Smorti, Nosa Bill Izekor

### Our frameworks

Our sustainability report is prepared using the Global Reporting Initiative's (GRI) Standards and the Greenhouse Gas Protocol (GHG Protocol) as the foundation of our report. 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.





## Who we are

We are an energy technology company.

## Our purpose

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

## Sustainability vision

To be a sustainable pioneer in everything we do, positioning Baker Hughes as the future energy technology company of choice.

## Our values



### 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, our people, and the environment.

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**Lorenzo Simonelli**  
Chairman, President, and  
Chief Executive Officer

Last year, the global energy map was redrawn, resulting in a complex energy market and a challenging macro environment. There was a renewed focus on energy security, sustainability, and affordability – “the energy trilemma” – and balancing the pace of energy transition. These forces have presented an opportunity for Baker Hughes to help our customers on their sustainability journeys and allow us to renew our focus on operational excellence to better support the needs of the energy industry well into the future.

In 2022, we continued to accelerate our business strategy to fully capitalize on the opportunities that lie ahead, drive increased shareholder value, and build a world-class energy technology company. In September 2022, we announced a strategic transformation for Baker Hughes by restructuring into two simplified business segments – Oilfield Services & Equipment and Industrial & Energy Technology – offering an integrated portfolio of solutions that we believe are best served for energy and industrial customers. We believe that focusing on these two business areas will better position our Company by enhancing flexibility, improving commercial and operational execution, and providing long-term optionality.

Our realignment and strong progress were underpinned by our sustainability strategy. Our vision is to be a sustainable pioneer in everything we do, positioning Baker Hughes as the energy technology company of choice. Through our existing corporate sustainability framework – known as People, Planet and Principles – we have continued to support the United Nations (UN) Sustainable Development Goals (SDG) and to move beyond pledges to weave sustainability more deeply in our culture. We are taking action to advance our net-zero journey, and I am proud of our accomplishments since first setting our net-zero emissions reduction pledge in 2019. Together, our business and sustainability strategies empower us to take energy forward – making it safer, cleaner, and more efficient for people and the planet.

# Our strategic transformation in 2022 highlights sustainability as one of our core differentiators

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## People

Our talented people continued to be industry-leading subject matter experts, taking energy forward in the most sustainable way. People are at the heart of taking energy forward, and we strengthened our employee value proposition to attract the best talent from around the globe to lead in the energy transition. I am proud of the recognition that we achieved this year for our collaborative learning and development programs, as well as our diversity, equity, and inclusion initiatives. We increased our contributions to the communities where we operate, as part of our charitable giving, further demonstrating how our actions continue to drive our progress and impact.

## Planet

We continue to pioneer low- to zero-carbon energy solutions for our customers and minimize our own operational footprint. Since we first made a commitment to achieve net-zero carbon dioxide equivalent (CO<sub>2</sub>e) emissions by 2050, we have achieved a 28% reduction in our scope 1 and scope 2 emissions in 2022, compared to our 2019 baseline year. We remain committed to emissions reduction, but have also set new, ambitious internal targets to reduce our scope 3 emissions, embed circularity into our products' lifecycles, and preserve biodiversity in our areas of operation.

## Principles

Our culture is built on health and safety, compliance, integrity, and quality. We remain steadfast in upholding the highest standards in these areas. We have taken proactive and preventative measures to protect our employees and foster a culture guided by these principles.

I am confident in our ability to advance our sustainability journey and proud of our accomplishments this year. We continue to put our people first, minimize our environmental impact, and drive a strong culture of integrity and safety in support of a sustainable future.



**Lorenzo Simonelli**

Chairman, President, and Chief Executive Officer

# Delivering value with a sustainable, collaborative culture

At Baker Hughes, sustainability means operating in a principled way to minimize environmental impact and maximize social benefits by providing affordable, sustainable, and secure energy for people and the planet. We do this for ourselves and our customers.

Even in the wake of a global energy security crisis, ongoing geopolitical conflict, and shifting markets we remained deeply committed to operating in a responsible and sustainable way. Across our business, sustainability has been a key lever, transforming the performance of our Company and our industry.

## Assessing our key strategic priorities

We conducted a detailed materiality assessment – an important listening exercise from our internal and external stakeholders – to strategically align on key priorities with the highest business impact and stakeholder importance, to guide our sustainability strategy, while

mitigating potential risk. This biennial assessment helped to inform our strategic priorities while providing an opportunity for deep engagement with 50+ key internal stakeholders.

Our work was foundational in developing strategic priorities that support our commercial strategy through more sustainable operations.

## Turning risks into opportunities

With climate change as an increasing risk to our Company and the world, we worked to identify physical and transition risks to our Company throughout our value chain. In 2022, we expanded our quantitative climate change scenarios and incorporated this analysis into our mid- and long-range planning. In addition, our innovative portfolio of technologies and solutions in carbon abatement, along with clean power generation, energy efficiency and electrification, offer us a key competitive advantage in a climate-constrained world.

## All In. Carbon Out.

Launched in 2021, Carbon Out is a company-wide initiative to take CO<sub>2</sub>e out of our operations and meet our pledge to achieve net zero by 2050. This program – which provides tools, a framework, funding, and resources – has empowered our people to systematically contribute to reducing our CO<sub>2</sub>e emissions and focus on more sustainable operations.

In 2022, we expanded our internal Carbon Out network to focus on identifying and funding projects that will reduce our CO<sub>2</sub>e emissions. These projects are key to achieving our carbon reduction commitments and reducing our environmental impact throughout our entire business. We continued to advance our understanding of our value chain emissions and set an internal scope 3 emissions reduction goal.



**Allyson Anderson Book**  
Chief Sustainability Officer



### Transparency and quality of data

As one of the first energy companies to make a public net-zero commitment, it is crucial for Baker Hughes to model leadership in sustainability performance. We continuously improved how we track, measure, govern, control, and report our sustainability performance data. We expanded the reach of our data controllership consistent with the best accounting practices. In addition, we expanded the third-party assurance of our sustainability metrics this year, which included reasonable assurance of all scope 1 and 2 CO<sub>2</sub>e emissions and limited assurance of our scope 3 CO<sub>2</sub>e emissions, waste, and human capital metrics.

### Progress powered by our people

Getting to a lower-carbon state as a society is perhaps the existential challenge of our time, and we believe that it will be driven by our people. Throughout this report, you will read about how our employees continue to live through our values to be more sustainable - whether to support diversity and inclusion, taking carbon out of our operations, or volunteering for environmental causes.

The efforts of our employees have not gone unrecognized, as the Company and individuals received numerous industry recognitions and sustainability awards in 2022.

In the spirit of inclusion, one achievement I am particularly proud of this year is making this sustainability report easier to access by readers of all abilities. We have been intentional about putting people first and ensuring no one is left behind. Through the use of visual aids, special colors, designs, and closed captioning for any linked audiovisual content, this report will be accessible to those hard of hearing, deaf, or visually impaired.

We trust you will find this year's report informative and easy to follow. If you have questions or comments about our reporting or our approach to sustainability, I encourage you to reach out to me or a member of our leadership team.

A handwritten signature in black ink that reads "A. K. Anderson Book". The signature is written in a cursive, flowing style.

**Allyson Anderson Book**  
Chief Sustainability Officer

# 2022 by the numbers

## Economic impact

**\$21.2B**

Revenue

**\$26.8B**

Orders

## Technology and innovation

**\$556M**

Spent on research  
and development

**2,200+**

Patents granted

**\$400M+**

New Energy orders



Figure 1-1: Business segments performance

## Two business segments



Marco Soldino | Massa Plant Testing Engineer, Industrial & Energy Technology

# 2022 by the numbers



## People

**~55K**

Total employees, with more than 42,000 of our employees working outside the U.S.

**>150**

Nationalities represented



## Planet

**28%**

Reduction in scope 1 and 2 CO<sub>2</sub>e emissions from our 2019 baseline

**10**

Scope 3 categories reported with limited assurance

**26%**

Electricity sourced from zero-emission sources

**57K+**

Metric tons of waste recycled



## Principles

**217**

Perfect HSE Days

**100%**

Enterprise security personnel trained in human rights policies or procedures





## Awards & recognition



The World's Top Female-Friendly Companies 2022 by Forbes - #209



#1 in Customers for Energy Equipment & Services by JUST Capital



Best place to work by Ally Energy GRIT Awards 2022



500 ESG Index in May 2022



#6 on Fortune's Modern Board 25 list as one of the most innovative boards of directors among S&P 500 companies.



AA ESG rating



B rating



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Baker Hughes  
Wafiq Fighone S.A.

Fadia Mansouri | Shop operator, Flow Machining Cell, Industrial & Energy Technology





**“As the world faces the ‘energy trilemma’ of achieving energy security, affordability, and sustainability, we know that Baker Hughes has a clear role to play — our purpose of taking energy forward, making it safer, cleaner, and more efficient for people and the planet, has never been more relevant.”**

**Lorenzo Simonelli**

Chairman, President and Chief Executive Officer

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## Company overview

Baker Hughes Company (“Baker Hughes,” “the Company,” “we,” “us,” or “our”) develops and deploys technologies to help meet the world’s increasing demand for energy. By harnessing the power of engineering, data, and science, we are redefining what is possible and ushering in a new era for energy.

As a company of global scale, local know-how and commitment to service, we conduct business in over 120 countries. Our products and services serve the upstream, midstream/liquified natural gas (LNG), and downstream sectors of the oil and gas industry, as well as broader chemical and industrial segments.

We deliver through our two business segments: Oilfield Service & Equipment (OFSE) and Industrial & Energy Technology (IET). Our two business segments are organized based on the nature of our markets and customers and consist of similar products and services and growth profiles. More detail can be found on [page 18](#).



## 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.

Our corporate strategy is focused on transforming our core to strengthen our competitiveness today, while investing for growth and positioning for new frontiers in the energy transition.

Through this framework, we will continue to build and execute a plan to deliver sustainable value for our shareholders and stakeholders based on three key pillars:

- **Transform the core:** Over the past two years, we have been transforming our core product companies by improving our core competitiveness – including improving segment margins and cash flow, while also adjusting our portfolio to focus on higher return businesses.

- **Invest for growth:** As we build a more diversified energy and industrial business with energy technology at its core, we believe we are well positioned to more aggressively pursue growth in industrial sectors, including energy, where we see more resilience and better operating performance. We will leverage our existing strengths, portfolio, and technology positions to provide solutions to serve these growth sectors.
- **Position for new energy frontiers:** As the energy landscape continues to change, we are evaluating the key growth areas associated with energy transition and where Baker Hughes can capitalize on these opportunities. We will pursue strategic bets that leverage our core competencies and expertise today, and where we believe we can achieve a differentiated position in the future.

In 2022, we developed a sustainability strategy which underpins our broader commercial strategy and serves as our roadmap to embed people, planet, and principles into our business, positioning Baker Hughes as the energy technology company of choice.

## 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.

Baker Hughes generated a direct economic value of \$21,156 million in revenue in 2022. That economic value was distributed to a wide variety of global stakeholders as outlined in the chart in Table 2-1.

Table 2-1: Direct and indirect economic impacts (million USD)

	2020	2021	2022
Revenues	\$20,705	\$20,502	\$21,156
Operating costs	\$36,683	\$19,192	\$19,971
Payments to providers of capital <sup>1</sup>	\$1,033	\$1,488	\$1,862
Payments to governments (net cash tax payments)	\$441	\$314	\$498
Total charitable contributions	\$119	\$45	\$75

<sup>1</sup> Calculated as the sum of Dividends on Class A Shares, Distributions to GE, share repurchases, and Interest Payments.

## Our business transformation

As the world sought to rebalance energy supply, we accelerated our corporate strategy and began simplifying our structure to better navigate the evolving market and capitalize on emerging growth opportunities.

We have been transforming our solutions portfolio by expanding our low-carbon technology portfolio and prioritizing emissions abatement considerations in our corporate strategy. Our strategy is not only focused on financial and operational excellence. It is also heavily focused on sustainability leadership to enable us to deliver on our promises.

## From four product companies to two business segments

In October 2022, we moved from four product companies to two business segments that drive a more simplified and focused organizational structure. Our two business segments are organized based on the nature of our markets and customers and consist of similar products and services and growth profiles.

### Industrial & Energy Technology (IET)

Our IET organization brings together an incredible amount of expertise, technologies, and services, creating a portfolio of powerful technologies and solutions. Our focus is on supporting industrial and energy customers, driving industrial productivity, and enabling a reliable, efficient, net-zero energy system.

### Oilfield Services & Equipment (OFSE)

The combination of Oilfield Services and Oilfield Equipment into OFSE enhances our opportunity to become the premier upstream partner for our customers. We continued to deepen and strengthen customer relationships by bringing together our products and services, offering more comprehensive solutions aligned to their evolving needs.

The complementary nature of our businesses means that on day one, we have the scale to impact the industry — and Baker Hughes' results. Together, our teams continue to create efficiencies that improve the speed of decision-making, sharing, and scaling best practices across our entire organization.



In October 2022,  
we moved from  
four product  
companies to  
two business  
segments

## Innovation and collaboration

Innovation is foundational to our purpose and is more important than ever in today's dynamic market. Thanks to the relentless passion and dedication of our engineers, scientists, digital experts, and inventors, we can proudly say we are leaders not only in our traditional OFSE markets, but also in the IET space. To accelerate our progress, we pursued innovation through in-house research and development, as well as external investment and collaborative partnerships. We made strategic investments in transformative solutions that drive growth for Baker Hughes and our customers.

Our research and development activities were directed primarily toward the development of new products, services, technology, and other solutions, as well as the improvement of existing products, services, and the design of specialized products to meet specific customer needs. We continued to invest across both business segments in products to enhance safety, develop capability, improve performance, and reduce costs aligned with our operational strategy. Through our Technology Centers, we also invested heavily in fundamental technologies such as materials, additive manufacturing, sensing, artificial intelligence/machine learning, and other digital technologies such as computer vision, data science, and edge computing.

### In 2022, we invested \$556 million in research and development and were granted more than 2,200 patents

In OFSE, we continued to fund a range of formation evaluation capabilities, as well as drilling, completions, and production hardware. Our focus is expanding capability into deeper water, longer well offsets and at higher subsurface pressures, as well as modular designs that allow for simpler and more digitally integrated well and field systems.

In IET, we continued to invest and develop foundational technologies that enable a transition to a low-emission global economy.

Such technologies include advanced materials, advanced manufacturing technologies, novel process technologies, and digital technologies such as advanced sensing and diagnostics, data sciences, and artificial intelligence. Within Gas Technology, we focus on our latest generation of gas turbines for energy efficiency and reduced carbon footprint such as our LM9000 and Nova LT products, as well as Allam Cycle turboexpander, carbon capture, utilization, and storage (CCUS), and hydrogen and geothermal technologies.

Within IET, we invested in advanced digital solutions designed to improve the efficiency, reliability, and safety of oil and gas, aerospace, energy, and broader industrial production and operations. This includes our Orbit 60 Bently Nevada product for critical asset monitoring in turbine systems, including

wind, hydro, and gas turbines. The IET segment is enhancing its process and safety valve business, bringing new digital applications including analytics to our customers. Investments also include technologies to measure, monitor, and minimize CO<sub>2</sub>e emissions, new inspection technologies for nondestructive evaluation of materials and structures, and solutions for industrial asset management.

Many of our innovative products were highlighted by industry leaders including the European Geothermal Energy Council (EGEC) and World Oil.

### EGEC

Ruggero Bertani European Geothermal Innovation Award 2022 — Corrosion Resistant Potted Electrical Submersible Pump and Completion System

### World Oil Awards (Finalist)

- Best Digital Transformation Award – ProductionLink™ Edge Smart Artificial Lift Automation Solution
- Best EOR (enhanced oil recovery) Technology Award – PermaFLO™ Solid Inhibitor Particles
- Best Oilfield Fluids and Chemicals Award – DELTA-TEQ™ XT
- Best Production Technology Award – Sandstone Divert with Breaker D
- Best Well Intervention Award – X-treme™ WindowMaster™ Whipstock System
- New Horizons Idea Award – i-Trak™ Automated Reservoir Navigation Service

# As an energy technology company, our vision is to be a sustainable pioneer in everything we do, positioning Baker Hughes as the future energy technology company of choice.

## Key acquisitions, investments, and partnerships

We continued to invest in advanced technologies that augment our core business offering. These acquisitions and investments have helped to drive near-term growth in revenue and orders while positioning us long-term to capitalize on high-potential growth opportunities across multiple markets. They also ensure that we have the technological capability to drive reductions of CO<sub>2</sub>e in the energy and industrial sectors. Our strategic investments and acquisitions targeted emerging energy technologies to advance CCUS, hydrogen, net-zero power and e-fuels solutions.

### Acquisitions

- Qi2 Elements, a designer and manufacturer of advanced robotic sensor systems that inspect, assess, and monitor the integrity of critical energy infrastructure. Qi2 Elements extended Baker Hughes asset inspection technology offering across a wider range of critical customer equipment, including pipelines and storage tanks.
- AccessESP, a leading provider of advanced technology for artificial lift solutions to further transform

core oil and gas operations by reducing costs and downtime for operators. AccessESP's "GoRigless ESP System" provides proprietary solutions that enable an electrical submersible pump to be deployed and retrieved with conventional, light-duty intervention equipment (e.g., wireline, coiled tubing, or well tractor) without the need for a rig or requiring the well production tubing to be pulled.

- Mosaic Materials, focused on developing a proprietary direct air capture technology using metal-organic framework materials that can be used to separate CO<sub>2</sub> from gas mixtures across a variety of applications. Mosaic enhances our carbon capture, utilization, and storage portfolio, enabling direct air capture with higher efficiency and lower total cost of ownership.
- Quest Integrity, a global leader in the development and delivery of technology-enabled asset inspection and reliability management solutions across the pipeline, refining, petrochemical, and power generation sectors. This complements our existing asset integrity offerings and will support customers with the delivery of actionable insights on a broader range of industrial infrastructure.

### Investments and partnerships

The path to sustainable energy production requires focused collaboration with our industrial partners to mature promising early technologies to scaled demonstrations and commercial offerings.

- Greenfire Energy, the newly combined Baker Hughes-Greenfire Energy offering, brings the first integrated Advanced Geothermal Systems solution to the market. Together, the companies plan to expand geothermal resources development by retrofitting both existing non-producing geothermal and oil and gas wells to closed-loop heat producing wells for power generation and direct use applications.
- NET Power, Baker Hughes has joined a strategic partnership with and invested in NET Power to advance the technical and commercial deployment of NET Power's low-cost, electric power system that generates no atmospheric emissions and inherently captures all CO<sub>2</sub>.





Baker Hughes

Kristen

Baker Hughes

Kristen Curry | Lead Engineer - Water Team, Oilfield Services & Equipment

## Our values and culture

At the core of who we are is a strong set of values that guide our behavior. Our values provide a simple, memorable, and action-orientated way of expressing our culture. As a result, we have a culture of performance, inclusion, safety, and integrity. Read more about how we're bringing these cultural attributes to life in the following [People](#), [Planet](#), and [Principles](#) sections.



### Grow

See challenge as opportunity and learn every day.

#### What does it mean to grow?

- Learn continually
- Be adaptable
- Manage ambiguity
- Be resilient

#### Why it matters

The energy transition will present scenarios we have yet to imagine. By embracing a growth mindset, we will be ready to adapt and win.



### Collaborate

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

#### What does it mean to collaborate?

- Instill trust
- Communicate openly
- Manage conflict
- Value difference
- Partner with communities

#### Why it matters

Collaboration sits at the heart of our efforts to transform the core, invest for growth, and position for new frontiers. Without collaboration, we will not survive through the energy transition.



**Our values are how we show up every day, what we believe in, and how we activate our purpose and strategy – fueling our transformation.**



## Lead

Make, invent, and perform with impact.

### What does it mean to lead?

- Cultivate innovation
- Empower others
- Be accountable
- Deliver results

### Why it matters

Customers are looking for strategic partners as they move forward through the energy transition. Our people, our innovative solutions, and our consistent delivery will differentiate us against competitors.



## Care

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

### What does it mean to care?

- Focus on the customer
- Develop others
- Practice sustainability
- Own integrity
- Be responsible for safety, quality, and compliance

### Why it matters

Every day, people choose to work with Baker Hughes because they know we care. Our dedication to our people, our customers, and the environment, along with our relentless focus on doing the right thing, make us a company like no other.





# Sustainability at Baker Hughes

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30 Stakeholder engagement







Figure 3-1: Sustainability strategy driven by cross-functional engagement and best practice



## Our sustainability strategy

In 2022, the oil and gas macroeconomic environment continued to be dynamic. We believe the world’s reliance on hydrocarbons will not disappear, and oil and gas will continue to remain relevant in meeting global energy demand while moving the world to a lower carbon economy. Despite an increase in fossil fuel use in some parts of the world, the energy transition continued to accelerate, with governments and society focused on reducing CO<sub>2</sub>e emissions while trying to balance energy security, sustainability, and affordability.

At Baker Hughes, sustainability starts with our people. Our people are central to our purpose of taking energy forward. Only with a true culture of sustainability will our people be empowered to make sustainable choices, tackle the hardest challenges, and take positive action for the planet.

That is why we developed a comprehensive sustainability strategy which serves as our roadmap to embed people, planet, and principles into the fabric of how we do business, positioning Baker Hughes as the energy technology company of choice. Only by linking our culture of sustainability to how we solve the biggest challenges can we deliver on our promises.

### Strategy Development

We applied a rigorous process to identify risk, benchmark ourselves across multiple industries, and key in on the areas that really matter – or are important – to our Company and our stakeholders.

The following processes helped to inform our sustainability strategy:

- **Benchmarking:** By identifying the most relevant topics, we were able to develop both short- and long-term strategies that better position us to buffer risks, catalyze opportunities, and create value for our shareholders.
- **Materiality assessment:** Our sustainability strategy is aimed at addressing issues identified as being most important to our business through our materiality assessment. The identified issues were viewed as an interconnected ecosystem that required an integrated strategy designed to embed sustainability within existing business processes and the overall business strategy.

This information advised the development of our sustainability framework outlined in Figure 3-2, which was constructed to create social, environmental, and economic value with the focus on driving investment and performance. The results of our benchmarking analysis and materiality assessment were aligned with our existing framework driven by three focus areas: People, Planet, and Principles.

We then articulated six main goals that serve as the backbone of our strategy which will help us to achieve our long-term vision. These goals have and will continue to provide the framework and subsequent activities to drive sustainable operations at Baker Hughes.

Our 12 objectives articulate how our purpose-driven focus areas are linked to the most pressing issues identified by internal and external stakeholders. These objectives were developed to urge specific actions that will drive sustainable operations at Baker Hughes and at our customer sites.

Our strategic outcomes were defined to help us measure our own performance as we work to deliver on our objectives and goals for People, Planet, and Principles.

By applying input from internal and external stakeholders and engaging subject matter experts from across our business segments, our vision, goals, and outcomes are aligned to buffer risk and catalyze opportunity.

Figure 3-2: Our strategy framework

	OUR GOALS	HOW WE WILL DELIVER SUCCESS	HOW WE WILL MEASURE SUCCESS
People	1. Attract, retain, and develop a diverse workforce of the future	<ul style="list-style-type: none"> <li>Ensure we attract, retain, and develop <b>diverse talent</b></li> <li>Commit to progress on <b>diversity, equity, and inclusion</b></li> </ul>	<ul style="list-style-type: none"> <li>Increase women and people of color representation year-on-year (YOY)</li> <li>Retention parity across under-represented groups</li> <li>Best-in-class talent management and acquisition</li> <li>Achieve top quartile inclusion index rating annually</li> <li>Track diverse supplier spend</li> </ul>
	2. Actively engage our people and our communities	<ul style="list-style-type: none"> <li>Engage with <b>communities</b> in which we live and work</li> <li>Embed <b>sustainability as everyone's responsibility</b></li> </ul>	<ul style="list-style-type: none"> <li>Track spend to support global communities</li> <li>YOY increase in employee volunteer hours</li> <li>Company-wide engagement plan aimed at driving habits of sustainability</li> </ul>
Planet	1. Pioneer low carbon energy solutions to deliver value for our customers	<ul style="list-style-type: none"> <li>Enable our <b>partners to thrive in a low-carbon world</b></li> <li>Become a <b>Net-Zero</b> business by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Reduce scope 3 emissions by 2033</li> <li>YOY increase R&amp;D funded by external sources</li> <li>BH positioned early and recognized as key technology provider</li> <li>Reduce scope 1 and 2 CO<sub>2</sub>e emissions by 50% by 2030</li> <li>Complete life cycle assessments for the &gt;95% emissions intensive products by 2026</li> </ul>
	2. Champion environmental stewardship and minimize our footprint	<ul style="list-style-type: none"> <li>Reduce <b>spills</b> and report them transparently</li> <li><b>Minimize</b> the <b>resources</b> we use</li> </ul>	<ul style="list-style-type: none"> <li>Complete proactive strategic policy framework for all growth areas</li> <li>Reduce spills at our sites</li> <li>Reduce usage in water-stressed sites by 2030</li> <li>Reduce waste to landfill by 2030</li> <li>Assess 100% of sites for biodiversity risk by 2030 and implement risk management programs for high-risk sites</li> </ul>
Principles	1. Drive a culture of transparency and integrity - doing the right thing beyond compliance	<ul style="list-style-type: none"> <li>Champion <b>compliance</b> and ethics</li> <li>Ensure sustainable <b>governance</b></li> </ul>	<ul style="list-style-type: none"> <li>100% of targeted personnel trained annually on human rights policies and procedures</li> <li>Specialized human rights training completed for &gt;80% SSRP auditors and sourcing by 2025</li> <li>Process to record, track, and monitor human rights grievances in place Q1 2024</li> <li>Total Recordable Incident Rate &lt;0.3</li> <li>All Perfect HSE Days</li> </ul>
	2. Take energy forward responsibly with integrity and transparency	<ul style="list-style-type: none"> <li>Uphold the highest <b>health, safety, and environment</b> standards</li> <li>Strive for principled, diverse, and inclusive <b>supply chains</b></li> </ul>	<ul style="list-style-type: none"> <li>Active suppliers assessed for environmental criteria every three years</li> <li>90% of Supplier Social Responsibility (SSRP) audit red-flag findings closed within 90 days</li> <li>90% completion rate for SSRP planned audits</li> <li>80% of suppliers agreeing to BH Integrity Guide by 2030</li> </ul>



Miranda Gomes, Chemicals Training Manager  
Diego Paz, Drilling Completion Fluids Technical Training Manager

## Materiality assessment

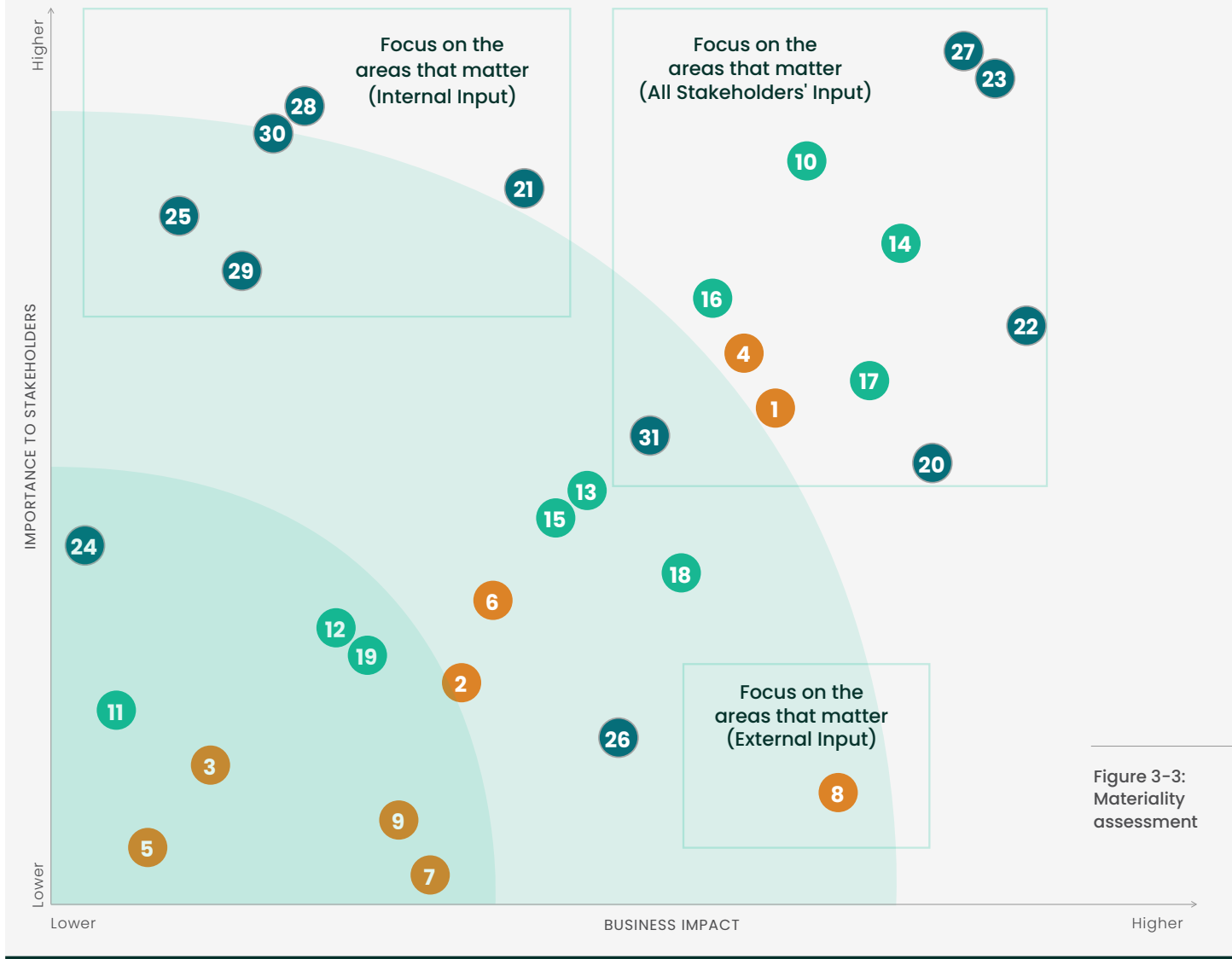
As the world has continued to change, so too have the priorities of our stakeholders. Our structured materiality<sup>2</sup> assessment provided a critical foundation for our sustainability strategy and helped us ensure the developed strategies are aligned to the issues that have an impact on and relevance to our business, communities, and planet.

### Our approach to the materiality assessment

Our annual materiality assessment was conducted using best practices and aligned to the most widely recognized reporting frameworks, such as the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB). Our processes assessed our peers and customers in the energy technology sector, reporting landscapes, and global trends. We then collected qualitative and quantitative data through engagement with customers, investors, employees, trade associations, and think tanks. After the survey data was collected, follow-up interviews were completed and analyzed. We utilized the best practice to position topics relative to the degree of stakeholder interest and potential business impact on the following materiality matrix.

<sup>2</sup> The terms "material" and "materiality" are used in the context of each respective ESG standard and do not imply financial or legal materiality.





## Baker Hughes ESG Materiality (2022)

### People

1. Attracting, retaining, & developing talent
2. Collaboration with academia & non-governmental organizations
3. Community impact
4. Diversity, equity, & inclusion
5. Employee benefits & well-being
6. Employee engagement
7. Just transition principles
8. Stakeholder engagement
9. Supplier diversity

### Planet

10. Air & greenhouse gas (GHG) reduction
11. Biodiversity impact
12. Circular economy & waste management
13. Climate-related risks
14. Energy transition strategy
15. Publicly stated net-zero pathways
16. R&D investment to accelerate energy transition
17. Product emissions
18. Renewable energy sourcing
19. Water management

### Principles

20. Corporate governance
21. Cybersecurity & data protection
22. ESG reporting & transparency
23. Ethics & compliance
24. Geopolitical climate
25. Global health emergency response
26. Green investments
27. Health, safety, & environment management
28. Human rights & modern slavery
29. Labor rights
30. Physical security
31. Sustainable supply chain



### Leading Conversations

Hear CEO Lorenzo Simonelli discuss the role of hydrocarbons in the future.

In November 2022, Baker Hughes attended the 27th United Nations Climate Change Conference (COP27) in Sharm El-Sheikh, Egypt, to foster direct dialogue with governments and develop a further ecosystem of partnerships, commercial opportunities, and sustainability programs. Baker Hughes' deep engagement in COP27 highlighted our industry leadership and commitment to a sustainable future.

## Stakeholder engagement

Stakeholder engagement allows us to collaborate and build coalitions with organizations that help advance our strategic goals and objectives. We established relationships with groups and entities aligned with our purpose, strategy and values, corporate commercial and sustainability strategies, and policy positions. Active participation in associations, think tanks, consortiums, and academic partnerships across our businesses and geographies helps us gain valuable insights and the impactful presence needed to be an industry leader for a lower-carbon future.

We worked with several key organizations including:

- American Fuel and Petrochemical Manufacturers
- American Petroleum Institute
- Confindustria
- Digital Climate Alliance
- European Geothermal Energy Council
- Geothermal Rising
- Global Carbon Capture and Storage Institute
- Hydrogen Council
- Hydrogen Europe
- IEA Greenhouse Gas Research and Development Program
- International Geothermal Association
- International Labor Organization
- International Association of Oil and Gas Producers
- International Renewable Energy Agency
- Ipieca
- Keystone Policy Center
- Long Duration Energy Storage Council
- National Association of Manufacturers
- National Petroleum Council
- Oil and Gas Climate Initiative
- Offshore Energies UK
- Resources for the Future
- The Nature Conservancy
- United Nations Environmental Program
- World Cement Association
- World Resources Institute

## Geothermal engagement

In June 2022, our leadership attended the European Commission's second meeting of the Clean Energy Industrial Forum (CEIF), speaking on behalf of the members of the European Geothermal Energy Council.

The high-level meeting brings together European clean energy industry leaders representing the full spectrum of the EU's clean energy industry to discuss how to improve European industrial competitiveness.

The CEIF focused on the recently announced REPowerEU plan, which included permitting reforms to speed up approvals for clean energy projects across the EU. Our team offered three concrete actions that the Commission could take to build on these reforms and accelerate geothermal deployment across Europe.

We engage with trade associations such as the European Geothermal Energy Council, Geothermal Rising, Society of Petroleum Engineers, and the International Geothermal Association.

Our ongoing energy transition policy work and global government advocacy are vital to shaping the energy and climate policies that will define tomorrow's energy systems.



Alessia Becco | Quality Coordinator Module Construction  
Avenza Plant, Industrial & Energy Technology

## Stakeholder engagement channels

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

STAKEHOLDER	FORMS OF ENGAGEMENT	FREQUENCY	EXAMPLE ENGAGEMENT
<b>Customers</b>	<p>Global, regional, and local industry events, forums, and conferences.</p> <p>Proprietary Company events and meetings.</p> <p>Partnerships and working groups to advance best practices.</p>	<p>Our senior leaders and commercial teams actively participate in hundreds of customer events and meetings across the globe.</p>	<p>We launched the Wells2Watts consortium with Continental Resources, INPEX, and Chesapeake Energy Corporation, with support from technology providers, including Vallourec and GreenFire Energy, to explore technology for converting and retrofitting oil and gas wells for geothermal energy, revitalize dry non-productive geothermal wells, and develop greenfield opportunities for geothermal renewable electricity production. With industry partners, this collaboration looks to accelerate technology development and commercially scale geothermal as a baseload energy supply.</p>
<b>Investors</b>	<p>Via public quarterly earnings calls, annual shareholder meeting, executive meetings, and presentations.</p> <p>Outreach program led by our Investor Relations group, the Corporate Secretary's Office, and Executive Compensation Team.</p>	<p>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.</p>	<p>Please see our <a href="#">Investor Relations website</a> for additional information on engagements in 2022.</p>
<b>Employees</b>	<p>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.</p>	<p>We exchange ideas and feedback with our employees across a wide array of communications channels weekly, monthly, quarterly, and annually.</p>	<p>Employee engagement on sustainability is outlined in the People section, on <a href="#">page 54-55</a>.</p>
<b>Communities</b>	<p>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.</p>	<p>We have ongoing dialogue with community partners on charitable projects and planning for employee volunteerism.</p>	<p>Community engagements are outlined in the People section, on <a href="#">page 53-55</a>.</p>



STAKEHOLDER	FORMS OF ENGAGEMENT	FREQUENCY	EXAMPLE ENGAGEMENT
<b>Governments</b>	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 at all levels of government on a regular basis.	We became a founding supporter of the HALO Hydrogen Hub in 2022, a three-state coalition to pursue hydrogen development funding from the U.S. Department of Energy. We are working with governments, academia, community stakeholders, and customers to help create the infrastructure, technology, and policy needed to grow hydrogen as a zero-emissions fuel source.
<b>Policy groups and associations</b>	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.	Ipieca is the global oil and gas association for advancing environmental and social performance across the energy transition. In addition to a seat on the executive committee and multiple workstreams, we contributed to the COP27 Task Force and participated in an Ipieca industry panel at COP27 in Egypt to discuss technology and innovation needs for a net-zero future. Ipieca was also a guest speaker for our internal Let's Talk Sustainability webinar series, where Ipieca shared their focus on social and environmental industry priorities in line with our strategy.
<b>Universities, institutions, and NGOs</b>	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.	The European Geothermal Energy Council (EGEC) promotes the European geothermal industry and enables its development both in Europe and worldwide by shaping policy, improving business conditions, and driving research and development. We increased our engagement and participation in 2022 by being elected to the Board of Directors and sponsoring EGEC's 2022 annual conference.

### Public policy and working with governments

Public policy can have a significant effect on our business and therefore, we believe it is in our best interest and that of our stakeholders that our perspective informs the development of relevant public policies. Senior leaders across our operations engage with public officials at all levels of government. Our participation in the policymaking process is subject to an extensive framework of applicable laws and Company policies that demonstrate our commitment to integrity when engaging with government officials.

As stated in our public [Lobbying Activity Policy](#), we may, from time to time, contribute to candidate or issue committees and other political organizations as generally authorized by our Board of Directors and consistent with applicable laws. We do 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 2022 reporting year, we did not make any political contributions.



# People

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35 Performance snapshot

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36 Our people

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40 Our People strategy

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42 Attract, retain, and develop diverse talent

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49 Commit to progress on diversity, equity, and inclusion

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53 Engage with communities in which we live and work

---

56 Embed sustainability as everyone's responsibility

Sherry Ann Neverson | Performance Optimization Manager, Oilfield Services & Equipment

This dashboard represents our progress on key performance indicators over time. We continue to improve our reporting by establishing quantitative goals and performance metrics that contribute to the UN Sustainable Development Goals (SDG).

## People performance snapshot



SUSTAINABILITY PRIORITY	KEY PERFORMANCE INDICATORS <sup>3</sup>	2020	2021	2022
Attract, retain, and develop diverse talent	# of employees completing professional development planning with their manager <sup>4</sup>	30,906	32,239	45,454
	% of voluntary employee attrition	5.8	8.1	8.6
	# of employees participating in leadership development programs <sup>5</sup>	438	393	527
	Average hours of training per employee*	-	17	37
	# of employees that were entitled to parental leave**	-	-	50,283
	# of U.S. employees that took parental leave**	-	-	300
	# of U.S. employees that returned from leave in the reporting period following leave**	-	-	237
Commit to progress on diversity, equity, and inclusion	% of employees who identify as women in workforce	18.2	18.8	19.1
	% of employees who identify as women in Senior Professional Band and above (SPB+)	17.0	18.1	18.6
	% of Board of Directors who identify as women	33.0	33.0	33.0
	% of U.S. employees who identify as people of color (PoC)	35.6	35.8	36.1
	% of U.S. employees who identify as people of color (PoC) in Senior Professional Band and above (SPB+)*	-	31.6	32.1
	% of people of color (PoC) in the U.S. who identify as women*	-	25.0	24.6
	% of women in STEM roles*	-	11.2	12.1
Engage with communities	Total charitable contributions (million USD)	\$119	\$45	\$75
	Volunteer service hours	7,161	16,905	27,181

\*New 2021 metric, \*\*New 2022 metric

<sup>3</sup> The key performance indicators should be read in connection with Appendix B – Statement and Notes on Selected People Metrics and the glossary of terms.

<sup>4</sup> The 2022 number includes Annual Priority Setting discussion, which was not counted in previous years.

<sup>5</sup> Programs include ASPIRE, IMPACT, CULTIVATE, and ASCEND. More information found on [page 47](#).

# At Baker Hughes, we're shaping the future of energy—and that future belongs to all of us.

## Our people

As of December 31, 2022, we have approximately 55,000 effective employees in 89 different countries. Operating across so many markets provides a diverse set of global perspectives making our Company stronger, more resilient, and more responsive to our global customers.

Among this employee base, our teams represent a vast diversity of skills, backgrounds, and cultures. This enables us to further our goals and values.

We value difference in gender, race, ethnicity, age, gender identity, sexual orientation, ability, cultural background, religion, veteran status, experience, thought, and more across the globe.

We celebrate the diversity and uniqueness of each employee and believe that everyone has the right to be treated with fairness, dignity, and respect. Unique ideas and perspectives fuel innovation and our differences make us stronger.

Together, we are taking energy forward.

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55K+

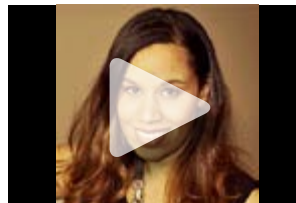
employees

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89

countries

### Interview With Nicole Durham



6 Undeclared is an option in Workday and represents someone that selected Undeclared as their gender.

7 No gender selected represents someone that did not select any option under Gender category in Workday.

8 Remaining employees in RCIS region are assisting in the Russia wind down or supporting regional customers outside of Russia



Figure 4-1: Total employees by region

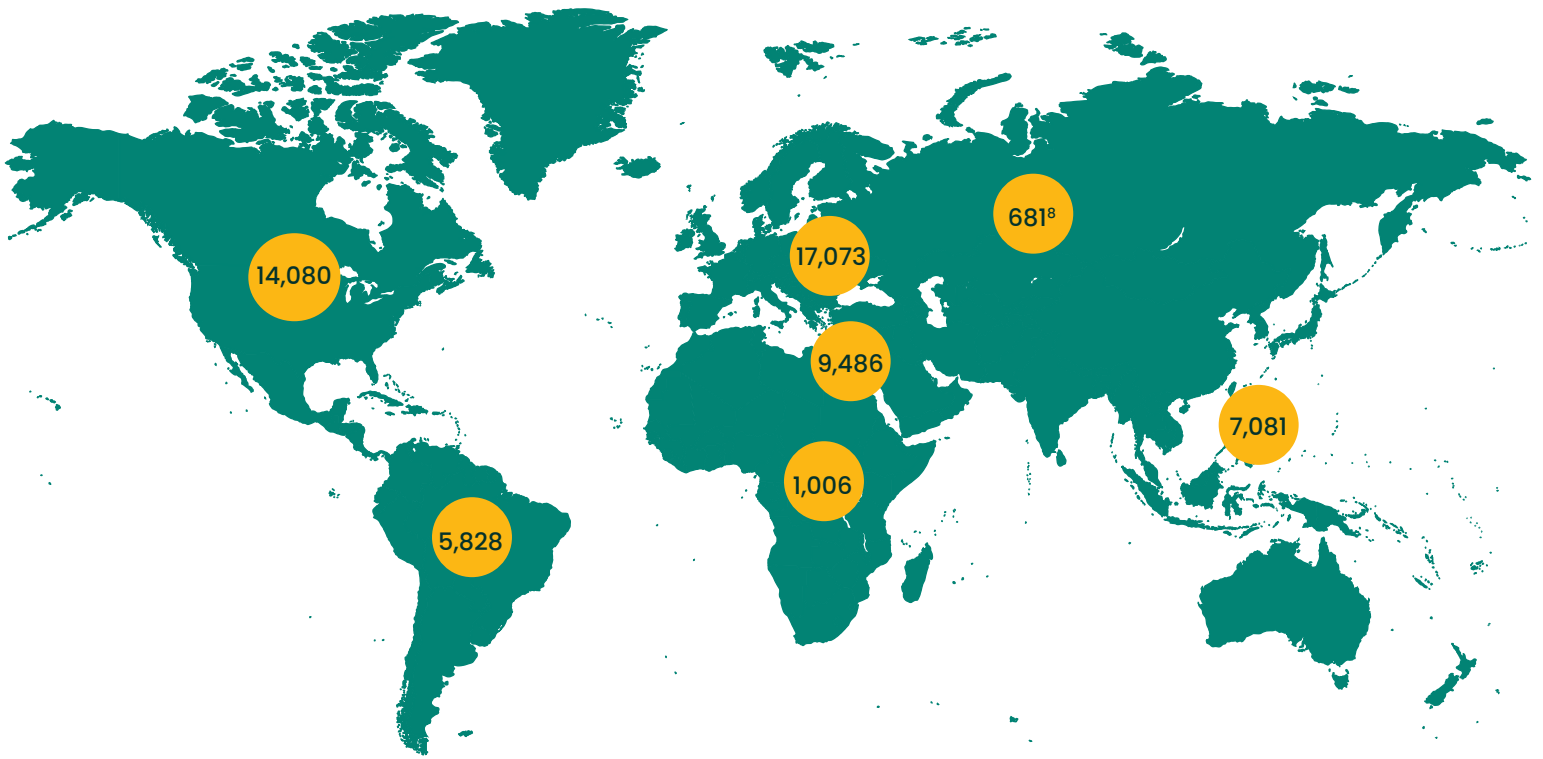
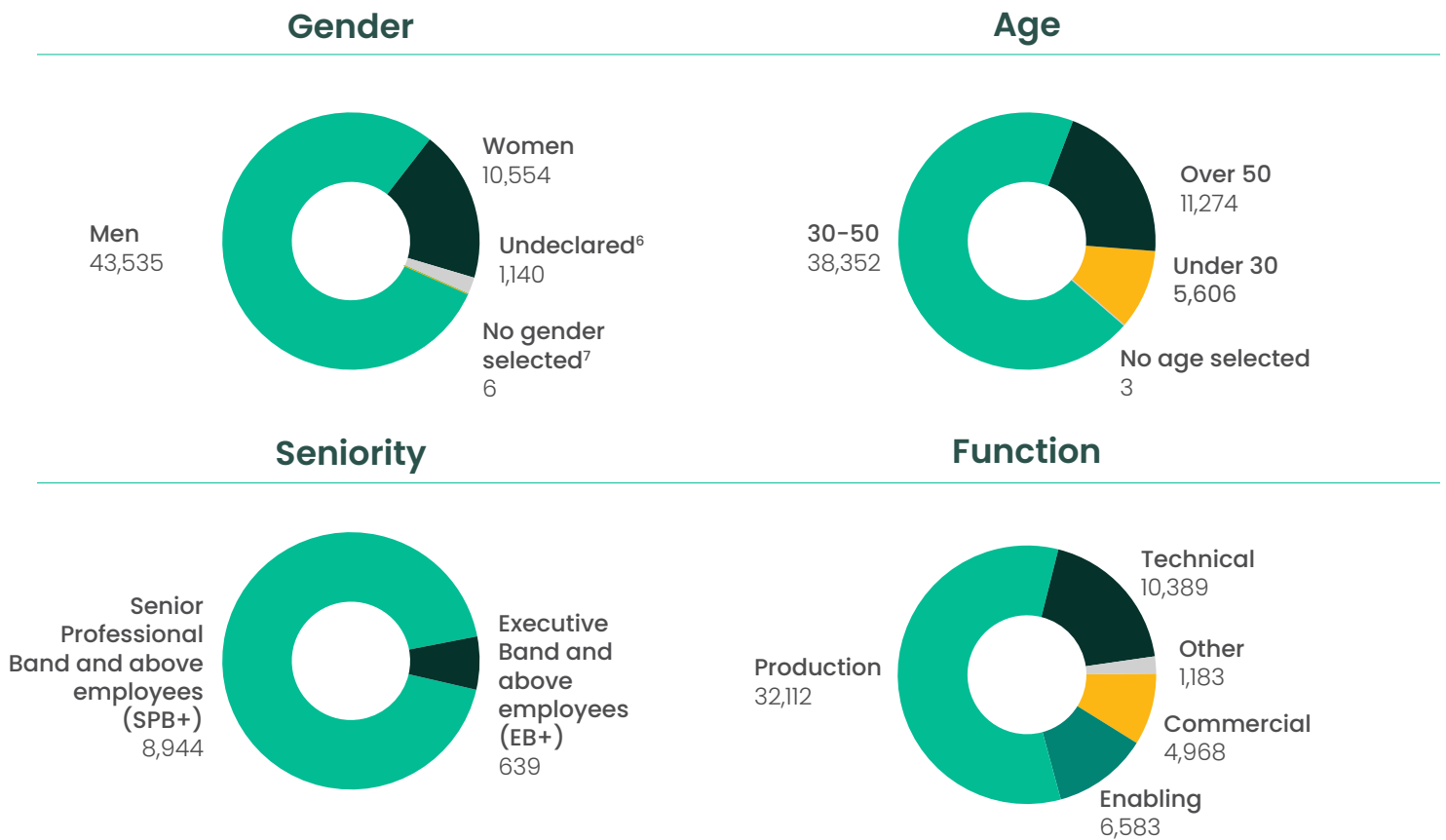


Figure 4-2: Employees by gender, age, seniority, and job function



Overall, we did not see a major fluctuation in our workforce in the last year. We have full-time roles, representing 98.7% of our total employees. We offer part-time working arrangements in certain circumstances and regions to meet the needs of our employees and local regulations. Refer to Appendix B - Statement and Notes on Selected People Metrics to find the number of employees by gender, job function, seniority, age, and other breakdowns. By sharing this detailed information, you will be able to more clearly interpret the data tables found in the following section.

In addition to our employees, we supplement the skills and people, as needed, to react flexibly to business and economic requirements. We partner with supplier companies that employ approximately 24,250 contingent workers that fulfill various roles across all business segments and regions we operate.

## Understanding job functions at Baker Hughes



### Technical

Encompasses roles that manage technology capabilities including technology engineering, project management, and software development, among others.



### Commercial

Encompasses roles related to selling or advertising our organization including sales, marketing, product development, and mergers and acquisitions.



### Enabling

Encompasses roles that enable the success of the organization including finance, human resources, legal, sourcing, and other support functions.



### Production

Encompasses roles that drive production of our products and services including field operations, logistics, manufacturing, and client support services.



### Other

Represents roles that haven't yet been aligned to the other job functions at the time of reporting such as legacy roles from a merger or acquisition.



Alessia Becco and Silvia De Martino  
Quality Coordinators  
Industrial & Energy Technology

98.7%  
of our total employees  
have full-time roles

# Our People strategy

OUR GOALS	HOW WE WILL DELIVER SUCCESS	HOW WE WILL MEASURE SUCCESS
<p><b>1. Attract, retain, and develop a diverse workforce of the future</b></p> <hr/> <p><b>2. Actively engage our people and our communities</b></p>	<ul style="list-style-type: none"> <li>• Ensure we attract, retain, and develop <b>diverse talent</b></li> <li>• Commit to progress on <b>diversity, equity, and inclusion</b></li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Engage with <b>communities</b> in which we live and work</li> <li>• Embed <b>sustainability as everyone's responsibility</b></li> </ul>	<ul style="list-style-type: none"> <li>• Increase women and people of color representation year-on-year (YOY)</li> <li>• Retention parity across under-represented groups</li> <li>• Best-in-class talent management and acquisition</li> <li>• Achieve top quartile inclusion index rating annually</li> <li>• Track diverse supplier spend</li> <li>• Track spend to support global communities</li> <li>• YOY increase in employee volunteer hours</li> <li>• Company-wide engagement plan aimed at driving habits of sustainability</li> </ul>

## What's New for 2022

In the following sections, you will read about important new actions we've taken in the area of People and social responsibility, including the following key milestones:

- Aligned across the organization on People-focused strategic goals.
- Published our inaugural 2021 Diversity, Equity, and Inclusion Annual Report.
- Implemented a digital capability program as a framework for attracting and developing skill sets.
- Launched new ASCEND leadership development program for military officers transitioning to civilian life.
- Created new JOURNEY community for developing People Leader capabilities.

People are core to who we are as a Company. Our sustainability strategy begins and ends with the success of our employees and the communities in which we work.

The past year continued to challenge employers around the world, and Baker Hughes was no exception. Lasting impacts of the pandemic persisted and contributed to the Great Resignation. This combined with rising living costs and inflation have placed new economic pressures on employees and communities.

To fully realize our commercial and sustainability outcomes, we have two goals and four objectives that relate to People. In this section, we discuss our efforts to further those objectives in support of our Company, our people, and our communities.



## People-specific awards



Offshore Energies United Kingdom Award for equality, diversity, and inclusion.



Houston Business Journal "Outstanding Supplier Diversity."



GOLD for "Best use of social/collaborative learning" and "Best unique or innovative learning and development program" by The Brandon Hall Group. Read more on [page 48](#).



"Smart working award 2022" in Italy for large enterprises for being able to implement the most innovative and digital working methods as part of our Future of Work project.



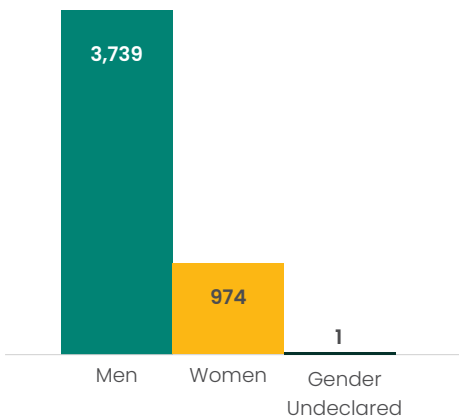
The Alliance 2022 Corporate Ambassador Award for supporting Afghan refugees.



Left to Right: Ronnie Russell | Engineering Manager, Mechanical Engineering, CTI  
Xiaobin (Betty) Huang | Team Leader, Chemical Engineering and Science, CTI  
Le (Lola) Dang | Sr Engineering Manager, Customer Application Engineering, CTI

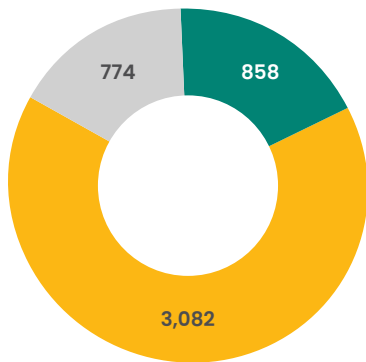
Figure 4-3: Voluntary attrition

By Gender



By Age

■ Under 30 ■ 30 - 50 ■ Over 50



## Attract, retain, and develop diverse talent

There’s nothing more exciting than working in an industry at a critical point of change. We continue to take energy forward, making it safer, cleaner, and more efficient for people and the planet. We can only achieve that by attracting the right people, retaining the right skill sets, and developing a diverse talent base. These activities are interconnected, together driving towards our aim of best-in-class talent management and talent acquisition.

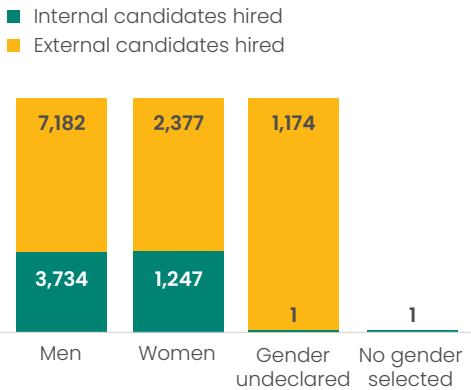
A very active labor market in 2022 added complexity in talent retention and competitiveness. We utilized this opportunity to focus on redefining our employee value proposition to underpin the needs of a changing workforce while the Company undergoes transformation. This has led to attrition, as well as the hiring of key new talent. Despite the intense competition for talent, our overall voluntary attrition rate increased marginally from 8.1% in 2021 to 8.6% in 2022. We are proud of the concerted efforts outlined in the following pages which minimized these impacts compared to many other employment sectors.

In March 2022, we announced the suspension of new investments in Russia to comply with applicable laws and sanctions. We exited the country upon the sale of the Oilfield Services business (OFS Russia) in November 2022. As a result of the sale, we experienced a high attrition rate in the region.

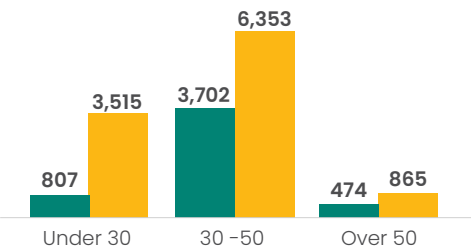
Recent workforce challenges, including The Great Resignation, have added pressure to organizations on how best to attract, retain, and develop their workforce. In line with recent workplace trends, we felt those impacts as well, with women having a slightly higher voluntary attrition rate at 9.3%, compared to men at 8.5%. People under the age of 30 had an attrition rate of 15.1%, notably higher than those in other age groups. This trend is especially detrimental given women make up 19.1% of our workforce. While there are many reasons causing these spikes, we have defined a multifaceted approach to achieving retention parity among under-represented groups, including succession planning, capability development, and a refreshed employee value proposition.

Figure 4-4: New hires

By Gender



By Age



## Attracting key skills through our employee value proposition

We explored external perceptions through social listening tools and analyzed data from internal focus groups to design a new employee value proposition (EVP) that represents today's Baker Hughes. We also reimagined our recruitment process by implementing key technology efficiencies such as applying through LinkedIn and interview self-scheduling. These enhancements enable a better candidate experience while reflecting our values.

Figure 4-5: Reimagine Recruitment highlights

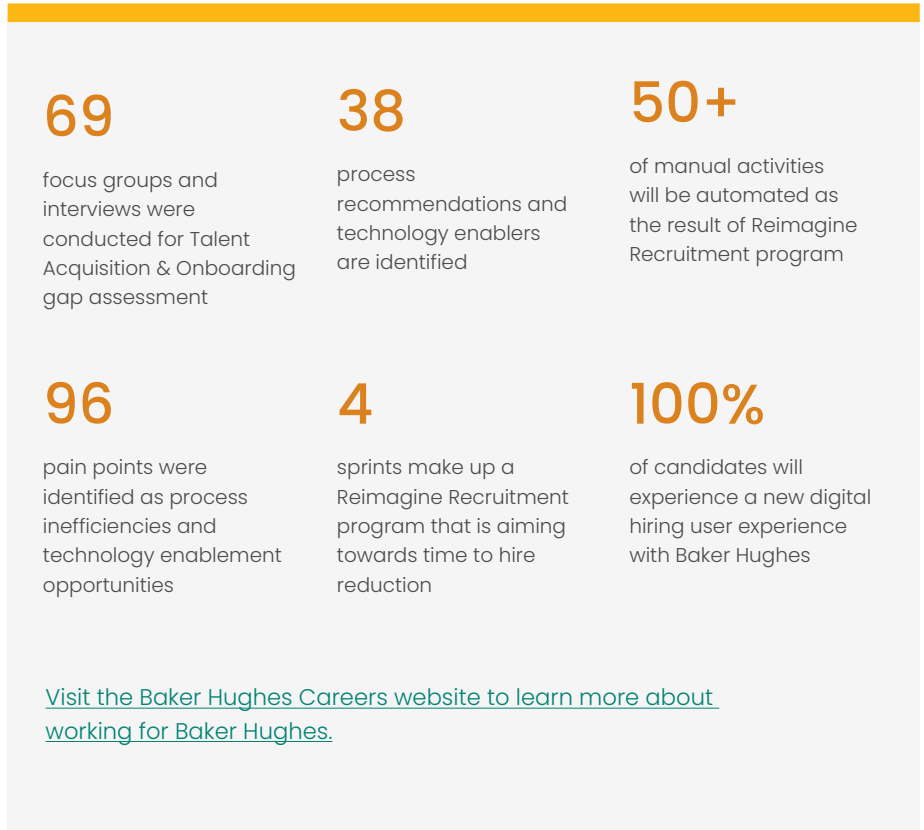
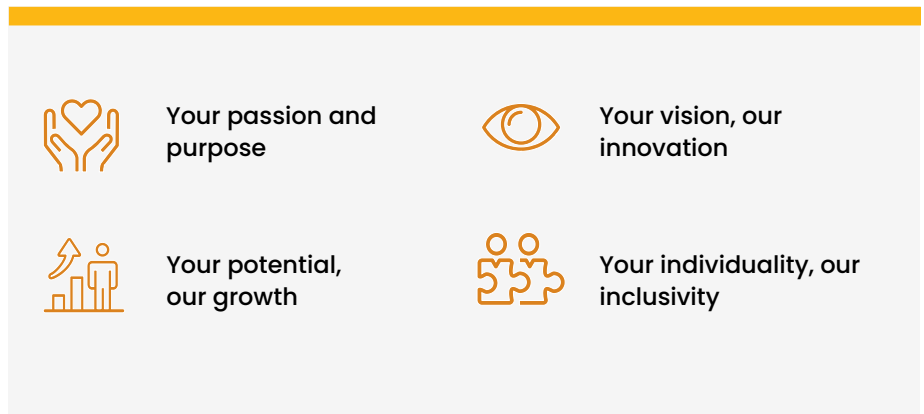


Figure 4-6: Our employee value proposition





# We approved a minimum parental leave of 18 weeks for the primary parent.

## Retaining our people by investing in our people

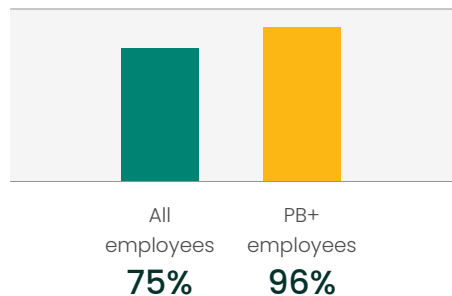
Our employees represent valuable skills, knowledge, and experiences that are uniquely Baker Hughes. To retain those perspectives, we must listen to our employees. Using an employee listening survey platform we regularly hear directly from our employees and use feedback collected to drive localized and tailored engagement and career development activities. Through informed, customized, and deeply tailored activities we can create a place where our employees will continue to grow, develop, and feel valued for all that they bring.

Table 4-1: Percentage of employees receiving annual performance and career development review<sup>9</sup>

	2022 <sup>(9)</sup>
<b>All employees</b>	75.0
Men	72.8
Women	84.0
Gender undeclared	31.0
Professional band and above (PB+) employees	95.8 <sup>10</sup>
Senior Professional band and above (SPB+) employees	95.8
Executive Band employees	94.1
<b>PB+ by gender**</b>	
Men	96.0
Women	95.3
<b>PB+ by job function**</b>	
Commercial	93.4
Enabling	95.3
Production	95.5
Technical	97.8

Having regular performance and career development conversations enables employees to identify ways to build key skills and talk about their career aspirations. While not all employees are required to have a year-end review (for example, employees hired after October 1), we had 75.0% of all employees complete a career development touchpoint with their manager. Of those required in the Professional Band and above, 95.8% completed a year-end performance and career development touchpoint with their manager. These conversations act as a catalyst for identifying career progression opportunities, and in 2022, 4,983 open roles were filled with internal candidates. Through our strategy we will maintain our focus on providing best-in-class talent management initiatives enabling us to retain our employees by supporting their career development.

Figure 4-7: Employees receiving annual performance and career development reviews



The challenging economic market has proven that competitive, fair compensation and benefit programs are crucial to the success of any organization. We offer our employees

core benefit programs ensuring medical and life insurance protections globally. We also offer, where feasible, additional flexible benefits promoting physical, emotional, and financial well-being. Read more about our well-being strategy in the Principles section on [pages 96-97](#).

We work to ensure the competitiveness and alignment of these programs through regular and robust benchmarking with market peers. This year, we also completed a living wage analysis in the U.S. Outside of the U.S., we regularly conduct a detailed wage analysis as we develop salary structures. These types of analysis will continue to be the bedrock of our approach to data-driven decision making.

It's not enough to just collect data. That information must be turned into action. We decided to offer a minimum parental leave of 18 weeks for a primary parent and two weeks for a secondary parent in all countries where we have employees.<sup>11</sup> This expanded global coverage and leave benefits alongside the approved global policy changes improve protections and ease of utilization for our employees at a pivotal moment in their lives. An important aspect of the intent behind these framework changes includes that gender identification does not determine the primary or secondary parental status for leave eligibility. These forward-looking policy changes further support our commitment to the security and well-being of our employees and our desire to foster a diverse and inclusive workplace.

\*\*New 2022 metric

9 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.

10 Leadership Training Band is not included in PB+ for 2022 because they follow their own performance management process.

11 The implementation of parental leave policies has and will occur in a phased approach by country in 2023.



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### Highlights of global benefit offerings:

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Healthcare plans and life insurance are a core benefit and are provided in most locations globally.

---

Our employee assistance program (EAP) provides impartial professional advice in complex life situations globally.

---

Fitness reimbursement program to support health and wellness at most of our locations.

---

Various leave-of-absence options help employees achieve higher quality-of-life needs, including family care and vacation.

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Personal Illness and Personal Business Leave for non-exempt and Permissive Leave for exempt employees in U.S.

---

For new mothers in the U.S., we provide on-site mother's rooms at many sites.

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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.<sup>12</sup>

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Employee stock programs and retirement saving plans are available in most locations globally.

---

Financial assistance to employees pursuing formal education through the Tuition Reimbursement Program.<sup>13</sup>

---

Financial support for U.S. employees who adopt a child.

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For additional information on U.S.-specific benefits portfolio including retiree benefits offered, visit [www.bakerhughesbenefits.com/guide](http://www.bakerhughesbenefits.com/guide).

<sup>12</sup> This policy is applicable to all employees, but individual circumstances vary based on local laws and regulations, positions, and job requirements.

<sup>13</sup> Offered to eligible employees in Canada, Guyana, Trinidad and Tobago and the United States as outlined in program policy.



Federico Sicilia | Packaging Supervisor, Industrial & Energy Technology



## What is the CORE community?

CORE is a social community and continual, self-directed learning experience for any employee keen to develop critical leadership behaviors. It is aligned to our values – grow, collaborate, lead, and care – and the behaviors that support these values. CORE was launched in 2021 and has since grown into a diverse and inclusive community with 5,000+ members in 69 countries across business segments and functions. Employees invested ~17,500 hours towards learning through CORE in 2022.

Right to left: **Victor Sampaio** Central Reliability Engineer, **Gbenga Osunjaye** Sr Product Management Manager, **Nataliya Calahan** Central Reliability Engineer, **Idil Atalik** Sr Manager, Technical Product Owner (all Oilfield Services & Equipment)

## Career transitions

Jobs must sometimes change or be reduced to meet the needs of our customers and our dynamic business environment.

In the unavoidable event of involuntary workforce reductions, we comply with local laws and requirements regarding notice periods, engagement with works councils, and other processes. We provide severance payments that meet or exceed local requirements and offer outplacement assistance and services in many locations. We employ forward-looking strategic workforce planning to anticipate workforce changes and attempt to redeploy or retrain employees where possible.

## Supporting future careers through learning and development

Shaping the future of energy means having the freedom, support, and tools for employees to define their career path. We offer our people opportunities to learn, grow, and develop their skills in a fast-moving and global environment.

## Building core capabilities

Critical to the execution of our transformation, we have identified four differentiating capabilities. In 2022, we built and implemented a framework that included key activities to attract, retain, and develop the Digital capabilities needed for success. We will continue to replicate that framework and process for the remaining three capabilities.

### What are the differentiating capabilities?

#### Digital

##### Building digital products

Digital capabilities enable us to build, sell, and support digital products.

#### Commercial

##### Customer-centric solution selling

Commercial capabilities focus on meeting customer needs with solutions-focused offerings.

#### Sustainability

##### Industry-leading solutions for cleaner energy

Sustainability capabilities allow us to shape, define, and lead in sustainable practices and products.

#### Technology

##### Creating the future of energy

Technology capabilities bring to life solutions for more sustainable and reliable energy.

## Core leadership programs

Our formal leadership development programs play a pivotal role in providing these experiences and building a diverse pipeline of talent within our organization. Turning this commitment into action in 2022:

- The number of participants in ASPIRE identifying as women increased by 25.0% and IMPACT by 77.8%. CULTIVATE remained a program designed specifically to develop the employee population that identify as women.
- We launched our newest leadership program in partnership with our military veterans – ASCEND. This is a transitional leadership program for military leaders retiring from the military and joining the civilian workforce.
- Overall leadership program participation increased by 34.1%.

## Learning at Baker Hughes

Our employees have access to more than 70,000 on-demand training courses that can be accessed anytime, anywhere. Prioritizing professional development, furthering job-related skills, and enhancing technical knowledge enables employees to be the architects of their own careers. We also regularly offer learning events featuring internal and external experts, addressing important topics such as DEI, personal wellness, industry trends, leadership behaviors, and more.

Building onto the pilot conducted in 2021, we continued our efforts to expand the CORE communities in 2022. We did this through successfully launching a new arm of the community called CORE Strengths which is focused on critical skills to help move the Company forward. CORE Strengths focuses on such areas as coaching skills, project management, leading change, as well as people and data analytics.

Table 4-2: Leadership program participation

	2020	2021	2022
ASPIRE	321	243	300
IMPACT	16	21	32
CULTIVATE	101	129	191
ASCEND**	-	-	4
Total	438	393	527

\*\*New 2022 metric

Figure 4-8: 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 women leaders through immersive learning experiences and one-on-one mentoring.

### ASCEND

A two-year program for transitioning junior military officers who are seeking to launch successful, accelerated, post-military careers as leaders and innovators within Baker Hughes.



Ilaria Cabona | Lead Project Engineer, Gas Solutions  
Project Engineering, Industrial & Energy Technology

**Table 4-3: Average hours of training**

	2022 <sup>14</sup>
All employees	37
Men	39
Women	30
Gender undeclared	6
<b>By seniority</b>	
Professional Band and above employees	24 <sup>15</sup>
Senior Professional Band and above employees	17
Executive Band employees**	12
<b>By business segment</b>	
IET employees**	18
OFSE employees**	51
Headquarter employees**	18
<b>By job function</b>	
Commercial**	16
Enabling**	20
Production**	51
Technical**	18
Other employees**	5

\*\*New 2022 metric

<sup>14</sup> In 2021, we calculated the average training hours by aggregating the number of completions then multiplying it by 5 hours to estimate the hours spent on learning. In 2022, we are more specifically representing hours by using estimated duration field in the learning management system for each respective course. Where the duration field is blank/empty we used the median duration hours of the Activity Type.

<sup>15</sup> Leadership Training Band is not included in PB+ for 2022.

### Global Learning team wins two Brandon Hall Excellence Awards

The 2022 Brandon Hall Group Human Capital Management Excellence Awards are given for work in learning and development, talent management, leadership development, talent acquisition, human resources, sales performance, diversity, equity, inclusion, and the future of work.

Our Learning and Development team has won two gold Brandon Hall awards for its Living Baker Hughes' Values through the CORE community:

- GOLD for "Best use of social/collaborative learning"
- GOLD for "Best unique or innovative learning and development program"

In addition to expanding CORE, we launched the JOURNEY community, our new community for People Leaders. JOURNEY is a social community and self-directed learning experience dedicated to helping People Leaders understand themselves, build relationships, develop strong teams, and help shape vision and strategy to prepare our organization for the future.

**We will remain focused on attracting, retaining, and developing our talent, underpinning all that we do.**



## How we define diversity, equity, inclusion, and culture:



### Diversity

The unique attributes we bring as individuals



### Equity

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



### Inclusion

How we value difference, respect, and interact with each other



### Culture

The set of shared attitudes, values, goals, and practices that characterizes an institution or organization

## Commit to progress on diversity, equity, and inclusion (DEI)

Our people represent a workforce rich in all facets of diversity. We believe that our differences make us stronger and that unique perspectives fuel innovation. When people thrive, we all move forward. While diversity, equity, and inclusion (DEI) have been at the forefront of many organizations over recent years, our commitment to furthering our progress at an accelerated rate is steadfast and focused on action.

In June 2022, we published our 2021 inaugural Diversity, Equity, and Inclusion Annual Report that laid out our foundational DEI goals and progress towards those goals.

### Read the 2021 and 2022 Diversity, Equity, and Inclusion Annual Reports here.



2021 Diversity, Equity, and Inclusion Annual Report (published June 2022)



2022 Diversity, Equity, and Inclusion Annual Report (published May 2023)

Progress against our DEI strategic goals will take time and we recognize that effort is needed to engrain DEI as part of our cultural transformation. We implemented strategic initiatives that will set us up for steady progress. A sampling of these include:

1. Launched the pronunciation and pronouns feature in Workday, our internal human capital management system, driving enhanced inclusivity.
2. Recognized as "DEI best places to work for disability inclusion" by Disability:IN with score of 80% by participating in Disability Inclusion Index.
3. Developed our Inclusive Leadership Model.

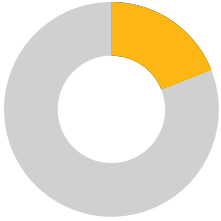
## What is the Baker Hughes Inclusive Leadership Model?

We all want to work where we feel safe voicing our opinions, comfortable being our true selves, and respected for the value we bring. Our inclusive leadership model identifies six key behaviors that are critical to fostering and sustaining a culture of inclusion. The model was established in 2022 and will be rolled out to our organization globally. When done right, the outcome is an engaged, highly motivated workforce with higher productivity, stronger collaboration across teams, and increased creativity.



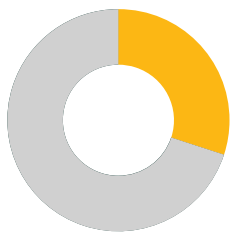
Use the QR code below to read about what diversity means to Tano Ererughurie, a member of the Gas Services team based in Lagos, Nigeria.





19%

of all employees are women



33%

of the Board of Directors are women



36%

of all employees are people of color

We have strengthened our ability to monitor progress on our DEI goals through close partnerships and regular meetings with the executive leadership team, our established global DEI council, and the Human Capital and Compensation Committee of the Board of Directors.

We are seeing steady progress in diversity representation. Women represent 19.1% of all employees and 36.1% of employees in the U.S. are people of color. While we feel strongly that all progress is meaningful, we are committed to furthering that progress at a faster rate. We have set specific, targeted goals including increasing women and people of color representation, retention parity across under-represented groups, increasing spending on diverse suppliers, and diverse and inclusive supply chains.

Figure 4-9: Women at Baker Hughes (%)

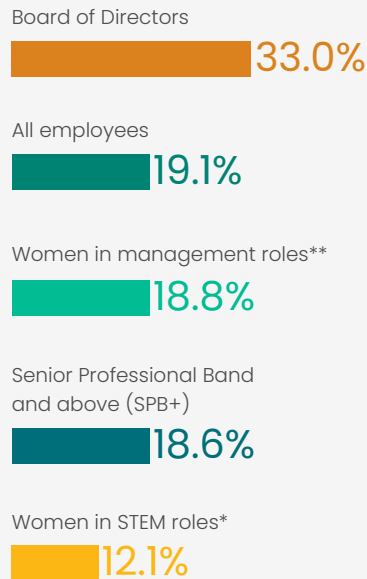


Table 4-4: Diversity snapshot

	2020	2021	2022
<b>Women at Baker Hughes (%)</b>			
Board of Directors	33.0	33.0	33.0
All employees	18.2	18.8	19.1
Women in management roles**	-	-	18.8
Senior Professional Band and above (SPB+)	17.0	18.1	18.6
Women in STEM roles*	-	11.2	12.1
<b>People of color in U.S. (%)</b>			
All employees	35.6	35.8	36.1
Women*	-	25.0	24.6
Men**	-	-	75.4
Gender undeclared**	-	-	0.0 <sup>16</sup>
Senior Professional Band and above*	-	31.6	32.1
Executive Band and above**	-	-	28.6

\*New 2021 metric; \*\* New 2022 metric

<sup>16</sup> Percentages are rounded to one decimal place. If a percentage shows as 0 that means it is less than .05 percent.



## Baker Hughes wins The Offshore Energies United Kingdom Award for Equality, Diversity, and Inclusion

The award celebrates various initiatives and efforts in promoting an inclusive culture. Kim Sabate developed a LGBT STEM program and championed the creation of a gender transition toolkit, designed to assist managers in supporting and understanding employees who are transitioning gender. These initiatives contributed to Baker Hughes receiving this award for equality, diversity, and inclusion in Scotland.

Kim Sabate collected the Offshore Energies United Kingdom Award for Equality, Diversity, and Inclusion (EDI) at the industry body's annual awards ceremony in Aberdeen, Scotland.

## Spotlight on our employee resource groups

Figure 4-10: Employee resource groups



Employee resource groups (ERGs) are made up of employees who have joined together based on shared interests, characteristics, or life experiences to pursue knowledge, innovation, and shared passions. Working across diverse cultures and multidisciplinary teams, our people have the opportunity to learn, adapt, and grow on every project. Each new opportunity comes with a combination of global influence, local impact, and personal fulfillment.

All employees are welcome to join ERGs either as members of the represented communities or as allies. Total ERG membership increased by 13.1% from prior year with 8,099 employees participating in employee resource groups. This represents 14.4% of our workforce participating in an ERG.

ERGs have a powerful influence on driving change by elevating the conversations and awareness around key priorities. In October 2022, we hosted our inaugural ERG summit bringing together employees from over 30 countries. This three-day investment in our ERGs allowed participants to hear from champions across the organization, learn from external speakers about best practices, and participate in discussions with our leaders. By enhancing the governance, support, and alignment across our ERGs, we can foster closer connections between employees and communities around the world.

We also have Community of Interest (COI) groups which are formed by employees to share information and best practices on a topic. Through more informal engagement, employees can benefit from collaborating with like-minded colleagues. One of these COI groups is the Renew Community. Renew is focused on sharing ways to work and live more sustainably. Read more about Renew and how its furthering our strategy on [pages 56-57](#).



Karla Pedroza | Aspire Field Service Leadership Program,  
Industrial & Energy Technology

## Celebrating diversity, equity, and inclusion while raising funds for those in need

Over 400 people joined the second Baker Hughes diversity, equity, and inclusion run in Talamona, Italy. Participants included our employees, residents, and charity association members. Funds collected and donated as part of the initiative contributed as emergency support following the devastating flood that hit the Marche region in Italy.

This run was organized in collaboration with the main local associations that promote diversity and inclusion, diversity in physical and cognitive abilities, gender, and sexual orientation, as well as inclusion of minorities overall. The Talamona site is recognized for its technology excellence and for its strong commitment to promoting the values of diversity, equity, and inclusion within Baker Hughes and with local communities.

## DEI outreach in the community

Our care and respect for one another also extends to the communities we serve and partnerships we create. We are proud of our social impact in the local communities where we live and work, such as:

- The reporting year was the second year in which ERGs were involved in the decision making for our Foundation grant-giving process. Each ERG nominated a charity of their choice to be given a grant. As a result, \$270,000 of Baker Hughes Foundation giving was committed to diverse communities. Learn more about additional philanthropic contributions to communities on [page 53](#).
- The Baker Hughes Foundation pledged \$1 million in grants to four Historically Black Colleges and Universities for the 2022-23 academic year, part of the Foundation's long-running mission to promote education and opportunity in the communities where our employees live and work. The funds will help provide financial support for a wide variety of STEM programs, professional certifications, scholarships, and career readiness and curriculum development programs.

Read more about how we engage with and give back to our communities in the next section.



## Engage with communities in which we live and work

We strive to be proactive global citizens, seeking to make a positive impact on society, the economy, and the environment. We focused more deeply on an aligned giving strategy and re-engaging through volunteerism activities in 2022.

Our community outreach strategy and execution are overseen by a dedicated communications team and governed by the Board of Trustees of the Baker Hughes Foundation. This board is comprised of four senior executives within the Company. We report our community affairs performance and plans to the Governance and Corporate Responsibility Committee annually.

### About the Baker Hughes Foundation

For 25 years, the Baker Hughes Foundation has been a steward of charitable resources for meaningful community impact. The Foundation seeks to advance environmental quality, education, health, safety, and wellness around the world by supporting organizations with shared values, demonstrated leadership, evidence of impact, financial soundness, and the capacity to implement initiatives and evaluate their success. The Baker Hughes Foundation makes strategic philanthropic contributions, matches employee contributions, and awards volunteer recognition grants for outstanding employee community service.

### Philanthropic contributions

We pledged approximately \$2 million in strategic grants through the Baker Hughes Foundation in support of the UN Sustainable Development Goals in 2022. Above and beyond strategic grants, the Baker Hughes Foundation matches employee contributions to qualified non-profits, up to \$5,000 per person per year. In 2022, many of our people participated in organized fundraisers, personal giving, and matching gifts.

#### \$925K supporting DEI, Education, and Opportunity

- Historically Black Colleges and Universities (HBCUs)
- ERG-nominated charities (Gigi's Playhouse, Junior Achievement, Folds of Honor)
- Singapore Management University
- Houston Minority Supplier Development Council
- Emancipation Park Conservancy
- Tech for Troops
- Children's Environmental Literacy Foundation

#### \$417K supporting Health, Safety and Wellness, and Disaster Relief

- Feed the Hunger
- Red Cross societies
- MD Anderson Center

#### \$650K supporting Environment

- One Tree Planted
- Coastal Prairie Conservancy
- American Forest Foundation

## Community service and volunteerism

Our people combine a powerful sense of purpose with the passion and pioneering spirit to make a meaningful impact. When our employees volunteer their time and energy in their communities, they are putting ‘Care’ – one of our core values – into action. As we emerge from the pandemic and the return of in-person volunteering, we saw more engagement in 2022, with a 48.2% increase in the number of unique volunteer participants and 60.8% increase in total volunteer hours – our largest year-over-year increase in recent years. Empowering our people to look to the future and make a difference excites and inspires us every day. We will continue to drive a culture of volunteerism and aligned charitable giving strategy with our communities in the most meaningful way.

Figure 4-11: Increasing our volunteer engagement

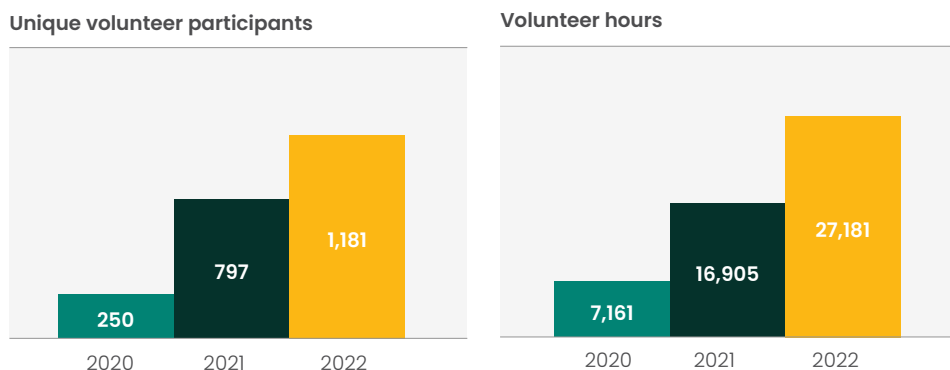


Photo courtesy of Dynamo Camp

In November 2022, the Baker Hughes Foundation announced \$425,000 to Dynamo Camp, a children’s recreational therapy camp in Italy

The Baker Hughes Foundation’s contribution will support energy efficiency upgrades on an iconic but underused historical building dating back to the early 1900s. The upgrades will also allow Dynamo Camp to expand capacity through a new space dedicated to activities for campers and 18 new beds for staff and volunteers.

This donation also supports our commitment to advancing SDG 3.

Table 4-5: Community contributions<sup>17</sup>

	2020	2021	2022
Matched employee financial contributions made by foundation	\$800,000	\$669,215	\$756,121
Company and foundation financial pledges and contributions <sup>18</sup>	\$2,966,951	\$2,578,208	\$1,992,500
Company in-kind contributions <sup>19</sup>	\$115,070,021	\$41,967,750	\$72,524,166
<b>Total charitable pledges and contributions</b>	<b>\$118,836,972</b>	<b>\$45,215,173</b>	<b>\$75,272,787</b>

<sup>17</sup> Contributions are reported when the contract is signed and payments may be made in 2022 or 2023.

<sup>18</sup> 2022 financial contributions based on Baker Hughes Foundation financial contributions only.

<sup>19</sup> Company in-kind contributions represent OFSE business segment software license donations only.



Chairman and CEO Lorenzo Simonelli, Chief HR Officer Deanna Jones, Chief Diversity, Equity, and Inclusion Officer Nicole Durham, and Baker Hughes employees present donation check to Emancipation Park Conservancy.

## The Baker Hughes Foundation announced a \$100,000 grant to Houston's Emancipation Park Conservancy (EPC)

Purchased by a group of African American community leaders for one of the nation's original Juneteenth celebrations, Emancipation Park was donated to the city of Houston in 1916 and remained the only public park open to Black residents for more than 20 years. The funds given will support the conservancy's mission to preserve the park's integrity and enrich its heritage as a local, state, national, and international landmark. This announcement marked the third consecutive year the Baker Hughes Foundation has supported EPC through charitable giving.

EPC aligns with Baker Hughes Foundation's mission to promote education, environment, and health and safety in the communities where the Company operates.

## Our employees plant trees, supporting global reforestation

In partnership with One Tree Planted, a non-profit organization, the Baker Hughes Foundation issued a \$350,000 grant. Additionally, our employee volunteers participated in three planting events across the globe in 2022 – Houston, Dubai and England. These types of events help contribute to outcomes such as erosion control, biodiversity, forest fire restoration, carbon sequestration, and economic diversification.

**The work we do is not just about trees. It's about the planet's life support systems for clean air, water, biodiversity, climate, health, and social impact – what we call the 6 pillars of reforestation.**

Matt Hill, Chief Environmental Optimist at One Tree Planted

## Embed sustainability as everyone's responsibility

Every employee has a role to play in our transformation. Becoming an energy technology Company requires a transformation at all levels of the organization, including our culture. To deliver the energy security and sustainability that makes affordable, cleaner energy accessible to everyone we must embed sustainability as everyone's responsibility at Baker Hughes. All employees in all roles across the Company can learn how to work and live more sustainably.

In 2022, we held knowledge sharing sessions and two flagship events for Earth Day and Environment Awareness month. These activities along with regular communication through our Renew Community are driving awareness deeper into the organization.

The Carbon Out initiative showcases how our employees are taking charge and making a difference in their roles today. Read more about Carbon Out on [pages 64-65](#).

## Highlighting the Renew Community

Working together in collaboration with talented colleagues accelerates our ability to deliver on our sustainability commitments. The Renew Community provides a global network for our employees with a mission to share information, resources, and ideas on how to operate more sustainably. Renew is a crucial enabler of ongoing innovation to improve operations and reduce CO<sub>2</sub>e emissions across our entire value chain.

Our employees are eager to get engaged and learn about sustainable habits. We will be developing sustainability training, driving engagement campaigns, identifying incentives, and expanding the Renew Community aimed at embedding sustainable habits into all that we do.



Figure 4-12: 2022 Renew highlights

### Mission



Employee engagement and empowerment



Knowledge and resource sharing



External thought leadership

### Flagship events



Earth Day Challenge April 2022



Environmental Awareness Month September 2022



Knowledge sharing sessions all year

### Engagement

**2,062**

Renew virtual engagements

**538**

Messages in the platform

**292**

Unique participants

### Renew Membership

**861**

Members as of November 2022

**244**

2022 additions

**28**

Membership roadshows

**50+**

Employees recognized as Sustainability Champions



# Planet

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59 Performance snapshot

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60 Our Planet strategy

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62 Become a net-zero emissions business by 2050

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66 Enable our partners to thrive in a low carbon world

---

70 Minimize the resources we use

---

78 Reduce spills and report them transparently

This dashboard represents our progress on key performance indicators over time. We continue to improve our reporting by establishing quantitative goals and performance metrics that contribute to the UN Sustainable Development Goals (SDG).

# Planet performance snapshot



SUSTAINABILITY PRIORITY	KEY PERFORMANCE INDICATORS	2020	2021	2022
Energy transition business impacts and innovation	Product lifecycle assessments completed	1	7	43
Water	Water withdrawn (million liters)	4,797	3,143	3,214
	Water consumed (million liters)	552	374	559
	Water discharged (million liters)	4,245	2,769	2,655
Spills	Significant spills (barrels)	738	1,693	827
	Oil spills (barrels)	28	6	37
	Fuel spills (barrels)	<1	2	3
	Waste spills (barrels)	<1	1	1
	Chemical spills (barrels)	155	130	378
Biodiversity	Hydrocarbon spills in the Arctic*	-	-	-
	# of IUCN Red List Species	1	201	392
	# of species - Least concern	-	71	251
	# of species - Near threatened	-	4	14
	# of species - Vulnerable	-	74	78
	# of species - Endangered	-	39	38
Waste <sup>20</sup>	# of species - Critically endangered	-	13	11
	Waste generated (metric tons)	680,790	482,806	235,403
	Waste recycled (metric tons)	214,043	125,222	57,666
	Waste disposed (metric tons)	466,747	357,584	177,737

SUSTAINABILITY PRIORITY	KEY PERFORMANCE INDICATORS	2019	2022
Emissions	Total scope 1 emissions (MT CO <sub>2</sub> e)	500,604	376,172
	Total scope 2 indirect emissions - market based (MT CO <sub>2</sub> e)	286,752	193,933
	Total scope 1 and 2 emissions (MT CO <sub>2</sub> e)	787,356	570,105
	Total scope 3 emissions (MT CO <sub>2</sub> e)	188,223,561	252,414,204
	Production, imports, and exports of ozone-depleting substances (MT CFC-11 equivalent)**	-	-
Energy	% of electricity from zero-emission sources <sup>21</sup>	14%	26%
	Total electricity (MWh)	741,375	604,093
	Renewable electricity (MWh)	104,307	137,327
	Non-renewable electricity (MWh)	637,068	466,766
	Total fuels (MWh)	2,211,833	1,609,879
	Diesel/Distillate (MWh)	763,099	472,915
	Natural gas (MWh)	1,062,286	875,344
	Gasoline/Petrol (MWh)	384,407	252,227
	Propane (MWh)	2,040	6,797
	Other fuels (MWh)	-	2,595
Total energy (MWh)	2,953,208	2,213,972	
Energy intensity (MWh/ \$ of revenue)	0.00012	0.00010	

\*New 2021 metric, \*\*New 2022 metric

<sup>20</sup> Change in methodology in 2022. Years 2020 and 2021 data were not recalculated and verified with new method and cannot be directly compared.

<sup>21</sup> This 26% represents our total zero-emission electricity usage; this is the sum of renewable energy and nuclear energy (a non-renewable, zero-emission source).

# Our Planet strategy



While the world continues to address energy security, sustainability, and affordability, the need and urgency of carbon dioxide equivalent (CO<sub>2</sub>e) reductions and conservation of environmental resources are becoming stronger.

Guided by our alignment with the Paris Agreement, we've set out a clear pathway to reduce our scope 1 and 2 CO<sub>2</sub>e emissions to net-zero by 2050 and be a sustainable solutions provider for our customers.

Our Planet strategy has environmental stewardship at its core. We developed two key focus areas comprised of specific outcomes to drive our strategy forward. Our performance to these outcomes in 2022 is detailed in this section.

To address our Planet strategic goals, we leveraged conservation measures, circularity, life cycle assessments, and CO<sub>2</sub>e emissions reduction projects across our facilities and field sites. Our efforts to drive sustainable operations are accomplished by our greatest asset – our people.

## What's New for 2022

- Reduced our scope 1 and 2 CO<sub>2</sub>e emissions from our 2019 base year.
- Expanded the breadth and depth of our Carbon Out program to further operationalize CO<sub>2</sub>e emissions reductions and drive sustainable behaviors across the business.
- Scaled the adoption of our proprietary life cycle assessment tool, FastLCA, to measure the carbon footprint of our products and services.
- Deepened our supplier engagement to better understand supplier CO<sub>2</sub>e emissions data for our top tier suppliers.
- Continued to advance automation of emissions data and strong internal controllership of all Planet data.
- Continued expansion of third-party assurance to include our waste metrics.



# 28%

Reduction in scope 1 and 2 CO<sub>2</sub>e emissions from our 2019 baseline

# 26%

Electricity sourced from zero-emission sources

# 10

Scope 3 emissions categories reported with limited assurance

# 57,666

Metric tons of waste recycled



# Become a net-zero emissions business by 2050

In 2022, we advanced progress on our net-zero journey and further refined our calculation and estimation methodology to improve our reporting processes. Our main reduction pathways were a result of executed energy efficiency initiatives, facility consolidations, and increased electricity from renewable and zero-carbon sources.

As an energy technology company, we strive to reduce our CO<sub>2</sub>e emissions in our manufacturing, operations, and how we provide services to our customers. This will be achieved through increased energy efficiency throughout our operations, and adoption of renewable electricity across our global footprint of facilities.

## Scope 1 and 2 CO<sub>2</sub>e emissions reduced by 28% through 2022

We are striving to reach our interim target of reducing scope 1 and 2 CO<sub>2</sub>e emissions by 50% by 2030. We compare our emissions reduction progress to a 2019 base year. We utilize this base year, as it was the first full performance year of the Company following the spin out of Baker Hughes from GE. Additionally, 2019 was a typical year from an operations standpoint and did not have an artificially high or low emissions performance year for scope 1 and 2. It was, however, an anomalously low year in terms of our Gas Tech equipment string testing, which utilizes natural Gas Tech. Thus, the use of natural gas has increased as we have performed more equipment testing, but we are working to find alternative sources of renewable natural gas for this testing.

- During 2022, our combined scope 1 and 2 CO<sub>2</sub>e emissions were 28% lower than our 2019 base year.
- Our scope 1 emissions decreased from 500,604 MT CO<sub>2</sub>e in 2019 to 376,172 MT CO<sub>2</sub>e in 2022.
- Our scope 2 emissions decreased from 286,752 MT CO<sub>2</sub>e in 2019 to 193,933 MT CO<sub>2</sub>e in 2022.

Figure 5-1: Total scope 1 and 2 emissions by year (MT CO<sub>2</sub>e)

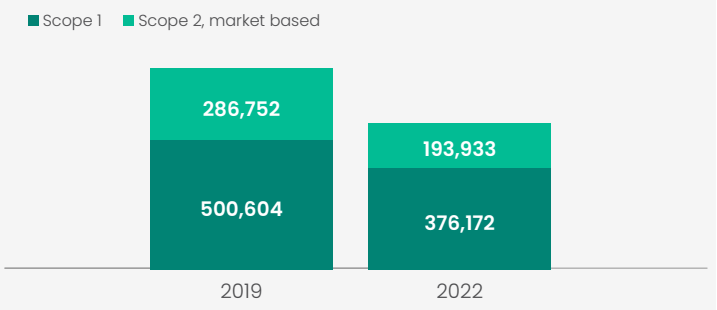


Table 5-1: Scope 1 and 2 emissions by year (MT CO<sub>2</sub>e)

	2019	2022	REDUCTION FROM 2019 (MT CO <sub>2</sub> e)	% REDUCTION FROM 2019
Scope 1	500,604	376,172	124,432	25%
Scope 2 market based <sup>22</sup>	286,752	193,933	92,819	32%
Scope 2 location based	295,317	210,902	84,415	29%
Total	787,356	570,105	217,251	28%

Table 5-2: Scope 1 emissions breakdown (MT CO<sub>2</sub>e)

	2019	2022	% REDUCTION FROM 2019
Facilities	161,557	111,871	31%
Vehicles	141,380	92,243	35%
Field activities	197,667	172,058	13%
Total	500,604	376,172	25%

**31%**  
reduction

in CO<sub>2</sub>e emissions from all Baker Hughes controlled facilities in 2022 versus our 2019 base year.

<sup>22</sup> Please see Note 2 - GHG reporting organizational boundaries, Statement and Notes on Greenhouse Gas CO<sub>2</sub>e Emissions for definition of market-based.

Initiatives that contributed to facilities CO<sub>2</sub>e emission reductions included:

- Dedicated energy conservation efforts and daily process changes.
- Implemented sustainable standards in new building construction, renovation, and retrofits.
- Reduced time and energy usage during the manufacturing process.

Field activities and fleet emissions both had a reduction from our base year of 2019, however, there was an increase in our CO<sub>2</sub>e emissions in both categories compared to last year's totals primarily due to an increase in activity for our customers that required more driving and fuel consumption at field sites. Despite these headwinds, our total scope 1 and 2 emissions have improved year-over-year.

- 35% CO<sub>2</sub>e emission reduction from fleet activities compared to our 2019 base year.
- 13% CO<sub>2</sub>e emission reduction in field activities versus our 2019 base year.

For fleet and field related emissions, we continued to execute on CO<sub>2</sub>e reduction activities such as:

- Tracking and reduction of unnecessary vehicle idling through our Idling policy and vehicle monitoring program.
- Optimizing schedules, logistics, and rental car solutions.
- Encouraging carpooling or ride share opportunities for employees.
- Improved operational efficiency with fleet and vessels to reduce CO<sub>2</sub>e emissions during transportation and other field activities. Projects include idle reduction and ship to shore power projects.

## Powering our sites with renewable and zero-emission electricity

We continued to find opportunities to use renewable and zero-emission energy sources both onsite and offsite across all our global locations. From the United States to Brazil, Italy, and Singapore, we continued to procure renewable energy through power purchase agreements (PPAs), and collaborations with retail energy providers. We continued to adhere to our policy of not utilizing carbon offsets until such time that all achievable carbon reduction is completed.

At Baker Hughes, our emissions reduction strategy, in the short and medium term, does not include the use of carbon offsets or virtual power purchase agreements (vPPAs). Our strategy to reach our emission reduction goals leverages Renewable Energy Credits (RECs), Renewable Energy Guarantees of Origin (REGOs), or similar certificates when tied to a local market of electricity generation or PPA.

In 2022, we redefined our methodology to further specify how we apply zero-emission certificates. Our revised boundary includes Baker Hughes sites in unregulated regions, and excludes sites located in regulated regions which require using a specified energy provider. With these changes to our methodology, we continued to meet all existing GHG Protocol guidelines and the CDP's RE100 requirements for credible renewable energy usage claims. This aligned to our internal carbon offset policy which restricts the application of RECs and REGOs to the local markets in which the electricity was generated. For North American markets, we define

Figure 5-2: Total electricity used in 2022

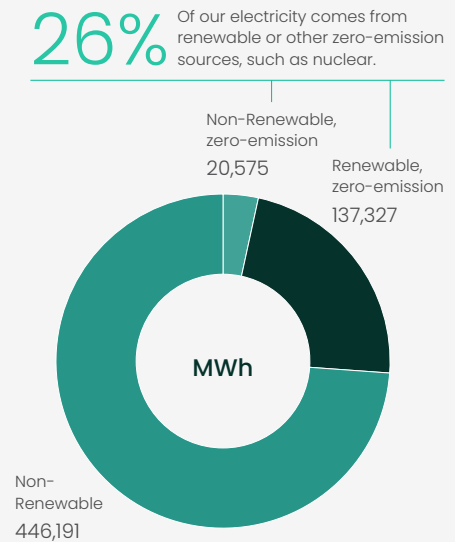
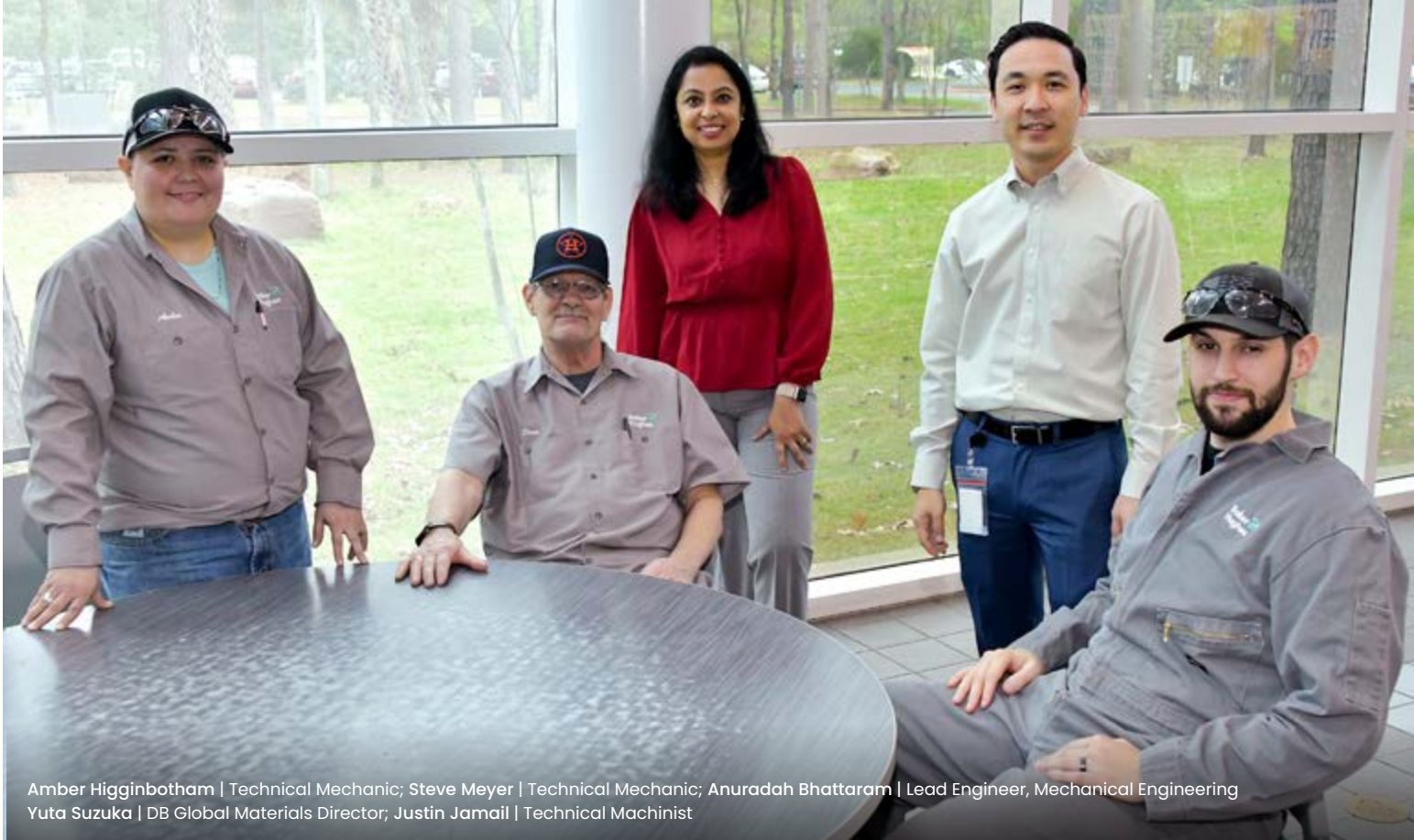


Table 5-3: Energy use by category (MWh)

	2019	2022
Renewable electricity	104,307	137,327
Non-Renewable electricity	637,068	466,766
<b>Total electricity</b>	<b>741,375</b>	<b>604,093</b>
Diesel/Distillate	1,062,286	875,344
Natural gas	763,099	472,915
Gasoline/Petrol	384,407	252,227
Propane	2,040	6,797
Other fuels	-	2,595
<b>Total fuels</b>	<b>2,211,832</b>	<b>1,609,878</b>
<b>Total energy</b>	<b>2,953,207</b>	<b>2,213,971</b>

\* Our non-renewable category includes energy from non-emissive sources such as nuclear power. This subsection of non-renewable zero-emission energy is illustrated in Figure 5-2.





Amber Higginbotham | Technical Mechanic; Steve Meyer | Technical Mechanic; Anuradah Bhattaram | Lead Engineer, Mechanical Engineering  
Yuta Suzuka | DB Global Materials Director; Justin Jamail | Technical Machinist

“local market” as electricity generated or purchased within the same state where electricity is used. By applying this more conservative definition, we effectively limited the total claimed RECs to local markets and reduced the overall amount of renewable energy we claim. This approach sets a new standard whereby our stakeholders can have high confidence in our commitment to reducing our direct impact in communities in which we operate.

Zero-emission energy made up 157,902 MWh/Yr, or 26%, of our annual electricity usage in 2022. We are proud of our results, but acknowledge that we need to bring even more renewable and zero-emission energy into our mix. This year, the percentage of our renewable electricity usage year over year remained flat, but despite this result, initiatives across our business contributed to our continued progress. We reduced the REC usage in areas where we brought direct renewables online, and we also drove efficiencies to reduce electricity use at facilities that utilize renewable energy. In those examples, we worked to prioritize direct renewable use over RECs, and focused on the overall reduction of energy consumption at sites. We strive to bring energy forward, and while we have work to do, we are focused on the journey along the path to net zero.

## All in. Carbon Out.

Our Carbon Out program aims to educate and empower every employee to have an active role in our scope 1 and 2 reduction efforts. Sustainable practices and employee-driven solution identification drive carbon out of our daily operations.

Our Carbon Out program empowers our business segments to prioritize CO<sub>2</sub>e emissions reductions by identifying projects that meet our pathway criteria for the road to net-zero operational CO<sub>2</sub>e emissions.

Since its launch in 2021, our Carbon Out program has engaged employees and leaders from across the business to enable them with the knowledge, training and resources to systematically reduce our operational CO<sub>2</sub>e emissions. Employees in all parts of Baker Hughes are empowered to identify CO<sub>2</sub>e emissions reduction solutions that are reviewed and approved to ensure timely, efficient, and cost-effective implementation of CO<sub>2</sub>e emissions reduction solutions. Direct carbon removal projects, such as CCUS, have been considered for longer term abatement pathways.



In 2022, our Carbon Out program expanded in breadth and depth of impact through:

- A network of over 260 employees that are Carbon Out champions across both business segments. These employees represent multiple corporate disciplines, such as HSE, supply chain, sourcing, real estate, field service engineers, and finance. The goal of our champion network is to build and execute a pipeline of projects that enable us to achieve CO<sub>2</sub>e emissions reduction throughout our operations.
- Sustainability educational materials and opportunities to equip our employees with the right knowledge and skills sets to identify qualifying projects. Participants of our core leadership training programs - ASPIRE, CULTIVATE, and IMPACT - were engaged in the Carbon Out program to grow sustainability skill sets. In addition, over 400 employees across the Company from 27 countries participated in sustainability focused training opportunities to expand their capabilities.
- Crowdsourced ideas and employee-driven initiatives across the Company helped to build a pipeline of new CO<sub>2</sub>e emissions reduction projects for review, consideration and funding.
- HSE training of over 2,200 employees on energy efficiency, energy efficiency/factory assessments, and submission of over 300 ideas to improve energy efficiency and reduce carbon emissions across our global facilities.

Consistent engagement and awareness campaigns in the last year have increased our focus on sustainability in our operations and contributed to a mindset shift among our employees to adopt more sustainable practices in their day to day lives. We believe this transformation is foundational to being a sustainable business.

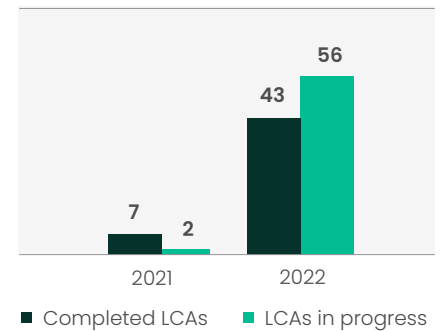
## Quantifying our carbon footprint through life cycle analysis

Understanding, quantifying, and reducing our direct and indirect CO<sub>2</sub>e emissions across the value chain is integral to our progress on the path to net zero. To ensure that we establish an accurate representation of our CO<sub>2</sub>e emissions footprint, we utilize life cycle assessments (LCAs) across our portfolio of product offerings. LCAs quantify CO<sub>2</sub>e emissions that will occur during the life of a product or service. This quantification has directed our focus for carbon-reduction opportunities across our value chain by assessing CO<sub>2</sub>e emission impacts during:

- product design;
- material selection;
- component sourcing;
- manufacturing processes;
- product installation and use; and
- disposal of our products.

In 2022, we launched our proprietary life cycle assessment (LCAs) tool - FastLCA - across all products lines to drive the quantification and analysis of the estimated cradle-to-grave CO<sub>2</sub>e emissions impact of our products and services.

Figure 5-3: Number of product life cycle assessments 2021 v. 2022



FastLCA is a tool aligned to the ISO 14067:2018 standard that features the capability to calculate complete life cycle assessments for three applications:

- specific products or services;
- systems of products or services; and
- comparative analysis between products.

The comparative analysis feature helped to provide important insights into efficiencies gained through new product innovations. Our LCAs provide our customers with verified information on the CO<sub>2</sub>e emissions footprint of our products. As part of our overall sustainability strategy, we are working to quantify the lifecycle CO<sub>2</sub>e emissions of all of our major product groups.

Our product lines completed a total of 43 life cycle assessments in 2022, with an additional 56 LCAs in progress. This is a significant improvement from our 2021 totals when the LCA tool was in development; 7 LCAs were completed and 2 LCAs were in progress for 2021. Each LCA undergoes a rigorous review by a third party and is documented to show adherence to the use of FastLCA tool and underlying ISO standard. This early adoption within our business demonstrated our commitment to CO<sub>2</sub>e emission reductions for our operations and our customers value chain CO<sub>2</sub>e emissions.

## Enable our partners to thrive in a low carbon world

To be a sustainable business, we must help our partners across our entire value chain to be more sustainable.

This section highlights our work with our customers and suppliers to improve their operational efficiency by developing and deploying less emissive technologies, partnering with suppliers to understand their current CO<sub>2</sub>e emissions and reduction strategies, and reducing our scope 3 CO<sub>2</sub>e emissions, which are scope 1 and 2 for our suppliers and customers.

### Engaging our suppliers

We understand that our environmental impact is a result of activities across our entire value chain, and we work closely with our suppliers to identify our upstream CO<sub>2</sub>e emission reduction opportunities across our shared value chain.

We achieved an important milestone in our efforts for supply chain CO<sub>2</sub>e emission reductions in 2022 by becoming a supply chain member of CDP. Our membership has enabled us to work with our suppliers to support their CO<sub>2</sub>e emission reduction activities by disclosing CO<sub>2</sub>e emissions data, while also gaining insights from our suppliers' CDP disclosures.

A key priority for us in 2022 was to improve supplier engagement and share learnings. In addition, as part of our Principles strategy, we aim to assess our active suppliers on environmental criteria every three years. As part of this effort, this year we launched our first annual CDP CO<sub>2</sub>e emissions survey and collected 2021 disclosures from 152 suppliers – a response rate of about 30%.

This survey focused on the upstream portion of our value chain and engaged our vendors in preliminary assessments of their CO<sub>2</sub>e emissions footprints. We developed a live dashboard to monitor the survey response submissions and increase visibility to outstanding responses and information.

We also organized webinars, supplier conferences, and workshops to engage our vendors on CO<sub>2</sub>e emissions and risk management. Internally, we conducted periodic “supply chain days” to educate our supply chain employees in the specifics of how they can impact our CO<sub>2</sub>e emission reductions through their day-to-day work.

### Scope 3 CO<sub>2</sub>e emissions

While our journey to net zero for scopes 1 and 2 emissions is impactful, scope 3 emissions account for several orders of magnitude more emissions. In 2022, we worked to set an internal target to reduce our scope 3 emissions and expanded the quantification of our value chain emissions. Specific initiatives will be actioned through our Carbon Out program as we develop and advance our scope 3 emissions reduction roadmap.

In 2022, our overall scope 3 emissions increased by 34% over the 2019 base year, in conjunction with increased activity and orders. However, at a category level, emissions were lower for both business travel and employee commuting. With hybrid work schedules and expanded digital communications options, our employees traveled less in 2022 than they did in 2019. We enhanced our methodology and replaced regional averages with employee-provided data from our commuting survey. The survey data provides greater accuracy which with we calculate our overall carbon CO<sub>2</sub>e emissions. Previous estimates resulted in an overstated level of emissions attributed to commuting.

Logistics improvements led to a 41% and 31% decrease in our category 4 and 9 emissions, respectively. Decreased reliance on air freight yielded significant emissions reductions in the conveyance of goods on both the upstream and downstream ends of our value chain.

Last year, energy markets shifted and began to rebalance, more heavily favoring natural gas to meet the ever-increasing demand for energy. This shift has resulted in increased demand for equipment required to bring additional energy online. In 2022, the sale of 16 turbines along with an increase in electrical motor sales led to a 35% jump in our category 11 emissions. This increased activity further created the need for more forged materials and chemicals, impacting the emissions of purchased goods and services (scope 3 category 1).

The increase in our category 5 emissions is largely attributed to higher volumes of land filled commercial and industrial waste in 2022. In addition to the increased volume, we shifted to a more accurate methodology for waste estimation.

In 2022, the total revenue of our invested (category 15) entities grew by 8% compared to 2021. As a key variable in our category 15 emissions estimation, this revenue growth is the leading driver for higher emissions as compared to our 2019 baseline. Our methodology will improve as we incorporate operational emissions data from our investments. As an energy technology company focused on being a sustainable pioneer in all we do, our strategy is focused on developing abatement solutions and embedding additional emissions savings into multiple categories associated with our value chain.

Table 5-4: Scope 3 emissions (MT CO<sub>2</sub>e)

	CATEGORY	2019	2022
	1 Purchased goods and services	4,602,303	5,718,784
	2 Capital goods	298,734	233,574
	3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	184,214	136,224
	4 Upstream transportation and distribution	536,642	317,937
	5 Waste generated in operations	20,612	79,284
	6 Business travel	100,624	56,454
	7 Employee commuting	151,941	101,404
	9 Transportation and distribution	518,908	359,773
	11 Use of sold products	181,576,472	244,794,528
	15 Investments	233,111	616,242
<b>Total scope 3</b>		<b>188,223,561</b>	<b>252,414,204</b>





## Climate change as a financial risk and opportunity

We recognize the challenges of climate change, but we also see the opportunities for growth that stem from a resource-constrained but innovative world. By positioning ourselves to support the transition to a low carbon economy, we will enhance our business resiliency by providing new commercial opportunities for us and our customers while managing physical risks to the Company.

To position ourselves for long-term success, our business, in accordance with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, undertook quantitative climate change scenario analyses and opportunity hotspot mapping. These analyses helped provide more insight on climate issues that could impact the business and outlined the potential impact over three-time horizons: short-term (5 years), medium-term (5-10 years), and long-term (beyond 10 years).

Accordingly, climate change risk and opportunity assessments at Baker Hughes were conducted to include these time horizons.

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

### Physical risk management

A comprehensive and robust physical risk assessment program is important to satisfy the requirements of governments and regulatory bodies in a growing number of countries and to enable informed decisions on where and when to allocate our capital and resources to prevent or mitigate impact of climate change. Baker Hughes' physical risk assessment determines financial exposure to damages, business disruptions and productivity losses for all Baker Hughes facilities, as well as the selected sites of our critical suppliers. We model impact of severe weather events for the four relevant weather

perils: flood, wind, extreme heat and wildfires, using Jupiter ClimateScore™ predictive climate data analytics for three Intergovernmental Panel on Climate Change's (IPCC) fifth revision of projected socioeconomic global changes scenarios (IPCC SSP5): RCP2.6, RCP 4.5 and RCP 8.5<sup>23</sup>.

For Baker Hughes' operational footprint in 2050, we estimate average annual maximum losses of approximately \$49.1 million in damages, \$165.9 million in business disruptions and approximately \$10.4 million in productivity losses based on a greater than 4°C IPCC climate scenario (SSP5-RCP8.5), with total maximum exposure of \$225.4 million, a 14% increase compared to \$197.8 million in 2020. Higher risk exposure in 2050 is driven by the rising probability of extreme weather events or their increased severity for some locations in the next 30 years. Detailed weather risk profiles and related financial risk exposure calculations are available for every single facility, country, business segment, and product line. We incorporate the results of this assessment into our business continuity and facility response planning,

23 RCP: Representative Concentration Pathway is a greenhouse gas concentration trajectory.





prioritizing our mission critical sites and sole source suppliers in locations with moderate to high risk. Furthermore, the data is beneficial in mid- and long-term strategic business planning, helping to identify and mitigate risk exposures to Baker Hughes' infrastructure and logistics. Data is also harmonized with our environmental impact investment decisions to ensure that we are managing cost and risks using all available information.

### Transition risks and opportunities

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 1.5°C 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 estimated revenue from our current 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 future success may depend upon our ability to effectively execute on our energy transition strategy. Our strategy depends on our ability to develop additional innovative technologies and work with our customers and partners to advance new energy solutions such as CCUS, hydrogen energy, geothermal, and other integrated solutions. If the energy transition landscape changes faster than

anticipated or faster than we can transition, or if we fail to execute our energy transition strategy as planned, demand for our technologies and services or access to credit could be adversely affected.

Transitioning to a low-carbon economy will likely require extensive policy, legal, technology, and market changes. There is increased focus by governments and our customers, investors and other stakeholders on climate change, sustainability, and energy transition matters. Negative attitudes or perceptions of our industry or fossil fuel products and their relationship to the environment have led governments, non-governmental organizations, and companies to implement initiatives to conserve energy and promote the use of alternative energy sources, which may reduce the demand for and production of oil and gas in areas of the world where our customers operate, and thus reduce future demand for our products and services. In addition, initiatives by investors and financial institutions to limit funding to companies in fossil fuel-related industries may adversely affect our liquidity or access to capital.

In the long-term scenario, we predict that our existing portfolio will generate growth under the Stated Policies Scenario, accompanied by increasing revenue contributions from our energy transition portfolio. We also estimate that any potential material declines in revenue from our current portfolio under the Announced Pledges Scenario, the Sustainable Development Scenario, or the Net-Zero Scenario can be mitigated by revenue growth from our energy transition portfolio.



## Minimize the resources we use

We are committed to minimizing the environmental impact across our facilities, through the services we provide at our customer sites, and in the communities where we operate. We take a holistic, risk-based approach to make progress towards our commitments. Our robust environmental management system provides a framework for innovative technologies along with proactive learning and improvements. We strive to minimize our water, waste, and ecological footprints.

Below are the key objectives and outcomes we are measuring against to advance our goal of environmental stewardship.

### Our environmental management system helps us minimize resource use

Our environmental management system (EMS) is built on stringent environmental standards that we set for ourselves and meet or exceed global regulatory requirements. Our EMS is aligned to ISO 14001:2015 and provides a framework for continual improvement, risk assessments, global procedures, training, reporting, and assurance and control measures. It has helped us work towards achieving our emissions reduction goals while reducing our operational environmental footprint. This framework also enabled us to track our production output, using a combination of internal validation and third-party assessments.

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

We utilized a tiered approach that enabled customization at the regional, product line, or site level based on local requirements or risk profiles.





## Managing waste

In 2022, we assessed our methodology for how we calculate our waste production across our business. The primary change included modification to our estimation process; we now include an additional level of precision by including facility square footage, rather than only facility type, to increase accuracy of estimated waste generated per site. Additional changes to the methodology included:

- Improvements made to fill gaps and data coverage.
- Reclassified reconditioned drums as recycled that were previously classified as waste.
- Removed data from outside the active period for estimations.

Our sites continued to 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.

Because of these methodology changes we are unable to make a YOY comparison; however, as a part of our strategic efforts to focus on our environmental impact, we set an internal target and commit to reducing waste to landfill by 2030.

We prioritize the responsible use of natural resources through quality control and assurance processes, thus minimizing scrap and waste materials.

Figure 5-4: Waste volume (metric tons)

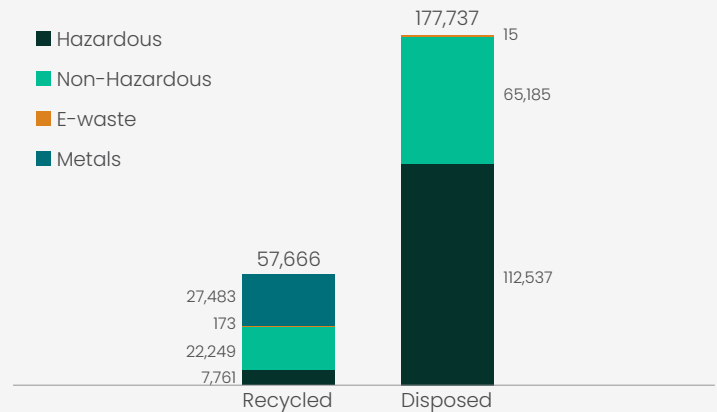


Table 5-5: Waste volume (metric tons)<sup>24</sup>

	RECYCLED	DISPOSED	GENERATED
Hazardous	7,761	112,537	120,298
Non-hazardous	22,249	65,185	87,434
E-waste	173	15	188
Metals	27,483	-	27,483
<b>Total</b>	<b>57,666</b>	<b>177,737</b>	<b>235,403</b>

Table 5-6: Waste diverted from disposal by recovery operation (metric tons)<sup>25</sup>

	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	E-WASTE	METALS
Offsite preparation for reuse	629	801	6	-
Offsite reclamation	3	221	-	-
Offsite recycling	-	-	167	-
Offsite material recovery operations	-	-	-	27,483
Other offsite recovery options	7,129	21,227	-	-
<b>Total waste recycled</b>				<b>57,666</b>

Table 5-7: Waste prevented from disposal (metric tons)

	TOTAL WASTE PREVENTED
Former waste to product conversion	1,266

Table 5-8: Waste directed to disposal by disposal operation (metric tons)<sup>25</sup>

	HAZARDOUS WASTE	NON-HAZARDOUS WASTE	E-WASTE
Offsite incineration with energy recovery	978	1,940	-
Offsite incineration without energy recovery	2,062	1,875	-
Offsite landfilling	4,210	24,986	-
Other offsite disposal operations	105,287	36,384	-
Disposal	-	-	15
<b>Total waste disposed</b>			<b>177,737</b>

<sup>24</sup> Methodology for 2022 changed. Historic data not comparable due to methodology change.

<sup>25</sup> There were neither onsite disposal operations nor onsite recovery operations in 2022.

There were various global efforts that contributed to our waste reduction efforts in 2022:

- The OFSE Aberdeen, Montrose, and Nailsea sites in the United Kingdom continue to diligently work on segregating waste into the appropriate streams, which has helped them recycle 200 wood pallets per year.
- Our Florence, Massa, and Avenza sites in Italy make waste management a priority and implemented several new initiatives last year:
  - ◊ Implementation of higher concentrated cleaning products that are 100% biodegradable. This resulted in a reduction of single-use plastic containers.
  - ◊ All paper tissues on site are made from recycled paper.
  - ◊ Wood waste generated from the three sites was repurposed rather than disposed, promoting circularity.
- To reduce single-use plastic waste, sites in India and the Ivory Coast implemented a program to assign refillable water bottles to every site employee. It served as a pilot and the same initiative is now being implemented in Congo and Gabon.
- Our blend plant in Rayne, Louisiana successfully implemented a reuse program to convert a waste stream to product, resulting in a 366 MT reduction in waste volume.
- In line with the UAE's no landfill policy,

our facility carried out an e-waste recycling drive, where 1,850 kg of e-waste were sent to be recycled.

- Our Malaysia facility hosted a drive to recycle textiles, preventing 334 kg of textiles from being sent to disposal.

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 allows our local teams to more easily identify reduction opportunities and track progress in the future.

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.

### Promoting circular economy

We promote circular economy principles of minimizing resource use through reuse, repair, and refurbish. We are committed to reducing our volume of waste by using resources wisely and increasing the recycling of materials within our business. Circularity was identified as a critical component of our waste reduction strategy.

Our teams continue to engineer products with circularity in mind with a focus on resource optimization, reduced resource consumption, and recovery of end of life products and waste by recycling or giving it a second life as a new product.

While we have engaged in asset optimization activities since 2015, we increased our focus on internal asset reuse and remarketing as strategies to reduce waste in 2022. The global redeployment and remarketing program utilizes multiple tools to manage redeployment of assets within the Company and remarketing of used assets, including an internal redeployment catalog. Before an asset is considered for resale, it is inspected to be redeployed internally. Part of the capital asset approval process is checking the internal redeployment catalog to make sure there is not anything available before purchasing new capital assets.

Not only are these programs cost-effective, but they also contribute to reducing waste and promote circularity.

Our equipment is designed for durability, and new technology can be injected during the life of our machines to boost asset performance. Our Industrial and Energy Technology business segment is continuously working on many projects to refurbish customer equipment to enhance efficiency and plant output while minimizing waste. Electrification, efficiency improvements, gas recovery from vent or flare, and fueling with hydrogen gas turbines are some examples of upgrading projects that lead to emissions reductions.



## Water stewardship

We are committed to conserving and protecting freshwater resources throughout the water cycle – from withdrawal, to use and eventual reuse or discharge. To advance this commitment, in 2022, we added a water reduction goal to our strategy to reduce usage at water-stressed sites by 2030.

Each year we engage internal resources to improve the robustness of our data collection process. In 2022, we improved data accuracy by adding 19 sites that are reporting actual water usage rather than estimating. We also improved our estimation method by including facility square footage in addition to facility type.

This year our total water withdrawal increased by 2% from 3,143 Megaliters (ML) in 2021 to 3,214 ML in 2022. Our total water discharge was down 4% from 2,769 ML to 2,655 ML. These changes were due to sites installing water meters to report usage rather than estimating and ensuring data is being categorized and reported correctly.

The increase in water withdrawal and decrease in water discharge resulted in a 49% increase in water consumption compared to 2021. The sites that mainly contributed to this increase had an increase in operational activity this year and an increase in testing processes that don't return water into circulation.

We assess areas of water stress using the World Resources Institute's Aqeduct tool. Since 2020, we have used Aqeduct for an annual review of our water use across the globe. In 2022, our water consumption in water-stressed areas stayed consistent with our 2021 consumption at 13 ML. Our water withdrawn from these areas increased 65% from 249 ML in 2021 to 410 ML in 2022. However, water discharged to these areas increased by 68% from 236 ML in 2021 to 397 in 2022. This year, an additional six sites were reclassified to a water risk area. The site reclassifications and reporting improvements made in 2022 both contributed to the observed increase in water withdrawal and discharge in these areas.

**Table 5-9: Water use (ML)**

	2020			2021			2022		
	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED
Surface	249	-	27	4	-	51	0.1	-	55
Groundwater	485	-	90	487	-	105	618	-	45
Municipal	4,063	-	4,128	2,652	-	2,606	2,596	-	2,536
Seawater	-	-	0.2	-	-	7	-	-	19
<b>Total</b>	<b>4,797</b>	<b>552</b>	<b>4,245</b>	<b>3,143</b>	<b>374</b>	<b>2,769</b>	<b>3,214</b>	<b>559</b>	<b>2,655</b>

**Table 5-10: Water use in water-stressed areas (ML)**

	2020			2021			2022		
	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED	WITHDRAWN	CONSUMED	DISCHARGED
Surface	1	-	16	-	-	7	0.1	-	27
Groundwater	81	-	1	54	-	15	152	-	15
Municipal	408	-	449	195	-	212	258	-	349
Seawater	-	-	0.2	-	-	2	-	-	6
<b>Total</b>	<b>490</b>	<b>24</b>	<b>466</b>	<b>249</b>	<b>13</b>	<b>236</b>	<b>410</b>	<b>13</b>	<b>397</b>



### Best Environmental Project of the Year — Runner up at EGYPS Global Sustainability in Energy Awards 2023 Baker Hughes India Watershed project

Our employees in India combated desertification with an ambitious soil and water conservation project to help farmers and the local community through an integrated watershed management project (see above). In 2022, 280 hectare of watershed treatments were completed, resulting in 1,040 million liters of water storage and 6,450 tons of CO<sub>2</sub>e soil carbon sequestration by end of 2022.

The project not only resulted in soil and water conservation in rural farmlands by educating farmers to adopt sustainable farming and agribusiness practices that protect enhanced soil carbon and water content, but it also enabled and empowered local community members (especially women) to develop sustainable streams of income.

The initiative won a runner up award for Best Environmental Project of the year at EGYPS 2023 Global Sustainability in Energy Awards.

### Water conservation in action

**Italy:** Our Florence and Massa sites utilize an automatic supervision system for all drinking water pipes that reduces leakages. In 2022, we increased field instruments to measure and monitor effective water flow in all drinking pipes for these sites, which allows for better, quicker, and more effective water management. There was an 8% reduction of water consumption compared to the previous year at our Learning Center in Italy due to the installation of electric valves with timers to close/interrupt flow for drinking water pipes during the weekends.

The teams identified and fixed water leakages from old pipes from the Arno River — one of the key water streams of the region — to our Nuovo Pignone plant. The guaranteed flow rate was approximately 25 m<sup>3</sup> per hour of water, and the water leakage was estimated to be over 8 m<sup>3</sup> per hour. Diagnostics, excavations, camera inspections, and other techniques of inflating noble gas in the pipes were run to detect and successfully fix the leakage.

### 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. As of year-end 2022, 81 sites were in an area of high water risk and 65 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 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 5-11) to evaluate their activities where water is used, and identify options for conservation, improved efficiency and risk mitigation.

Water conservation and management assessments were completed at 94 locations in 2022.





**Table 5-11: Water conservation and management assessment**

TOPIC	AIMS TO
<b>Screening</b>	<p>Focuses on activities that warrant evaluation of water use, including:</p> <ul style="list-style-type: none"> <li>• Equipment or chemical manufacturing</li> <li>• Vehicle or tool washing</li> <li>• Hydrotesting and laboratory operations</li> <li>• Cleaning activities including line/vessel rinse</li> <li>• Outdoor water use/irrigation</li> </ul>
<b>Monitoring and education</b>	<p>Evaluates actions related to the following:</p> <ul style="list-style-type: none"> <li>• Installation and monitoring of water meters</li> <li>• Leak detection and repair programs</li> <li>• Implementation of control measures and water shutoff</li> <li>• Use of “dry” cleaning methods where feasible</li> <li>• Optimization of water pressure to equipment needs</li> <li>• Increasing awareness of water conservation and management</li> </ul>
<b>Fixtures and equipment</b>	<p>Identifies equipment or conservation measures associated with:</p> <ul style="list-style-type: none"> <li>• Fixtures, equipment, and valves inspection and maintenance</li> <li>• Automatic sensors and metering of faucets</li> <li>• Wash bay efficiency evaluations including pre-rinse</li> <li>• Options for equipment water supply including flow rate</li> <li>• Evaluation of cooling towers, boilers, and chilled water systems</li> </ul>
<b>Outdoor water use</b>	<p>Provides options for improved water management including:</p> <ul style="list-style-type: none"> <li>• Using drip system or weather- based irrigation system</li> <li>• Maintaining irrigation system components on a routine basis</li> <li>• Exploring opportunities to plant native/drought-tolerant species</li> <li>• Evaluating reuse of “grey water” for irrigation</li> </ul>
<b>Laboratory equipment</b>	<p>Evaluates laboratory activities and provides process improvements to minimize water usage, including:</p> <ul style="list-style-type: none"> <li>• Assessing purified water usage and reduction opportunities</li> <li>• Optimizing vacuum pumps and steam sterilizer usage</li> <li>• Routine inspection of recirculating systems as well as fume hood filtration systems to ensure proper functionality</li> </ul>
<b>Sharing ideas</b>	<p>Provides a forum to collect input, questions, or topics not included in the assessment.</p> <ul style="list-style-type: none"> <li>• Includes a formal opportunity for site personnel to share best practices</li> </ul>

### Conservation in action:

- Renew Community of Interest and the Women's Network ERG hosted a native tree planting activity where they planted drought-tolerant, native Ghaf trees at the International Center for Biosaline Agriculture.
- Our team in Singapore organized a beach cleanup on Coney Island (Pulau Serangoon), removing 70 bags of marine trash from the park.
- In Brunei, Baker Hughes and the Brunei Forestry Department planted 260 trees in the Sungai Liang Forest Reserve.



Employee volunteer tree planting in Texas

## Protecting biodiversity and natural capital

Biodiversity is our strongest natural defense against climate change, and we strive to protect and conserve biodiversity and natural ecosystems. Deforestation can adversely impact biodiversity, increase greenhouse gas emissions, and contribute to climate change. We believe that conserving and protecting ecosystems is necessary to meet the Paris Agreement goals, the United Nations Sustainable Development Goals, and our Company's commitment to environmental sustainability.

We are committed to minimizing our adverse impacts on biodiversity, protected areas, and areas of significant biological value at or near all our operational sites. We endeavor to minimize our environmental footprint, conserve natural habitats, and protect and restore ecosystems through nature-based projects. As part of our commitment to biodiversity, our strategy aims to assess 100% of sites on biodiversity risk by 2030 and implement risk management programs for high risk sites.

Our conservation efforts focus on 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.

Through the [Baker Hughes Foundation](#), we develop partnerships with conservation organizations and fund environmental projects that protect biodiversity and minimize the effects of climate change. We strive to support environmental projects, such as the preservation of sensitive forest areas, through enhanced management techniques, including reduced impact logging practices.

In 2021, we added biodiversity criteria to our due diligence process for any new build site that is being considered or any newly acquired site. We wanted to ensure that any addition to our facilities were thoughtfully assessed to understand the comprehensive potential impacts to the environment and the effects on biodiversity in surrounding areas and communities.

Our annual site biodiversity assessment is reviewed each year through careful controls at each of our locations. Regardless of prior years' results, we look at every site each year as if it were being assessed for the first time. In 2022, this attention to detail during our due diligence processes revealed a site that had not been documented previously had potential biodiversity risks identified, which had not been identified previously. For industrial sites, the review of environmental risks includes sensitive habitats, such as wetlands, and the potential presence of protected species. We conduct formal environmental impact assessments as required by local regulations. This is particularly important for new business activities around the world, due to the continuing changes to our real estate portfolio.

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. In 2022, we continued our methods of engaging internal stakeholders to complete our in-depth review of our sites. We identified 17 sites with operations that are in or adjacent to a protected area or an area of high biodiversity value outside a protected area. This includes locations in Mexico, Angola, Australia, France, Germany, the United States, and the United Kingdom.

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 392 species on the IUCN Red List which have habitats in areas that may be potentially affected by our operations. This is a significant increase from our 2021 reported species of 201. The majority (64%) of the species reported this year are classified as Least Concern (251). The increase in the number of species reported is due to the addition of sites in 2022 and the increase in species count for areas in Alaska.

## Protecting air quality

We are committed to managing our air emissions aligned to industry best practices and regulatory standards. Through robust environmental practices, we aim to minimize routine air 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.

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 2022 did not identify any use of these materials, excluding refrigerants used in air conditioning systems.

## Reduce spills and report them transparently

We are committed to reducing spill volumes to minimize potential harm to the communities we operate in and the environment. Supported by our internal spill prevention and response policy, we are striving to reach our strategic outcome to reduce the volume of spills at our sites.

This year, spill reduction was identified as a focal area for improvement in our operations after completing internal assessments. Our spills strategy was developed as a framework to drive progress towards spill reduction and accountability.

### Preventing spills

We strongly believe in being proactive to avoid spills through periodic inspection and routine maintenance. We have robust internal standards and processes to identify any risks of spills and have established control measures, such as including secondary containment and other engineering controls.

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 capability

When spills do occur, we ensure effective response procedures are followed for immediate mitigation of environmental affects and spills are promptly reported, as required. Investigating spill incidents is integral to our environmental management system, so that we can implement corrective actions to prevent recurrence.

We inspected

# 98%

of our tanks as a preventative measure to identify any potential risks of spills.



David Bianchi | Gas Service Technical Training Academy Director  
 Xiluva Mondlane | Gas Service Field Service Engineer  
 Industrial & Energy Technology

## Reporting spills

To foster and drive a preventative approach to spills, all of our global sites are required to report every spill and categorize accurately, regardless of the volume.

In 2022, we continued to focus on increasing the rigor of our spills reporting which resulted in an increase in the number of spills reported compared to 2021. The quantity of spills reported increased; however, our significant spill volume – as defined by GRI standard – decreased by 51%.

We recognize that although our significant spills volume decreased, there is still opportunity to improve in this area. In 2022, we saw increased spill volume in the categories of oil, fuel, and chemical spills. The increase in these categories was the result of a small number of high volume spills. For example, a singular spill caused by a process failure contributed 65% of our total oil spill volume. All significant spill occurrences go through a stringent root cause analysis and corrective action procedure that identifies points of failure in processes which led to the spill. Detailed investigations are required immediately following a spill that document contributing factors and ways to prevent future spills.

We know that all spills regardless of volume can have an impact to our environment. That is why we have created a dedicated strategic outcome to reduce spill volume across our sites. This will require us to reflect inward on our internal procedures, processes, and culture as we work to minimize points of failure that could lead to spills. We will continue to diligently focus on process control in operations, conduct effective field training, investigate root causes, execute corrective action plans, and improve preventative maintenance on our equipment and chemical storage.

**Table 5-12: Spill volume (barrels)**

	2019	2020	2021	2022
Significant spills	1,598	738	1,693	827
Oil spills	214	28	6	37
Fuel spills	3	<1	2	3
Waste spills	<1	<1	1	1
Chemical spills	350	155	130	378

## Managing chemicals

Four facilities in our OFSE segment were recognized in 2022 by the Society of Chemical Manufacturers & Affiliates (SOCMA) for excellence in environmental, health and safety initiatives. The Baker Hughes Rayne Blend Plant in Rayne, Louisiana was honored with two 2022 Silver Performance Improvement Awards in the categories of Product Stewardship and Resource Management and Waste Minimization. Also, the Bayport facility in Pasadena, Texas, and the chemical facilities in Bakersfield, California, and Kilgore, Texas, were each given a 2022 Silver Award in Resource Management and Waste Minimization.

Baker Hughes is a longtime participant in ChemStewards®, a rigorous program to foster and improve upon a culture of facility safety, product stewardship, environmental safeguards, risk reduction, and stakeholder engagement. Now in its 17th year, the annual Performance Improvement Awards recognize companies demonstrating best practices in these areas.



# Principles

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91 Strive for sustainable, diverse, and inclusive supply chains

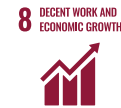
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92 Uphold the highest health, safety, and environment standards

Jose Ramirez | Lead Engineer, Mechanical Component, OFSE



# Principles performance snapshot



SUSTAINABILITY PRIORITY	KEY PERFORMANCE INDICATORS	2020	2021	2022
Ethics and governance	# of employees who completed the annual Code of Conduct training, including training on ethics, compliance, and anti-corruption	53,370	50,161	53,846
	% of employees who completed the annual Code of Conduct training	98	92	97
	% of governance body members who have received training on anti-corruption* <sup>26</sup>	-	90	99
	% of operations assessed for risks related to corruption*	-	100	100
	% of enterprise security personnel, including full-time security personnel and embedded contractors, trained in human rights policies or procedures*	-	100	100
	# of identified leaks, thefts, or losses of customer data	-	-	-
Supply chain	# of substantiated complaints received concerning breaches of customer privacy	-	-	-
	# of certified Supplier Social Responsibility Program (SSRP) auditors <sup>27</sup>	152	93	84
	# of SSRP audits	434	545	408
	# of SSRP audit red flag findings	965	1,696	1,343
	% of audits that were re-audits	74	82	81
	% of audit red flag findings closed within 90 days <sup>28</sup>	83	95	95
	# of suppliers rejected due to SSRP policy	21	52	23
	% of local spend	82	77	81
Health and safety	Local spend (billion USD)	\$7B	\$7.7B	\$13B
	# of HSE leadership engagements	68,886	66,716	64,550
	# of HSE observations	1,038,071	1,051,723	1,071,845
	Average hours HSE trainings - employees**	-	-	5.3
	Average hours HSE trainings - contractors**	-	-	0.64
	Perfect HSE Days	200	204	217
	# of near misses	1,299	1,075	1,017
	Total recordable incident rate	0.23	0.28	0.22
	Days away from work rate <sup>29</sup>	0.11	0.13	0.11
	# of days away from work cases	104	97	86
	# of employee work-related fatalities	-	-	1
	# of contractor work-related fatalities	-	-	-
	# of total recordable illness <sup>30</sup>	69	37	5
	# of musculoskeletal disorders**	-	-	2
# of diseases caused by physical agents**	-	-	3	
# of vehicle incidents**	-	-	213	

\*New 2021 metric, \*\*New 2022 metric

<sup>26</sup> Governance body members include 116 Senior Executive Band and above employees, which include the most senior-level managers and individual contributors, such as Vice Presidents and above.

<sup>27</sup> The 2022 value is not comparable to historic data due to change in definition of "auditor."

<sup>28</sup> 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.

<sup>29</sup> Total recordable incident rate (TRIR) is calculated using OSHA standard.

<sup>30</sup> Work-related ill health metrics are reported in accordance with the GRI standards, which are based on the OSHA guidelines. Occupational cancer, skin injuries, respiratory disease, disease caused by chemical agents, biological agents and infectious or parasitic diseases, mental and behavioral diseases, and other diseases accounted for 0% of illness in 2022.

# Our Principles strategy

OUR GOALS	HOW WE WILL DELIVER SUCCESS	HOW WE WILL MEASURE SUCCESS
<p><b>Principles</b></p> <ol style="list-style-type: none"> <li>1. Drive a culture of transparency and integrity - doing the right thing beyond compliance</li> <li>2. Take energy forward responsibly with integrity and transparency</li> </ol>	<ul style="list-style-type: none"> <li>• Champion <b>compliance</b> and ethics</li> <li>• Ensure sustainable <b>governance</b></li> <li>• Uphold the highest <b>health, safety, and environment</b> standards</li> <li>• Strive for principled, diverse, and inclusive <b>supply chains</b></li> </ul>	<ul style="list-style-type: none"> <li>• 100% of targeted personnel trained annually on human rights policies and procedures</li> <li>• Specialized human rights training completed for &gt;80% Supplier Social Responsibility Program (SSRP) auditors and sourcing by 2025</li> <li>• Process to record, track and monitor human rights grievances in place Q1 2024</li> <li>• Total Recordable Incident Rate &lt;0.3</li> <li>• All Perfect HSE Days</li> <li>• Active suppliers assessed for environmental criteria every three years</li> <li>• 90% of SSRP audit red-flag findings closed within 90 days</li> <li>• 90% completion rate for SSRP planned audits</li> <li>• 80% of suppliers agreeing to BH Integrity Guide by 2030</li> </ul>

0.22

Total recordable incident rate

95%

SSRP red flag findings closed within 90 days

100%

Enterprise security personnel trained on human rights

97%

Employees who completed the annual Code of Conduct training

Building on the commitments outlined in our [2021 Corporate Responsibility report](#), our Principles mission has two key goals and four objectives.

Our governance initiatives, programs, and policies drive a culture of transparency and integrity, ensuring that we do the right thing, beyond compliance. We aim to take energy forward responsibly - with integrity and transparency.



Giuseppe Sammarco | Senior Construction Manager, GTE MFG Avenza Plant, Industrial & Energy Technology

# Champion compliance and integrity

## Ethics and compliance

Our ethics and compliance program is designed to prevent, detect, and respond to any potential violations of law, our Code of Conduct, and other Company policies and procedures. This company-wide commitment to integrity is fundamental to running a sound, successful, and sustainable business.

Our [Code of Conduct](#), approved by our Board of Directors, governs our behavior. Our compliance team, led by our Chief Compliance Officer, is tasked with the operationalization of the Code of Conduct.

Each year, employees, including senior leaders, are required to complete online training on our Code of Conduct, which includes training segments on policies and procedures for human rights, anti-corruption, data privacy, cybersecurity, conflict of interest, trade compliance, and other compliance topics. In 2022, 99% of governance body members<sup>31</sup> and 97% of the entire employee population completed the annual Code of Conduct training. As part of our objective to champion compliance and ethics, each year we aim to reach 100% of our employee population, including governance body members, completing the code of conduct training. While we did not reach that value in 2022, we achieved a 5% year-over-year improvement. In addition to the annual training, employees engage

with monthly awareness campaigns on topics including human rights, modern slavery, and anti-discrimination, and are encouraged to integrate integrity moments, quick reminders of high importance compliance topics, policies, and procedures into internal and external meetings.

### Open reporting and consultation

We believe that a culture in which all employees maintain the highest levels of integrity, conduct business in a professional manner, treat one another with dignity and respect, and support open communication without repercussions creates a better and more productive work environment.

Employees and other stakeholders have several ways to raise compliance concerns, and they are encouraged to report any ethics or compliance matters. Our Fair Employment Practice policy prohibits retaliation against an employee for raising a concern about a potential violation of policy or law. Reporting mechanisms include raising a concern with their direct manager, a global network of Ombuds, a dedicated website where employees can report concerns and anonymize if desired, and a worldwide 24-hour helpline operated by a third party and available in 150 languages. All concerns raised are investigated and treated confidentially.

We take all allegations regarding our Code of Conduct, the law, and various policies seriously, and investigate allegations with a rigorous, and disciplined investigations process that drives consistency in process and in discipline.

### How to report a concern

+1 800 288 8475 (U.S. Toll Free)

+1 713 626 0521 (Collect)

BakerHughes.Ombuds@  
bakerhughes.com

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

### Anti-bribery and anti-corruption

Our Code of Conduct includes a summary of our global anti-bribery and corruption policy, which prohibits bribery and facilitating payments in all business dealings, including with governments, employees of state-owned companies, and private sector entities. As part of our compliance program, to prevent bribery, we have internal controls, such as online and live trainings in high-risk countries, and policies addressing compliance-sensitive activities, such as travel, expenses, charitable donations, and transactions with third parties.

For our Enterprise Risk Management (ERM) process, each year, leaders from each business segment and functions hold workshops to discuss and assess compliance risks and deploy risk mitigation plans. In 2022, all four product companies were assessed for risks related to compliance, including risks from corruption. Relevant risks identified as part of the risk assessment process include bribery and corruption risks within our value chain.

<sup>31</sup> Governance body members include 116 Senior Executive Band and above employees, which include the most senior-level managers and individual contributors, such as Vice Presidents and above.



## Human rights

Human rights are fundamental rights and freedoms to which every individual is equally and inalienably entitled. We recognize human rights as a universal obligation to uphold, and a core principle to our business practices. As a signatory of the UN Global Compact, we are committed to advancing the Ten Principles and 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 and our Code of Conduct. It is supported by a framework of policies and guidelines, setting forth the expectations that we do what is right and safe and consider the well-being of our people, suppliers, 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 or violations 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. Confidentiality is respected, and individuals may choose to remain anonymous.



Filippo Camporeale | Shop operator, Industrial & Energy Technology



Ping Duan | Engineering Manager, OFSE and Jennifer Budnik | Product Marketing Specialist, OFSE

## Our human rights pledge

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 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. If there is a conflict between internationally recognized human rights and national laws, we will follow processes that seek ways to honor the principles of international human rights. Human rights are so essential to our work that they are incorporated into our sustainability strategy, underpinning our commitment to integrity and ethical conduct. We prohibit slavery, servitude, forced and compulsory labor, human trafficking, and child labor — collectively “modern slavery” (see our [Modern Slavery Act Statement](#) for more information). 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 seek to provide 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, our Data Privacy Policy, and related policies, guidelines, and notices.

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.

## Data privacy and cybersecurity

We take cybersecurity and data privacy seriously. We respect rights to data protection and privacy. In 2022, we had zero identified leaks, thefts, or losses of customer data and zero substantiated complaints received concerning breaches of customer privacy.

We maintain cybersecurity and digital trust compliance programs aimed at protecting our systems and information, complying with relevant laws and regulations, and maintaining the highest level of trust. Our programs are focused on building digital trust through sound oversight of cybersecurity and data privacy protections and the responsible use of data and technology.



# We take cybersecurity and data privacy seriously. We respect rights to data protection and privacy.

We protect our digital systems and data through a comprehensive cybersecurity management program, and we operate an integrated Cyber Fusion Center to coordinate resources, reduce incident response time, and shift toward a proactive cyber-defense model.

Oversight responsibilities for our cybersecurity and digital trust compliance programs and risks lie with the Audit Committee of our Board of Directors. To emphasize the Board's commitment to cybersecurity, Director Rice recently obtained the NACD CERT Certificate in Cybers-Risk Oversight. The Board recognizes 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 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, review of our own

security controls, assessments and program maturity, and risk mitigation status.

Our executive leadership is actively engaged in the oversight of our cybersecurity and digital trust compliance programs. The executive leadership-level committees provide oversight and strategic direction for cybersecurity and digital trust compliance programs and our risk mitigation efforts.

## Incident reporting and management

Employees and stakeholders can report cybersecurity threats, data privacy incidents, or other concerns through external and internal reporting channels. We have established policies and procedures for responding to cybersecurity and privacy incidents, including protocols for escalating to executive leadership, engaging external stakeholders, and reporting incidents.

## Cybersecurity

We leverage the United States National Institute of Standards and Technology (NIST) cybersecurity framework to drive strategic direction and maturity improvement. We 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.

## Privacy and Digital Trust Compliance

Baker Hughes' Global Digital Trust Compliance Program seeks to ensure

that business and personal information is protected and handled in accordance with applicable law, our policies, applicable contractual obligations, and standards for privacy, cybersecurity, and information governance. The mandate and goal of our Digital Trust Compliance Program is to mitigate risks with a trust-centered purpose and to drive accountability for compliance business obligations and responsible use of data and technology through our Company's values, our Code of Conduct, and our integrity programs. The program includes policies and procedures, enterprise risk assessment, privacy impact assessments, incident response and management, regular audits, mandatory cybersecurity and privacy training, and ongoing awareness campaigns for our employees to understand our policies and compliance requirements relevant to their functions.

## 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:

- 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.

# Ensure sustainable governance

## Corporate governance

Our framework for corporate governance is set forth in our Governance Principles, committee charters, and our [Fifth 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 [Finance 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 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 a broad 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.

As part of our sustainability strategy, we plan to have our Board and other executive staff complete annual ESG-related trainings to continue to develop knowledge in sustainability. At present, four of our directors, including our CEO, have skills and experience in ESG. [Additional information can be found in our 2023 proxy filing.](#)

### Contacting the Board

To provide our shareholders and other interested parties with a direct and open line of communication to our 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 Baker Hughes 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](mailto:boardofdirectors@bakerhughes.com).

## Governance of sustainability

The Board Governance and Corporate Responsibility Committee has oversight responsibility for our environmental matters including monitoring our sustainability strategy and initiatives and management of sustainability-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. The Governance and Corporate Responsibility Committee also oversees the publication of this report.

The primary responsibility for developing, managing, and executing our sustainability strategy rests with our management team. Our Chief Sustainability Officer (CSO) oversees our sustainability strategy and chairs our Sustainability Steering Team. The Steering team works with subject matter working teams to manage our sustainability priorities, set goals, monitor our progress, and coordinate our sustainability reporting. We also have a formalized sustainability management structure with designated executive sponsors, including the Chief Legal Officer, Chief Human Resources Officer, and the Senior Vice President of Enterprise Operational Excellence that report to the Board Chair/CEO.

On a working level, sustainability is driven by a unified approach, across all functions and both segments, working with our People, Planet, and Principles teams to operationalize sustainability. The actions of these teams are described within this report.

So that everyone at Baker Hughes is responsible for sustainability, we plan to align annual executive compensation to ESG outcomes by 2025. We have a strong stated and demonstrated commitment to reduce scope 1, 2 and 3 carbon emissions over time, alongside many additional ESG-related objectives. The ESG-related metrics currently included in our short-term-incentive plan, as discussed and approved by the Human Capital & Compensation Committee each year and socialized with many of our investors during bi-annual engagement sessions, currently include HSE-related goals, DEI representation goals across multiple employee groups, and scope 1 and 2 emissions reduction goals relative to



## Board and committee oversight of environmental, social, and governance matters

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. The Board and committees oversee significant ESG topics as follows:

**Figure 6-1: Board of Directors oversight of environmental, social and governance matters**

AUDIT COMMITTEE	FINANCE COMMITTEE	GOVERNANCE & CORPORATE RESPONSIBILITY COMMITTEE	HUMAN CAPITAL AND COMPENSATION COMMITTEE
<ul style="list-style-type: none"> <li>ESG disclosures in sec filings</li> <li>Human rights concerns</li> <li>Cybersecurity</li> <li>Supplier audit program</li> </ul>	<ul style="list-style-type: none"> <li>ESG investments</li> <li>Investor relations</li> </ul>	<ul style="list-style-type: none"> <li>Corporate responsibility report</li> <li>ESG reporting standards/metrics</li> <li>HSE program</li> <li>Human trafficking</li> <li>ESG policy/regulatory updates</li> <li>Charitable giving</li> <li>Political contributions</li> <li>Board composition and governance</li> </ul>	<ul style="list-style-type: none"> <li>Diversity, equity, and inclusion</li> <li>Compensation tied to ESG</li> <li>Competitive benefits and compensation</li> <li>Talent retention</li> <li>Succession planning</li> <li>Training and development</li> <li>Talent planning/culture for energy transition</li> </ul>

our 2019 base year. Also included is development of the scope 3 emissions reduction roadmap for our internal scope 3 emissions reduction goal.

[Additional information can be found in our 2023 proxy filing.](#)

### Buffering sustainability risks through our Enterprise Risk Management process

We identify 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 various 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 (including environmental, social, and governance impact), and 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, and mitigation actions are established. The ERM Steering Committee and the Board of Directors have oversight of the ERM program and can recommend further analysis or, in some cases, specific improvements to strengthen the Company's safeguards.

The ERM executive sponsors review response actions and key risk indicators with the risk owners, and quarterly updates are presented to the Executive Leadership Team. ERM risks are reviewed during Board of Directors and various Board committee meetings throughout the year.

Given the interconnectedness of key risks, the ERM team works closely with risk champions across various levels of the organization to introduce, support, and promulgate risk management behaviors and to ensure an integrated approach to risk management.

A summary of our Company's material risks is presented in our 2022 Form 10-K filing and quarterly reports on Form 10-Q.

# We are committed to ensuring compliance with tax requirements worldwide and to maintaining an open and constructive relationship with tax authorities. We have zero-tolerance for tax evasion and maintains procedures to prevent the facilitation of tax evasion.

## Tax

We recognize that, among our duties to our shareholders, we have an obligation to pay no more tax than is due under laws and regulations of countries in which we and our subsidiaries operate, in accordance with rules set by governments.

In 2022, we reported net tax cash payments to governments totaling \$498 million. Our tax payments are disclosed as part of our audited financial statements. Our United Kingdom tax policy is publicly available and can be found on our website.

The Vice President of Tax is responsible for, and implements, our tax strategy, reporting directly to the Chief Financial Officer. The VP of Tax is supported by a team of in-house tax professionals based in primary operational locations.

We understand that sometimes there is more than one tax outcome in commercially motivated transactions. However, we do not willfully engage in tax schemes nor structure transactions in such a way that our tax team considers the transactions 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, we seek to apply them in the manner intended, taking external professional advice where necessary.

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

Our approach to cooperation and transparency is beneficial to our stakeholders and investors, as well as to the governments in countries in which we do business. Transparency initiatives, such as Advanced Pricing Agreements (APAs), promote several advantages to governments, including access to business information and strategies as well as efficient staffing of audit resources. We have several APAs in process with key jurisdiction where we operate.

We strive to achieve low-risk designations which allows us to focus the resources of our tax organization on material transactions and ensure effective and efficient ongoing tax compliance. Pursuant to Generally Accepted Accounting Principles (GAAP), companies typically are required to establish relevant tax reserves to cover instances where tax positions are uncertain, subject to audit, or under dispute. We expect our ongoing efforts to engage in broader transparency with tax administrations, to result in lower tax reserves over time.

It is our policy to be compliant, transparent, and proactive in interactions with tax authorities. Where

appropriate, we will engage with tax authorities to assist with the shaping of future legislation and tax policy. We 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, we endeavor 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](mailto:reportconcerns.bakerhughes.com), or by calling 1-800-288-8475 (U.S. only) or 1-713-626-0521 (International) to anonymously speak with a third-party agent.

The tax department plays a critical role in delivering value for the organization in four key areas of our sustainable development strategies: funding initiatives through grants, credits, and discretionary incentives; understanding how to unlock value in indirect tax, property tax, and excise tax; identifying value chain opportunities; and evaluating mergers and acquisitions through a sustainable business value lens.

Tax can provide guidance on how to claim and utilize grants, credits, and discretionary incentives. The U.S. Inflation Reduction Act's energy transition-related provisions highlight the tax function's key role in advancing decarbonization goals and related investments in our sustainable development strategies.



Izekor Nosa Bill | Shop Operator, Industrial & Energy Technology

## Strive for sustainable, diverse, and inclusive supply chains

We ensure that the suppliers we work with adhere to our high standards. As a major equipment manufacturer and service provider, we use our influence to raise the standards of our industry through our policies and programs. [Our Supplier Integrity Guide](#) governs all aspects of our relationships with suppliers, contractors, consortium partners, and consultants. By 2050, we aim to have 80% of our suppliers agreeing to our Integrity Guide. Our sustainable supply-chain framework consists of four core pillars, the details of which can be found in our [2021 Corporate Responsibility report](#).

Our Supplier Social Responsibility Program (SSRP) is designed to prevent, detect, and appropriately respond to any potential violations of the law or Company policies. As a part of the SSRP, all new direct material suppliers are screened and assessed for social risks. SSRP sets standards for and monitors compliance of our suppliers' HSE, ethics, compliance, and human rights performance. Suppliers that are flagged as "high risk" in these topics are further audited. We suspend business relationships with suppliers immediately in the case of serious labor-related findings.

As part of our sustainability strategy, by 2025, we will be implementing a specialized human rights training for our SSRP auditors and sourcing team. In addition, we also aim to have a 90%

of SSRP audit red-flag<sup>32</sup> findings closed within 90 days and a 90% completion rate for SSRP planned audit, which we achieved in 2022. While we were able to achieve our goals in 2022, we had a 10% year-over-year decrease in the number of audits due to a change in the definition of an auditor. We do not believe that there have been significant impacts due to this change as evidenced by a stable percentage of audits with 81% in 2022, compared to 82% in 2021.

<sup>32</sup> 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.

# Uphold the highest health, safety, and environment standards

## Occupational safety

We strive to operate safely and responsibly to take care of our people, customers, partners, community, and the environment.

Our commitment to health, safety, and environment (HSE) starts at the highest levels of our Company and is embedded throughout all layers of the organization. As we continue our focus on the health and safety of our employees, we strive for everyday to be a Perfect HSE Day where all employees return from work safely. In 2022, Baker Hughes achieved improvements in several health and safety metrics. Despite these successes in reducing overall health and safety incidents, we are saddened to report the loss of one of our colleagues who was fatally injured while conducting field activities in Ecuador.

We encourage and empower all employees to take an active role in “owning” HSE by stopping work when conditions are unsafe and reporting observations, near misses, and stop-work events through open reporting channels. As part of our sustainability strategy and our objective to uphold high health, safety, and environmental standards, we also have two objectives for HSE: to maintain our TRIR below 0.3 and to have 365 Perfect HSE Days. In 2022, we achieved our goal with a TRIR of 0.22.

Our teams are required to complete recurring training. We offer more than 230 unique HSE courses including foundational training required for all employees, workplace and job specific training, and human-performance leadership training for managers. Our ambition is to make every day a Perfect HSE Day—one without serious injuries, accidents, or harm to the environment. In 2022, we achieved 217 Perfect HSE Days, up 6% from 2021, but short of our target of 365 Perfect HSE Days.

## Our HSE management system

Our HSE Management System is an enterprise-wide framework that drives continuous improvement in performance and compliance across our operations.

We take a multi-tiered approach that enables leadership at various levels (country, business, or product level) to create localized and relevant procedures. This approach allows for more detailed task-level standards and compliance with applicable obligations, including regulatory and customer requirements. All employees, including directly supervised contractors, are covered by the management system.

The management system is formally reviewed annually to identify any changes or improvements from relevant stakeholder groups, such as regulators, industry, public and business operations. Identified improvements are adopted and revisions are published and communicated to the organization. Employees are encouraged to provide feedback, request revisions or clarification at any time. If changes are made to documents, we follow a revision publication process and communicate the changes to employees.

Our management system and respective policies and procedures conform to the recognized International Organization for Standardization (ISO) certifications, noted below. Depending on the business needs, for key operations, we hold individual or multi-site certifications to these standards<sup>33</sup>. At sites where a third-party certificate is not applicable, the management system at those locations meet or exceed the requirements of the ISO standard(s) since all relevant internal policies and procedures are aligned to ISO standards.

<sup>33</sup> Business needs may include a customer's contractual requirements.



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# 87

sites were certified to **ISO 14001**, the international standard for environmental management systems

# 61

sites were certified to **ISO 45001**, the international standards for occupational health and safety management systems

# 245

sites were certified to **ISO 9001**, the international standard for quality management systems

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In addition, our internal standards are aligned to ISO 50001, the international standard for energy management systems in support of our energy-efficiency goals. One site is also certified to the ISO 50001 standard.

Independent reviews are conducted through the multi-site certification process and external audits.



Izekor Nosa Bill | Shop Operator, Industrial & Energy Technology



Left to Right: Idvard Jose Pires Junior | Lead Services Specialist, Training, WHEC  
Marcel Geraud | Technical Training Manager, Integrated Solutions, WHEC  
Adriana Sanchez Nunez De Caceres | Technical Training Manager, Drill Bits, WHEC

### Our approach to health and safety

Health, safety, and the environment (HSE) principles are embedded in everything we do and how we work — from protecting the safety of our teams, operations, and the environment, to maintaining compliance with external parties, customers, and regulatory requirements.

Our commitment to HSE starts at the highest levels of our Company and is embedded throughout all layers of the organization. Our Senior Vice President of Enterprise Operations Excellence, in partnership with our HSE Leader, is responsible for our HSE systems and standards. We had a small, 3% decline in leadership engagements from 2021. Leadership engagements are down slightly over the prior year.

To improve performance in this area, we have implemented additional efforts for leaders, including providing targeted messaging to engagements and reference materials. We restated our expectations with leaders on compliance with engagements. We also implemented an expansion of our tool to enable a wider selection of engagement categories and introduced a mobile application to efficiently record engagements in real-time while at a job site or facility. Occupational health risk identification and mitigation are managed through our global health team. Management leads in the communication and implementation of health-related activities and communicates and implements HSE priorities and metrics into strategic planning, operations, and business

reviews. HSE employee engagements are conducted by leadership regularly and reported monthly in our data management system. All employees and contractors have a responsibility and are empowered to actively own HSE to ensure the health and safety of everyone around them. In 2022, we logged 1,071,845 HSE observations, a modest 2% increase in observations since last year.

Health and safety is at the core of our culture as we are committed to doing the right thing to protect our employees, customers, the communities where we live and work, and the environment. We use a risk-based approach to determine hazards that could lead to adverse health, safety, environment, and quality (HSEQ) impacts or cause



processes to deviate from planned results. The risk management process includes risk identification, risk analysis, risk evaluation, and risk mitigation. The hazards that have been determined to cause or contribute to cases of ill health during the reporting period are associated with exposure to extreme environmental temperatures and repetitive motion work activities. Governance has been updated to include a work / rest schedule for extreme heat environments and educational communications have been developed to alert the organization of the hazard and potential risk control options. The occurrence of repetitive motion musculoskeletal disorders is not common for our work; however, efforts are underway to develop an ergonomics training program for site ergonomics teams as well as a principle of design for engineers.

### Training to foster a safety culture

We have an obligation to ensure all employees are trained and understand our HSE fundamentals. We have a comprehensive HSE training curriculum designed for the complex nature of our operational risk profile, enabling employees to gain technical awareness on risks and to recognize hazards. Training needs are assessed through evaluation of relevant regulations, applicable laws, and risks associated with the employee's job duties. Training topics include fatigue management awareness, stop work awareness, emergency and disaster preparedness, and slips, trips, and falls. These trainings are deployed using our online learning system, and in-person trainings are provided when required. Trainings are provided free of charge, during paid working hours. All employees are assigned required HSE training, while contractors are assigned trainings based on need identified

locally, and two training activities are recommended to all contingent workers. Effectiveness of training is evaluated through analysis of incident trends, audit results, and employee feedback. In 2022, 231 HSE courses were offered and employees completed 703,977 trainings. On average, employees spend approximately 5.3 hours per year completing HSE training and contractors spent approximately 0.6 hours.

### Taking preventative measures

In addition to training, we integrate policies, programs, and initiatives to protect employees from health and safety risks and hazards and promote the overall well-being of our employees. By strengthening our focus on learning and improvement, we aim to minimize human error, mitigate incidents, and continuously improve our HSE performance. Throughout the year, we continued our emphasis on proactive prevention measures, human performance, and leadership engagements to discuss risk.

Local leadership periodically reviews and assesses related data trends, communicates feedback to employees, and reviews and updates operational procedures as needed. 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.

Our 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 includes risks from transportation, material handling activities, remote/offshore operations,

and other higher-risk activities related to pressure, lifting and rigging, electrical, and process safety.

Employees, contractors, or those directly involved with our activities are expected to stop work when conditions are unsafe and report observations, near misses, and stop-work events to management. If an individual exercises their "stop work authority," activities must be stopped immediately and may resume once the issue is addressed. When incidents do occur, they are tracked in our data management system, 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.

As we continue our focus on the health and safety of our employees, we strive for everyday to be a Perfect HSE Day where all employees return from work safely. In 2022, we achieved improvements in several health and safety metrics, including

**15%**

improvement in our days away from work case rate.

**86%**

improvement in our total recordable illnesses.

## Process Safety Management

Our Process Safety Management (PSM) 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.

Process Safety projects are ongoing within some of our 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 include barrier impacts and loss of primary containment events and are included in 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.

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.

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.

## Supporting workers' health

The health, safety, and well-being of our people is of paramount importance. When we prioritize our physical and mental well-being, it empowers our employees to be their best at work and at home.

Our well-being strategy, Living Well, provides all employees and their families a wide variety of resources, benefits, and learning opportunities designed to drive an inclusive culture and facilitate ownership of health and well being. Throughout the year, we hosted events with health and wellness experts, further embedded wellness into leadership engagements, and provided health and wellness resources and tools to all employees.

In addition to physical and mental health, we host dialogues across the Company on how safety, security, purpose, and connections at work and in the community support our overall well-being. We understand that managing one's well-being is a unique and personal process, and we strive to connect employees with the resources they need, when they need them.

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 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.

### Employee health and privacy

We emphasize the protection of personal information, including personal health. We do not routinely house or capture personal health-related information unless required, such as COVID vaccination status or medical accommodations. In situations where we collect personal health information, we follow strict access control and confidentiality policies inclusive but not limited to our Personnel Privacy Notice and our Data Privacy Policy. All personal health information on workers is maintained through our independent and highly inspected third-party vendors that administer our benefit programs. Should any personal health-related information be collected, we have strict access control measures limiting visibility and management of data to only those required for the business process.

## Security

We are committed to protecting our people, workplaces, and operations, and respecting communities globally through proactive risk-based, intelligence-led security programs and mitigation measures. Our security team supports business segments,

functions, and regions, in accordance with global risk and operational structure. The Security team oversees the administration, governance, and implementation of the crisis management and business continuity programs through global standards and processes, training, exercises, and ongoing engagement.

At the center of our security operations is the Global Intelligence and Travel Security Operations Center 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.

Other priorities include monitoring global developments while 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.

### Security and human rights

As a signatory to the UN Global Compact, we align with the principles outlined in the Voluntary Principles on Security and Human Rights. In 2021, internal training and awareness resources were developed by our security team with the purpose of embedding these principles into our operations. Security personnel, including embedded security contractors,

are required to complete annual training on human rights and adhere to our [supplier integrity guide](#), which includes guidelines on human rights.

Aligned with our strategic outcome of 100% of targeted (e.g., security) personnel trained annually on human rights policies and procedures, in 2022, 100% of our enterprise security personnel, including full-time security personnel and embedded contractors, received training on human rights. We also incorporate principles on security and human rights into requests for proposals and tenders, to ensure all security suppliers and contractors understand and adhere to our commitments to ethical business conduct.

# Appendices

As an energy technology leader, we model leadership through excellence in sustainability performance. We strive to improve how we track, measure, and report our sustainability data, following the best practices for sustainability reporting. Despite the dynamic development of guidance and standards for corporate sustainability reporting, we aim to report reliable, verified investment-grade data. We are also committed to providing transparency on the quality of our data. The information contained in this report is governed by clearly defined processes and controls. Upon final review and approval of each KPI and metric by process owners, the report is drafted by our Sustainability Strategy and Performance Management Team. The report and its included data are then reviewed by our internal audit team. Our internal audit function follows rigorous processes mirroring financial data governance and auditing standards to increase the fidelity of our reporting. Additionally, certain People and Planet data are assured by our independent accountants, KPMG, as discussed in their reports in Appendix B.

## Appendix A – Standard Alignment Tables

Our sustainability report contains metrics that are aligned to the following recognized frameworks:

- Global Reporting Initiative (GRI)
- Sustainable Accounting Standards Board (SASB) Oil & Gas Services Industry Standard – Extractives & Minerals Processing Sector
- Task Force on Climate-Related Financial Disclosures (TCFD)

## Appendix B – Metrics, Statements and Notes with Independent Accountants' Reports

Our People and Planet data are presented as follows:

### People:

- Statement and Notes on Selected People Metrics, including Glossary of Terms

### Planet:

- Statements and Notes on Greenhouse Gas CO<sub>2</sub>e Emissions
- Statement and Notes on Waste

An Independent Accountants' Report precedes the related People and Planet reporting.

# Appendix A: Standard Alignment Tables

## Interpreting this section

The information in the indices below show how we align to accepted sustainability standards, including industry standards. The tables below list indicators from GRI, SASB, and TCFD on which we have fully or partially reported. Estimates are developed using the best available data at time of publication. In some cases, data is estimated and is based solely on our interpretation and judgment.

GRI Index			
GRI TOPIC STANDARD	DISCLOSURE NO.	DISCLOSURE TITLE	LOCATION AND DATA
General disclosure	2-1	Organizational details	Baker Hughes Company 17021 Aldine Westfield Houston, Texas. <a href="#">Form 10-K</a>
	2-2	Entities included in the organization's sustainability reporting	<a href="#">Form 10-K</a>
	2-3	Reporting period, frequency, and contact point	From January 1st, 2022, through December 31st, 2022; Annual reporting; 05/24/2023. <a href="mailto:SustainabilityTeam@bakerhughes.com">SustainabilityTeam@bakerhughes.com</a>
	2-4	Restatements of information	Baseline emissions (GRI 305-1d, 305-2d, 305-3e).
	2-5	External assurance	Independent Accountants' Reports, p. B-4, p. B-18 - B-19
	2-6	Activities, value chain, and other business relationships	Company overview, p. 16
	2-7	Employees	People chapter pp. 34-57
	2-8	Workers who are not employees	Our people, pp. 36-38.
	2-9	Governance structure and composition	<a href="#">2023 Proxy filing</a> , p. 88
	2-10	Nomination and selection of the highest governance body	<a href="#">2023 Proxy filing</a>
	2-11	Chair of the highest governance body	<a href="#">2023 Proxy filing</a> p. 6
	2-12	Role of the highest governance body in overseeing the management of impacts	Ethics and compliance, p. 84 Governance of sustainability, pp. 88-89 Buffering sustainability risks through enterprise risk management, p. 89.
	2-13	Delegation of responsibility for managing impacts	Governance of sustainability, pp. 88-89.
	2-14	Role of the highest governance body in sustainability reporting	Governance of sustainability, pp. 88-89.
	2-15	Conflicts of interest	<a href="#">Conflicts committee charter</a> <a href="#">2023 Proxy filing</a>
	2-16	Communication of critical concerns	Open reporting and consultation, p. 84.

\*Denotes compliance with GRI 11: Oil and Gas Sector Standard 2021

General Disclosure	2-17	Collective knowledge of the highest governance body	Our Board of Directors consists of corporate leaders with expertise in substantive areas that guide our corporate strategy and objectives, including our ESG strategy. In furtherance of its responsibility to oversee the company's position on corporate social responsibility and public issues of significance which affect investors and other key stakeholders, the Governance & Corporate Responsibility Committee reviews the composition of the Board on an annual basis in order to ensure that the collective knowledge, skills and experience of the Board aligns with the Company's aligns with the Company's sustainability goals. In addition, the Committee 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.
	2-18	Evaluation of the performance of the highest governance body	Our Board of Directors is committed to overseeing the integration of ESG principles throughout the organization. The Board receives updates regarding our sustainability strategy and long-term ESG objectives on a periodic basis. While our full Board is tasked with ESG oversight, certain of its committees have responsibility for certain aspects of the ESG strategy. The Human Capital and Compensation Committee reviews human capital management metrics. The Governance and Corporate Responsibility Committee oversees the Company's positions on corporate social responsibilities and has been charged by the Board with oversight responsibility of the Company's environmental matters as well as assessing its sustainability strategy and initiatives, including the publication of our Corporate Responsibility report. In addition, the Governance & Corporate Responsibility Committee receives regular reports from management on the Company's environmental and sustainability priorities and risks, including progress on our net-zero emission goals and execution, our ESG reporting frameworks, and ESG ratings. The Audit Committee monitors compliance, human rights concerns and ethical risks. As reflected in our Governance Principles, the Board performs an annual self-evaluation led by the lead independent director.  As a component of the annual evaluation, each director is asked to provide an assessment of the effectiveness of the Board and its committees. The Board utilizes the results of its annual self-evaluation to identify areas of improvement and strengthen corporate governance practices. The Governance and Corporate Responsibility Committee monitors the process to assess the effectiveness of the Board. On a periodic basis, the lead independent director has engaged independent governance experts to facilitate the evaluation process and to identify areas.
	2-19	Remuneration policies	The Human Capital and Compensation Committee reviews the executive and director's compensation each year to ensure that compensation aligns with the company's long-term strategies. Our compensation policies around executive compensation reinforces market-aligned and pay for performance compensation programs. The Human Capital and Compensation Committee has responsibility for reviewing the relationship between our risk management policies and practices, corporate strategy and senior executive compensation and assessing whether any such risk is reasonably likely to have a material adverse effect on the Company. Additional details on our Board of Directors compensation and our executive compensation policies and programs, including the process for determining remuneration, can be found in the Compensation, Discussion & Analysis section of our Proxy Statement as filed with the Securities and Exchange Commission.
	2-20	Process to determine remuneration	<a href="#">2023 Proxy filing</a>
	2-21	Annual total compensation ratio	<a href="#">2023 Proxy filing</a>
	2-22	Statement on sustainable development strategy	CEO Letter, pp. 6-7.
	2-23	Policy commitments	Ethics and compliance, p. 84.
	2-24	Embedding policy commitments	Ethics and compliance, p. 84; Strive for sustainable, diverse, and inclusive supply chains, p. 91.
	2-25	Processes to remediate negative impacts	Ethics and compliance, p. 84; Strive for sustainable, diverse, and inclusive supply chains, p. 91.



General Disclosure	2-26	Mechanisms for seeking advice and raising concerns	Open reporting and consultation, p. 84.
	2-27	Compliance with laws and regulations	Material legal actions, if any, are reported in our <a href="#">Form 10-K</a> .
	2-28	Membership associations	Stakeholder engagement, p. 30
	2-29	Approach to stakeholder engagement	Stakeholder engagement, p. 30
	2-30	Collective bargaining agreements	Approximately 26% of employees are covered under a collective bargaining agreement.
Material topics	3-1*	Process to determine material topics	Materiality assessment, pp. 28-29.
	3-2*	List of material topics	Materiality assessment, pp. 28-29.
	3-3*	Management of material topics	People, pp. 34-57; Planet, pp. 58-79; Principles, pp. 80-97.
Economic performance	201-1*	Direct economic value generated and distributed	Economic impact, p. 17 Tax not reported by country due to confidentiality constraints. Economic value generated is not reported due to confidentiality constraints.
	201-2*	Financial implications and other risks and opportunities due to climate change	Climate change as a financial risk and opportunity, pp. 68-69.
	201-4*	Financial assistance received from government	Standard not material.
Market presence	202-2*	Proportion of senior management hired from the local community	Data not available.
Indirect economic impact	203-1*	Infrastructure investments and services supported	Data not available.
	203-2*	Significant indirect economic impacts	Data not available.
Procurement practices	204-1*	Proportion of spending on local suppliers	Principles performance snapshot, p. 81. "Local" is defined as being purchased in the same country as the location of the order issuances. Our significant operations are those where we conduct manufacturing, assembly, maintenance, and service operations.
	205-1*	Operations assessed for risks related to corruption	Principles performance snapshot, p. 81. All 2 Business Segments assessed. Anti-bribery and anti-corruption, p. 84.
Anti-corruption	205-2*	Communication and training about anti-corruption policies and procedures	Principles performance snapshot, p. 81. Data not provided by region or employee category. Data regarding business partners (205-2c) is not available.
	205-3*	Confirmed incidents of corruption and actions taken	Data not available due to confidentiality constraints.
Anti-competitive Behavior	206-1*	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Form 10-K</a>

Tax	207-1*	Approach to tax	Tax, p. 90.
	207-2*	Tax governance, control, and risk management	Tax, p. 90.
	207-3*	Stakeholder engagement and management of concerns related to tax	Tax, p. 90.
	207-4*	Country-by-country reporting	Data not available.
Energy	302-1*	Energy consumption within the organization	Planet performance snapshot, p. 59.
	302-2*	Energy consumption outside the organization	Data not available.
	302-3*	Energy intensity	Planet performance snapshot, p. 59.
	302-4	Reduction of energy consumption	Data not available.
Water and effluents	303-1*	Interactions with water as a shared resource	Water stewardship, pp. 73-75.
	303-2*	Management of water discharge-related impacts	Water stewardship, pp. 73-75.
	303-3*	Water withdrawal	Planet performance snapshot, p. 59.
	303-4*	Water discharge	Planet performance snapshot, p. 59.
	303-5*	Water consumption	Planet performance snapshot, p. 59.
Biodiversity	304-1*	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Data not available.
	304-2*	Significant impacts of activities, products, and services on biodiversity	Data not available.
	304-3*	Habitats protected or restored	Protecting biodiversity and natural capital, pp. 76-77.
	304-4*	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Planet performance snapshot, p.59.

Emissions	305-1*	Direct (scope 1) GHG emissions	Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions, pp. B-20 - B-30
	305-2*	Energy indirect (scope 2) GHG emissions	Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions, pp. B-20 - B-30
	305-3*	Other indirect (scope 3) GHG emissions	Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions, pp. B-20 - B-30
	305-4*	GHG emissions intensity	Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions, pp. B-20 - B-30
	305-5*	Reduction of GHG emissions	Data not available.
	305-6	Emissions of ozone-depleting substances (ODS)	Planet performance snapshot, p. 59.
	305-7*	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Data not available.
Waste (2020)	306-1*	Waste generation and significant waste-related impacts	Managing waste, pp. 71 - 72.
	306-2*	Management of significant waste-related impacts	Managing waste, pp. 71 - 72.
	306-3*	Waste generated	Planet performance snapshot, p. 59.
	306-4*	Waste diverted from disposal	Planet performance snapshot, p. 59.
	306-5*	Waste directed to disposal	Planet performance snapshot, p. 59.
Effluents and waste (2016)	306-3	Significant spills	Planet performance snapshot, p. 59.
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Data not available.
	308-2	Negative environmental impacts in the supply chain and actions taken	Engaging our suppliers, p. 66.
Employment	401-1*	New employee hires and employee turnover	Attract, retain, and develop diverse talent, pp. 42-43.
	401-2*	Benefits provided to full-time employees that are not provided to temporary or part-time employees	a) Retaining our people by investing in our people, pp. 44-45. b) Our significant operations are those where we conduct manufacturing, assembly, maintenance, and service operations.
	401-3*	Parental leave	A:c) People performance snapshot, pg. 35 d: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.

Occupational health and safety	403-1*	Occupational health and safety management system	Our HSE management system, p. 92.
	403-2*	Hazard identification, risk assessment, and incident investigation	Our approach to health and safety, pp. 94 – 95.
	403-3*	Occupational health services	Our approach to health and safety, pp. 94 – 95. Process safety management, p. 96.
	403-4*	Worker participation, consultation, and communication on occupational health and safety	Occupational safety, p. 92.
	403-5*	Worker training on occupational health and safety	Training to foster a safety culture, p. 95.
	403-6*	Promotion of worker health	Supporting workers' health, pp. 96-97.
	403-7*	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our approach to health and safety, p. 94. Process safety management, p. 96.
	403-8*	Workers covered by an occupational health and safety management system	Our HSE management system, p. 92.
	403-9*	Work-related injuries	Principles performance snapshot, p. 81. Process Safety Management, p. 96. Formula for calculating TRIR: # of recordable cases X 200,000 hours divided by total hours worked. Total hours worked are calculated using factors based on job family data for each employee, such as length of shift and overtime typical of job families. Information unavailable for non-employees due to data limitations.
	403-10*	Work-related ill health	Principles performance snapshot, p. 81. Our approach to health and safety, p. 94. The ill health metrics are inclusive of non-Baker Hughes employees who work at Baker Hughes facilities. However, in 2022, all ill health incidents involved Baker Hughes employees.
Training and education	404-1*	Average hours of training per year per employee	Table 4-3: Average hours of training, p. 48. People chapter pp. 34-57
	404-2*	Programs for upgrading employee skills and transition assistance programs	Career transitions, p. 46.
	404-3	Percentage of employees receiving regular performance and career development reviews	Table 4-1: Percentage of employees receiving annual performance and career development reviews, p. 44. People chapter pp. 34-57
Diversity and equal opportunity	405-1*	Diversity of governance bodies and employees	<a href="#">2023 Proxy Statement</a> People chapter pp. 34-57
	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 <a href="#">latest UK Gender Pay Gap Report</a> .
Non-discrimination	406-1*	Incidents of discrimination and corrective actions taken	Data not available due to confidentiality constraints.



Freedom of association and collective bargaining	407-1*	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Data not available.
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	408-1 a:b) Data not available. c) Human rights, p. 85, Strive for sustainable, diverse, and inclusive supply chains, p. 91.
Forced or compulsory labor	409-1*	Operations and suppliers at significant risk for incidents of forced or compulsory labor	409-1a) Data not available. b) Human Rights, p. 85, Strive for sustainable, diverse, and inclusive supply chains, p. 91.
Security practices	410-1*	Security personnel trained in human rights policies or procedures	Principles performance snapshot, p. 81.
Rights of indigenous peoples	411-1*	Incidents of violations involving rights of indigenous peoples	Data not available due to confidentiality constraints.
Local communities	413-1*	Operations with local community engagement, impact assessments, and development programs	Data not available.
	413-2*	Operations with significant actual and potential negative impacts on local communities	<a href="#">Form 10-K</a>
Supplier social assessment	414-1*	New suppliers that were screened using social criteria	Data not available.
	414-2*	Negative social impacts in the supply chain and actions taken	Principles performance snapshot, p. 81. 414-2b) Data not available.
Public policy	415-1*	Political contributions	Political contributions report.
Customer Health and Safety	416-1*	Assessment of the health and safety impacts of product and service categories	Data not available.
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Principles performance snapshot, p. 81.

# SASB Sector Standards

## SASB Sector Standards

SECTOR	TOPIC	CODE	ACCOUNTING METRIC	INFORMATION REFERENCE
Oil & Gas services	Emission reduction services & fuels management	EM-SV-110a.1	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment.	(1) Total Fuel Consumption: 5,795,564 GJ GJ (2) 0% (3-1) 23.4%. (3 -2) 76.6%.
		EM-SV-110a.2	Discussion of strategy or plans to address air emissions-related risks, opportunities, and impacts.	Become a net-zero business by 2050, pp. 62-65.
		EM-SV-110a.3	Percentage of engines in service that meet Tier 4 compliance for non-road diesel engine emissions.	Data not available.
	Water Management Services	EM-SV-140a.1	(1) Total volume of fresh water handled in operations, (2) percentage recycled.	(1) Standard not applicable. (2) Standard not applicable.
		EM-SV-140a.2	Discussion of strategy or plans to address water consumption and disposal-related risks, opportunities, and impacts.	Water stewardship, pp. 73-75.
	Chemicals Management	EM-SV-150a.1	Volume of hydraulic fracturing fluid used, percentage hazardous.	(1) Data not available. (2) Data not available.
		EM-SV-150a.2	Discussion of strategy or plans to address chemical-related risks, opportunities, and impacts.	Managing chemicals, p. 79.
	Ecological Impact Management	EM-SV-160a.1	Average disturbed acreage per (1) oil and (2) gas well site.	(1) Standard not applicable (2) Standard not applicable.
		EM-SV-160a.2	Discussion of strategy or plan to address risks and opportunities related to ecological impacts from core activities.	Biodiversity and natural capital, pp. 76-77.
	Workforce Health & Safety		EM-SV-320a.1	(1) Total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR), (4) total vehicle incident rate (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.
(1b) Data not available.				
(1c) 0.23				
(2a) Data not available. Absolute value is 1.				
(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, absolute value 213.				
(4b) Data not available.				
(4c) Data not available.				
(5a) 5.3 hours.				
(5b) 0.64 hours.				
(5c) Data not available.				

Oil & Gas services	Workforce Health & Safety	EM-SV-320a.2	Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle.	Process safety management, p. 96.
	Business Ethics & Payments Transparency	EM-SV-510a.1	Amount of net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index.	\$300,670,377.00
		EM-SV-510a.2	Description of the management system for prevention of corruption and bribery throughout the value chain.	Ethics and compliance, p. 84.
	Management of the Legal & Regulatory Environment	EM-SV-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry.	Public policy and working with governments, p. 33.
	Critical Incident Risk Management	EM-SV-540a.1	Description of management systems used to identify and mitigate catastrophic and tail-end risks.	Process safety management, p. 96.
Oil & gas exploration & production	Biodiversity Impacts	EM-EP-160a.2	(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.	(1) 37 barrels of oil; 3 barrels of fuel (2) 0 barrels (3) 0 barrels (4) 37 barrels.
Oil & Gas services		EM-SV-000.A	Number of active rig sites.	Standard not applicable.
		EM-SV-000.B	Number of active well sites.	Standard not applicable.
		EM-SV-000.C	Total amount of drilling performed.	Standard not applicable.
		EM-SV-000.D	Total number of hours worked by all employees.	Data not available.

# Task Force on Climate-Related Financial Disclosures (TCFD) Index

The following table references Baker Hughes 2022 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 board's oversight of climate-related risks and opportunities.	Corporate governance, <a href="#">p. 88</a> . Governance of sustainability, <a href="#">pp. 88-89</a> .
Describe management's role in assessing and managing climate-related risks and opportunities.	Governance of sustainability, <a href="#">pp. 88-89</a> .

## 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.	<ul style="list-style-type: none"> <li>CEO letter, <a href="#">pp. 6-7</a>.</li> <li>Climate change as a financial risk and opportunity, <a href="#">pp. 68-69</a>.</li> <li><a href="#">Form 10-K</a>, item 1A. risk factors, pp. <a href="#">14-25</a>.</li> </ul>
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> <li>CEO letter, <a href="#">pp. 6-7</a>.</li> <li>CSO letter, <a href="#">pp. 8-9</a>.</li> <li>Innovation and collaboration, <a href="#">p. 19</a>.</li> <li>Climate change as a financial risk and opportunity, <a href="#">pp. 68-69</a>.</li> </ul>
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<ul style="list-style-type: none"> <li>Climate change as a financial risk and opportunity, <a href="#">pp. 68-69</a>.</li> </ul>

## 3. Risk Management

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> <li>Become a net-zero business by 2050, <a href="#">pp. 62-65</a>.</li> <li>Climate change as a financial risk and opportunity, <a href="#">pp. 68-69</a>.</li> </ul>
Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> <li>Planet, <a href="#">pp. 58-79</a>.</li> </ul>
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none"> <li>Buffering sustainability risks through our Enterprise Risk Management process, <a href="#">p. 89</a>.</li> </ul>

## 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.	Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions, pp. B-20 – B-30
Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas (GHG) emissions, and the related risks.	Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions, pp. B-20 – B-30
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Become a net-zero business by 2050, <a href="#">pp. 62-65</a> .



# Appendix B: Metrics, Statements and Notes with Independent Accountants' Reports

## Interpreting this section

We follow rigorous processes to present the relevant metrics in accordance with the methodology specified in the subject matter. In this section, you will find the independent accountants' reports providing limited or reasonable assurance over selected metrics found in this section.

	SUBJECT MATTER	2022 ASSURANCE LEVEL
People: Employee headcount information	Employee counts	
People: Statement and Notes on Selected People Metrics, including Glossary of Terms	All listed People metrics on pp. B-5 - B-16	Limited assurance
Planet: Statements and Notes on Greenhouse Gas CO <sub>2</sub> e Emissions	Scope 1 emissions	Reasonable assurance
	Scope 2 emissions	Reasonable assurance
	Scope 3 emissions	Limited assurance
Planet: Statement and Notes on Waste	Waste metrics	Limited assurance (first year assured)

## Employee headcount information

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employee counts	Management metric	# of total employees.	55,235	
		# of total employees by region - Asia Pacific (APAC).	7,081	
		# of total employees by region - Russia and Commonwealth of Independent States (RCIS).	681	
		# of total employees by region - Middle East and North Africa (MENAT).	9,486	
		# of total employees by region - North America (NAM).	14,080	
		# of total employees by region - Latin America (LATAM).	5,828	
		# of total employees by region - Sub-Saharan Africa (SSA).	1,006	
		# of total employees by region - Europe.	17,073	
		# of total full time employees.	54,490	
		# of total full time employees by region - Asia Pacific (APAC).	7,026	
		# of total full time employees by region - Russia and Commonwealth of Independent States (RCIS).	679	
		# of total full time employees by region - Middle East and North Africa (MENAT).	9,475	
		# of total full time employees by region - North America (NAM).	14,046	
		# of total full time employees by region - Latin America (LATAM).	5,745	
		# of total full time employees by region - Sub-Saharan Africa (SSA).	997	
		# of total full time employees by region - Europe.	16,522	
		# of total part time employees.	745	
		# of total part time employees by region - Asia Pacific (APAC).	55	
# of total part time employees by region - Russia and Commonwealth of Independent States (RCIS).	2			

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

2 Date range is from (1/1/22-12/31/22) unless otherwise noted.

3 Percentages are rounded to one decimal place. If a percentage shows as 0.0 that means its less than .05 percent.

## Employee headcount information

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employee counts	Management metric	# of total part time employees by region - Middle East and North Africa (MENAT).	11	
		# of total part time employees by region - North America (NAM).	34	
		# of total part time employees by region - Latin America (LATAM).	83	
		# of total part time employees by region - Sub-Saharan Africa (SSA).	9	
		# of total part time employees by region - Europe.	551	
		# of total employees by gender - Men.	43,535	
		# of total employees by gender - Women.	10,554	
		# of total employees by gender - Gender undeclared.	1,140	
		# of total employees by gender - No gender selected.	6	
		# of total full time employees by gender - Men.	43,107	
		# of total full time employees by gender - Women.	10,238	
		# of total full time employees by gender - Gender undeclared.	1,139	
		# of total full time employees by gender - No gender selected.	6	
		# of total part time employees by gender - Men.	428	
		# of total part time employees by gender - Women.	316	
		# of total part time employees by gender - Gender undeclared.	1	
		# of total employees by age group - under 30.	5,606	
		# of total employees by age group - 30-50.	38,352	
		# of total employees by age group - over 50.	11,274	
		# of total employees by age group - No age selected.	3	
		# of total senior professional and above employees (SPB+).	8,944	
		# of total Executive Band and above employees (EB+).	639	
		# of total employees by job function - Commercial.	4,968	
		# of total employees by job function - Enabling.	6,583	
		# of total employees by job function - Production.	32,112	
		# of total employees by job function - Technical.	10,389	
		# of total employees by job function - Other.	1,183	



KPMG LLP  
2200 Wells Fargo Tower  
201 Main Street  
Fort Worth, TX 76102-3105

## Independent Accountants' Review Report

To the Board of Directors and Management  
Baker Hughes Company:

We have reviewed the Selected People Metrics as of and for the year ended December 31, 2022 in the accompanying Statement and Notes on Selected People Metrics (the "People Review Subject Matter") in Appendix B of the 2022 Corporate Sustainability Report (the "Report") of Baker Hughes Company (the "Company"). The Company's management is responsible for preparing and presenting the People Review Subject Matter in accordance with the Methodology and related Glossary of Terms set forth in the People Review Subject Matter (the "People Criteria"). Our responsibility is to express a conclusion on the People 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 in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the People 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 People 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 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 and inputs used in deriving the People Review Subject Matter, recalculating a selection of the People Review Subject Matter based on the People Criteria and inputs identified by management, and performing analytical procedures.

Except to the extent stated in our Independent Accountants' Report on the GHG Examination Subject Matter, GHG Review Subject Matter and Waste Review Subject Matter, our review was limited to the People Review Subject Matter presented in the Report. The Report includes other information and metrics that were not subject to our review procedures. Accordingly, 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 People Review Subject Matter as of and for the year ended December 31, 2022, in order for it to be in accordance with the People Criteria.

**KPMG LLP**

May 24, 2023



## Statement and Notes on Selected People Metrics

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Professional development planning with manager	Management metric	# of employees completing professional development planning with their manager.	45,454	Number of all effective employees, including employees terminated during the year ended in December 31, 2022, who completed a professional development touchpoint and evidenced and recorded in HR enterprise system for review period (which includes annual priority setting, ongoing touchpoints, or annual performance and career development review).
Regular performance and career development reviews	GRI 404-3	% of employees receiving regular performance and career development reviews.	75.0%	Number of eligible effective employees who have completed the annual performance and career development review divided by total number of eligible effective employees.  Number of eligible effective employees who have completed the annual performance and career development review in respective gender category divided by total number of eligible effective employees in respective gender category.  Number of eligible effective employees who have completed the annual performance and career development review in respective career band divided by total number of eligible effective employees in respective career band.  Number of eligible effective PB+ employees who have completed the annual performance and career development review in respective gender category divided by total number of eligible effective PB+ employees in respective gender category.  Number of eligible effective PB+ employees who have completed the annual performance and career development review in respective job function divided by total number of eligible effective PB+ employees in respective job function. For purposes of this metric, eligible effective employees exclude employees on leave and those hired after October 1, 2022. Leadership Training Band is not included in PB+ for 2022 because they follow their own performance management process.
		% of employees receiving regular performance and career development reviews by gender – Men.	72.8%	
		% of employees receiving regular performance and career development reviews by gender – Women.	84.0%	
		% of employees receiving regular performance and career development reviews by gender – Gender undeclared.	31.0%	
		% of employees receiving regular performance and career development reviews by gender – No gender selected.	100.0%	
		% of employees receiving regular performance and career development reviews by career band – Professional band and above (PB+).	95.8%	
		% of employees receiving regular performance and career development reviews by career band – Senior Professional Band (SPB+).	95.8%	
		% of Executive Band (EB+) employees receiving regular performance and career development reviews.	94.1%	
		% of PB+ employees receiving regular performance and career development reviews by gender – Men.	96.0%	
		% of PB+ employees receiving regular performance and career development reviews by gender – Women.	95.3%	
% of PB+ employees receiving regular performance and career development reviews by gender – Gender undeclared.	88.9%			
% of PB+ employees receiving regular performance and career development reviews by gender – No gender selected.	100.0%			

<sup>1</sup> Included to indicate the most comparable GRI metric; however, GRI disclosures are not complete relative to the requirements of GRI.

<sup>2</sup> Date range is from (1/1/22-12/31/22) unless otherwise noted.

<sup>3</sup> Percentages are rounded to one decimal place. If a percentage shows as 0.0 that means its less than .05 percent.

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Regular performance and career development reviews	GRI 404-3	% of PB+ employees receiving regular performance and career development reviews by job function – Commercial.	93.4%	
		% of PB+ employees receiving regular performance and career development reviews by job function – Enabling.	95.3%	
		% of PB+ employees receiving regular performance and career development reviews by job function – Production.	95.5%	
		% of PB+ employees receiving regular performance and career development reviews by job function – Technical.	97.8%	
		% of PB+ employees receiving regular performance and career development reviews by job function – Other.	0.0%	
Employees in leadership programs	Management metric	# of employees participating in leadership development programs.	527	Number of participants in leadership development programs including ASPIRE (early career leadership program), IMPACT (mid-career leadership program), CULTIVATE (mid-career leadership program for women), and ASCEND (military transition program) who were part of the program as of December 31, 2022.
		# of employees participating in each leadership development program – ASPIRE.	300	
		# of employees participating in each leadership development program – IMPACT.	32	
		# of employees participating in each leadership development programs – CULTIVATE.	191	
		# of employees participating in each leadership development program – ASCEND.	4	
		# of ASPIRE program participants that identify as women.	155	
		# of IMPACT program participants that identify as women.	16	
Women in STEM roles	Management metric	% of women in STEM roles.	12.1%	Baker Hughes has identified job groups as STEM roles consistent with roles defined by US Bureau of Labor Statistics. Number of effective employees who identify as women and who are in STEM roles divided by all effective employees in STEM roles.

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Community contributions	Management metric	Total amount of charitable pledges and contributions (USD).	\$75,272,787	Number of self-reported volunteer hours completed during FY 2022 by active full-time employees.
		Amount of employee-matched contributions made by the Baker Hughes Foundation (USD).	\$756,121	Amount of employee-matched contributions paid by the Baker Hughes Foundation.
		Amount of company and foundation financial pledges and contributions (USD) <sup>4</sup> .	\$1,992,500	Amount of company and foundation financial pledges and contributions based on Baker Hughes Foundation financial pledges and contributions only.
		Amount of company in-kind contributions (USD) <sup>5</sup> .	\$72,524,166	Amount of company in-kind contributions. In-kind value is calculated by looking at product sales price of in-kind donations. Company in-kind contributions represent OFSE business segment software licenses only.
		# of volunteer service hours.	27,181	Total amount of charitable pledges and contributions (sum of employee-matched contributions, foundation financial pledges and contributions, company in-kind contributions).
US employees - people of color (PoC)	GRI 405-1, Management Metric	% of US employees who identify as people of color.	36.1%	Number of effective employees in US who identify as people of color divided by total number of effective employees in US as of year-end.
		% of US employees who identify as people of color by gender – Men.	75.4%	
		% of US employees who identify as people of color by gender – Women.	24.6%	
		% of US employees who identify as people of color by gender - Gender undeclared.	0.0%	
		% of US employees who identify as people of color by seniority – Senior Professional Band and above (SPB+).	32.1%	
		% of US employees who identify as people of color by seniority – Executive Band and above (EB+).	28.6%	
Employee attrition	GRI 401-1	# of total employee attrition.	6,609	Number of effective employees who were voluntarily or involuntarily terminated in FY 2022.
		# of total employee attrition by gender – Men.	5,291	Number of effective employees who were terminated divided by the average monthly effective employee count for FY 2022.
		# of total employee attrition by gender – Women.	1,274	Number of effective employees in respective gender category who were terminated divided by the average monthly effective employee count in respective gender category for FY 2022.
		# of total employee attrition by gender - Gender undeclared.	44	Number of effective employees in respective age group who were terminated divided by the average monthly effective employee count in respective age group for FY 2022.
		% of total employee attrition (rate).	12.0%	Number of effective employees in respective region who were terminated divided by the average monthly effective employee count in respective region for FY 2022.
		% of total employee attrition (rate) by gender – Men.	12.0%	Employees are counted more than once if they are hired or terminated more than once in the same year.
		% of total employee attrition (rate) by gender – Women.	12.1%	

4 2022 financial contributions based on Baker Hughes Foundation financial contributions only.

5 Company in-kind contributions represent OFSE operating segment software license donations only.

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employee attrition	GRI 401-1	% of total employee attrition (rate) by gender - Gender undeclared.	16.5%	
		# of total employee attrition by region - Asia Pacific (APAC).	647	
		# of total employee attrition by region - Russia and Commonwealth of Independent States (RCIS).	1,019	
		# of total employee attrition by region - Middle East and North Africa (MENAT).	909	
		# of total employee attrition by region - North America (NAM).	1,990	
		# of total employee attrition by region - Latin America (LATAM).	505	
		# of total employee attrition by region - Sub-Saharan Africa (SSA).	67	
		# of total employee attrition by region - Europe.	1,472	
		% of total employee attrition (rate) by region - Asia Pacific (APAC).	9.4%	
		% of total employee attrition (rate) by region - Russia and Commonwealth of Independent States (RCIS).	34.9%	
		% of total employee attrition (rate) by region - Middle East and North Africa (MENAT).	9.9%	
		% of total employee attrition (rate) by region - North America (NAM).	15.0%	
		% of total employee attrition (rate) by region - Latin America (LATAM).	9.1%	
		% of total employee attrition (rate) by region - Sub-Saharan Africa (SSA).	7.1%	
		% of total employee attrition (rate) by region - Europe.	9.1%	
		# of total employee attrition by age group - under 30.	1,088	
		# of total employee attrition by age group - 30-50.	4,247	
		# of total employee attrition by age group - over 50.	1,274	
		% of total employee attrition (rate) by age group - under 30.	19.1%	
		% of total employee attrition (rate) by age group - 30-50.	11.1%	
% of total employee attrition (rate) by age group - over 50.	11.6%			



METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Voluntary attrition	Management Metric	# of voluntary attrition.	4,714	Number of effective employees who were voluntarily terminated in FY 2022. Number of effective employees who were voluntarily terminated divided by the average monthly effective employee count for FY 2022. Number of effective employees in each gender category who were voluntarily terminated divided by the average monthly effective employee count in each gender category for FY 2022. Number of effective employees in each age group who were voluntarily terminated divided by the average monthly effective employee count in each age group for FY 2022. Number of effective employees in each region who were voluntarily terminated divided by the average monthly effective employee count in each region for FY 2022. Employees are counted more than once if they are hired or terminated more than once in the same year.
		# of voluntary attrition by gender – Men.	3,739	
		# of voluntary attrition by gender – Women.	974	
		# of voluntary attrition by gender – Gender undeclared.	1	
		% of voluntary attrition (rate).	8.6%	
		% of voluntary attrition (rate) by gender – Men.	8.5%	
		% of voluntary attrition (rate) by gender – Women.	9.3%	
		% of voluntary attrition (rate) by gender – Gender undeclared.	0.4%	
		# of voluntary attrition by region – Asia Pacific (APAC).	556	
		# of voluntary attrition by region – Russia and Commonwealth of Independent States (RCIS).	391	
		# of voluntary attrition by region – Middle East and North Africa (MENAT).	657	
		# of voluntary attrition by region – North America (NAM).	1,608	
		# of voluntary attrition by region – Latin America (LATAM).	363	
		# of voluntary attrition by region – Sub-Saharan Africa (SSA).	49	
		# of voluntary attrition by region – Europe.	1,090	
		% of voluntary attrition (rate) by region – Asia Pacific (APAC).	8.1%	
		% of voluntary attrition (rate) by region – Russia and Commonwealth of Independent States (RCIS).	13.4%	
		% of voluntary attrition (rate) by region – Middle East and North Africa (MENAT).	7.2%	
		% of voluntary attrition (rate) by region – North America (NAM).	12.1%	
		% of voluntary attrition (rate) by region – Latin America (LATAM).	6.5%	
% of voluntary attrition (rate) by region – Sub-Saharan Africa (SSA).	5.2%			
% of voluntary attrition (rate) by region – Europe.	6.7%			
# of voluntary attrition by age group – under 30.	858			
# of voluntary attrition by age group – 30-50.	3,082			
# of voluntary attrition by age group – over 50.	774			
% of voluntary attrition (rate) by age group – under 30.	15.1%			
% of voluntary attrition (rate) by age group – 30-50.	8.0%			
% of voluntary attrition (rate) by age group – over 50.	7.1%			

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
New candidates hired	GRI 401-1	# of internal candidates hired.	4,983	Number of external candidates hired. Number of external candidates by respective gender who were hired. Number of external candidates by respective age group who were hired. Number of external candidates by respective region who were hired. Number of internal candidates hired. Number of internal candidates by respective gender who were hired. Number of internal candidates by respective age group who were hired. Number of internal candidates by respective region who were hired. Employees are counted more than once if they are hired or terminated more than once in the same year.
		# of internal candidates hired by gender – Men.	3,734	
		# of internal candidates hired by gender – Women.	1,247	
		# of internal candidates hired by gender – Gender undeclared.	1	
		# of internal candidates hired by gender – No gender selected.	1	
		# of internal candidates hired by region – Asia Pacific (APAC).	478	
		# of internal candidates hired by region – Russia and Commonwealth of Independent States (RCIS).	84	
		# of internal candidates hired by region – Middle East and North Africa (MENAT).	781	
		# of internal candidates hired by region – North America (NAM).	1,615	
		# of internal candidates hired by region – Latin America (LATAM).	428	
		# of internal candidates hired by region – Sub-Saharan Africa (SSA).	63	
		# of internal candidates hired by region – Europe.	1,534	
		# of internal candidates hired by age group – under 30.	807	
		# of internal candidates hired by age group – 30-50.	3,702	
		# of internal candidates hired by age group – over 50.	474	
		# of external candidates hired.	10,733	
		# of external candidates hired by gender – Men.	7,182	
		# of external candidates hired by gender – Women.	2,377	
		# of external candidates hired by gender – Gender undeclared.	1,174	
		# of external candidates hired by region – Asia Pacific (APAC).	1,166	
		# of external candidates hired by region – Russia and Commonwealth of Independent States (RCIS).	247	
		# of external candidates hired by region – Middle East and North Africa (MENAT).	1,707	
		# of external candidates hired by region – North America (NAM).	3,157	
		# of external candidates hired by region – Latin America (LATAM).	1,437	
		# of external candidates hired by region – Sub-Saharan Africa (SSA).	189	
		# of external candidates hired by region – Europe.	2,830	
# of external candidates hired by age group – under 30.	3,515			
# of external candidates hired by age group – 30-50.	6,353			
# of external candidates hired by age group – over 50.	865			

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employees by gender	GRI 405-1	% of employees by gender – Men.	78.8%	Number of effective employees in respective gender divided by total number of effective employees.  Number of effective employees in respective seniority and gender divided by total effective employees in respective seniority.  Number of effective employees in respective function and gender divided by total effective employees in respective job function.  Number of effective employees designated as people manager of respective gender divided by total effective employees designated as people manager.  Number of employees on Board of Directors who identify as women divided by total number of Board of Directors.
		% of employees by gender – Women.	19.1%	
		% of employees by gender – Gender Undeclared.	2.1%	
		% of employees by gender – No gender selected.	0.0%	
		% of employees by gender for each job function – Commercial and Men.	75.6%	
		% of employees by gender for each job function – Enabling and Men.	49.0%	
		% of employees by gender for each job function – Production and Men.	88.2%	
		% of employees by gender for each job function – Technical and Men.	78.7%	
		% of employees by gender for each job function – Other and Men.	4.2%	
		% of employees by gender for each job function – Commercial and Women.	24.4%	
		% of employees by gender for each job function – Enabling and Women.	51.0%	
		% of employees by gender for each job function – Production and Women.	11.7%	
		% of employees by gender for each job function – Technical and Women.	21.3%	
		% of employees by gender for each job function – Other and Women.	0.5%	
		% of employees by gender for each job function – Commercial and Gender Undeclared.	0.0%	
		% of employees by gender for each job function – Enabling and Gender Undeclared.	0.0%	
		% of employees by gender for each job function – Production and Gender Undeclared.	0.0%	
		% of employees by gender for each job function – Technical and Gender Undeclared.	0.0%	
		% of employees by gender for each job function – Other and Gender Undeclared.	95.3%	
		% of employees by gender for each job function – Production and No gender selected.	0.0%	
% of employees by gender for each seniority – SPB+ and Men.	81.4%			
% of employees by gender for each seniority – SPB+ and Women.	18.6%			
% of employees by gender for each seniority – SPB+ and Gender undeclared.	0.0%			

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employees by gender	GRI 405-1	% of employees by gender for each seniority – EB+ and Men.	75.6%	
		% of employees by gender for each seniority – EB+ and Women.	24.4%	
		% of employees by gender for each seniority – EB+ and Gender undeclared.	0.0%	
		% of employees that are people managers by gender – Men.	79.2%	
		% of employees that are people managers by gender – Women.	18.8%	
		% of employees that are people managers by gender – Gender undeclared.	2.0%	
		% of employees that are people managers by gender – No gender selected.	0.0%	
		% of women-identifying employees on Board of Directors.	33.0%	
Employees by age group	GRI 405-1	% of employees by age group – under 30.	10.2%	
		% of employees by age group – 30-50.	69.4%	
		% of employees by age group – over 50.	20.4%	
		% of employees by age group – Age group left blank.	0.0%	
		% of employees by age group for each job function – under 30 and Commercial.	6.1%	
		% of employees by age group for each job function – under 30 and Enabling.	10.9%	
		% of employees by age group for each job function – under 30 and Production.	11.0%	
		% of employees by age group for each job function – under 30 and Technical.	10.1%	
		% of employees by age group for each job function – under 30 and Other.	0.9%	
		% of employees by age group for each job function – 30-50 and Commercial.	68.8%	
		% of employees by age group for each job function – 30-50 and Enabling.	69.4%	
		% of employees by age group for each job function – 30-50 and Production.	68.9%	
		% of employees by age group for each job function – 30-50 and Technical.	68.2%	
		% of employees by age group for each job function – 30-50 and Other.	97.6%	
		% of employees by age group for each job function – over 50 and Commercial.	25.2%	
% of employees by age group for each job function – over 50 and Enabling.	19.7%			
% of employees by age group for each job function – over 50 and Production.	20.1%			



METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employees by age group	GRI 405-1	% of employees by age group for each job function - over 50 and Technical.	21.7%	
		% of employees by age group for each job function - over 50 and Other.	1.5%	
		% of employees by age group for each job function - Age group blank and Production.	0.0%	
		% of employees by age group for each seniority - under 30 and SPB+.	0.3%	
		% of employees by age group for each seniority - under 30 and EB+.	0.0%	
		% of employees by age group for each seniority - 30-50 and SPB+.	67.4%	
		% of employees by age group for each seniority - 30-50 and EB+.	65.7%	
		% of employees by age group for each seniority - over 50 and SPB+.	32.3%	
		% of employees by age group for each seniority - over 50 and EB+.	34.3%	
Parental leave	GRI 401-3	# of employees entitled to parental leave.	50,283	Total number of effective employees entitled to parental leave. Number of effective employees entitled to parental leave by gender. Number of U.S. effective employees with an approved leave for maternity and/or parental that have been approved. Number of U.S. effective employees with an approved leave for maternity and/or parental that have been approved by gender. Number of U.S. effective employees with approved leave for maternity and/or parental that have returned to work in FY 2022. Number of U.S. effective employees with approved leave for maternity and/or parental that have returned to work in FY 2022 by gender.
		# of employees entitled to parental leave by gender - Men.	39,824	
		# of employees entitled to parental leave by gender - Women.	10,440	
		# of employees entitled to parental leave by gender - Gender Undeclared.	13	
		# of employees entitled to parental leave by gender - No gender selected.	6	
		# of US employees that took parental leave.	300	
		# of US employees that took parental leave by gender - Women.	90	
		# of US employees that took parental leave by gender - Men.	210	
		# of US employees that returned from leave in the reporting period following leave.	237	
		# of US employees that returned from leave in the reporting period following leave by gender - Women.	76	
		# of US employees that returned from leave in the reporting period following leave by gender - Men.	160	
# of US employees that returned from leave in the reporting period following leave by gender - No gender selected.	1			
Employee resource group membership	Management metric	# of employees enrolled in at least one employee resource group.	8,099	Total number of active employees enrolled in at least one employee resource group as of December 31, 2022. Total number of active employees enrolled in at least one employee resource group as of December 31, 2022 divided by total number of active employees.
		% of employees enrolled in at least one employee resource group.	14.4%	

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Employees by generation group	Management metric	% of employees by generation group – Greatest.	0.0%	Number of effective employees by generation group divided by total effective employees.
		% of employees by generation group – Silent.	0.0%	
		% of employees by generation group – Boomers.	7.5%	
		% of employees by generation group – Generation X.	36.4%	
		% of employees by generation group – Generation Y.	51.3%	
		% of employees by generation group – Generation Z.	4.9%	
		% of employees by generation group – Generation left blank.	0.0%	
Country representation	Management metric	# of employees working outside the United States.	42,442	Number of effective employees that are working outside of the US as of December 31, 2022.
		# of countries with employees.	89	Number of countries with effective employees.
		# of nationalities represented by employees.	157	Number of nationalities represented by effective employees, as self-reported in HR enterprise system.
Average hours of training per year per employee <sup>6</sup>	GRI 404-1			Number of system recorded learning hours completed divided by number of effective employees as of December 31, 2022.
		Average hours of training per employee <sup>7</sup>	37	Number of system recorded learning hours completed in respective gender divided by number of effective employees in respective gender as of December 31, 2022.
				Number of system recorded learning hours completed in respective career band divided by number of effective employees in respective career band as of December 31, 2022.
		Average hours of training per employee by gender – Men.	39	Number of system recorded learning hours completed in respective job function divided by number of effective employees in respective job function as of December 31, 2022.
				Number of system recorded learning hours completed in respective operating segment divided by number of effective employees in respective operating segment as of December 31, 2022.
		Average hours of training per employee by gender – Women.	30	Average training hours includes online and in person training completed during FY 2022, for effective employees as of December 31, 2022, which is recorded in our enterprise learning management system. The metric does not include training completions maintained outside of the enterprise system and may contain multiple course completions for the same course by the same employee.

6 In 2022, estimated duration of each training is used for the calculation, or where an estimated duration is not available, we used the median duration of actual completions of the training.

7 In 2022, we are more specifically representing hours by using estimated duration field in the learning management system for each respective course. Where the duration is blank/empty we used the median duration hours of the Activity Type.

METRIC	CRITERIA <sup>1</sup>	KEY PERFORMANCE INDICATORS (KPI) <sup>2</sup>	2022 <sup>3</sup>	METHODOLOGY
Average hours of training per year per employee <sup>6</sup>	GRI 404-1	Average hours of training per employee by gender - Gender undeclared.	6	
		Average hours of training per employee by career band - Professional band and above employees (PB+).	24	
		Average hours of training per employee by career band - Senior Professional Band and above employees (SPB+).	17	
		Average hours of training per employee by career band - Executive Band and above employees (EB+).	12	
		Average hours of training per employee by operating segment - Industrial and Energy Technology (IET).	18	
		Average hours of training per employee by operating segment - Oilfield Services and Equipment (OFSE).	51	
		Average hours of training per employee by operating segment - Headquarters.	18	
		Average hours of training per employee by job function - Commercial.	16	
		Average hours of training per employee by job function - Enabling.	20	
		Average hours of training per employee by job function - Production.	51	
		Average hours of training per employee by job function - Technical.	18	
		Average hours of training per employee by job function - Other.	5	

## Glossary of Terms

TERM	DEFINITION
Gender	Self-identified as men, women, undeclared or no gender selected in HR enterprise system.
Career band	Company's internal classification of various jobs depending on level of responsibility and contribution.
Professional Band and above (PB+)	Career band including Professional 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. For 2022 metrics, Leadership Training Band is not included in PB+ because they follow their own performance management process.
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.
Executive Band and above (EB+)	Career band including Executive Band, Senior Executive Band, Vice President, Senior Vice President.
PoC	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. This designation is self-reported in the U.S..
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 2022	Financial year counted from January 1st, 2022, to December 31st, 2022.
Effective employees	All employees excluding interns, co-ops, trainees, apprentice, inactive employees and contingent workers.
Active employees	All employees excluding employees on long-term leave of absence, inactive employees and contingent workers.
Job function	Company's internal classification according to job family group (Commercial, Enabling, Production, Technical, and Other). A summary of the jobs compassed by these job functions can be found on <a href="#">page 38</a> .
Internal candidates	An existing employee that filled an open internal position/requisition within the Company.
External candidates	A person that is not an employee of the Company that was hired into an open position/requisition.
Entitled to parental leave	Entitled to parental leave based on country eligibility criteria, utilizing the Baker Hughes country policies and/or statutory regulations, whichever is more encompassing.
Primary and Secondary parent	Company's designation used for the parental leave benefit program to distinguish the amount of leave entitlement. This is a self-designation by employee as primary or secondary.
Management roles/ People manager	Effective employees who are in a people leader role.
Seniority	Seniority/senior roles references two specific groupings of effective employees in leadership, Senior Professional Band and above (as defined above) and Executive Band and above (as defined above).
Employee time type category	All effective employees will be categorized into either the Part-Time category (employees with Time Type of Part Time plus employees with Time Type of Full Time who are less than 1.0 FTE) and Full-Time category (employees with Time Type of Full Time and 1.0 or greater FTE).
Age group	All effective employees are categorized into one of the following age groups: Under 30 years old, 30 – 50 years old, and over 50 years old. Employees whose birthdate is not available will be categorized as age group left blank. Calculation for age group will use age as whole numbers only considered as of 12/31/2022 (i.e. if employee is 50 years old and 6 days, employee will be in the 30-50 age group).
Nationality	An identification of a person based on their status of belonging to a particular nation. This is self-identified by employees in the HR enterprise system.
Generation group	All effective employees will be categorized into one of the following generation groups based on birth year: Silent (1928 through 1945), Baby Boomers (1946 through 1964), Generation X (1965 through 1979), Generation Y/Millennials (1980 through 1995) and Generation Z (1996 through present); employees whose birth year is not available will be categorized as generation group left blank.
Region	A group of countries located in the same geographically specified area as determined by the company. Regions include: Asia Pacific (APAC), Russia and Commonwealth of Independent States (RCIS), Middle East and North Africa (MENAT), North America (NAM), Latin America (LATAM), Sub-Saharan Africa (SSA), and Europe.



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KPMG LLP  
2200 Wells Fargo Tower  
201 Main Street  
Fort Worth, TX 76102-3105

## Independent Accountants' Report

To the Board of Directors and Management  
Baker Hughes Company:

We have examined the Scope 1 and Scope 2 greenhouse gas emissions data and related notes for the year ended December 31, 2022 in the accompanying Statements and Notes on Greenhouse Gas CO<sub>2</sub>e Emissions (the "GHG Statements") of Baker Hughes Company (the "Company") (the "GHG Examination Subject Matter"). We have also reviewed:

- the Scope 3 greenhouse gas emissions data and related notes for the year ended December 31, 2022 in the GHG Statements (the "GHG Review Subject Matter"); and
- the Statement and Notes on Waste for the year ended December 31, 2022 (the "Waste Review Subject Matter").

These subject matters are included in Appendix B of the Company's 2022 Corporate Sustainability Report (the "Report").

The Company's management is responsible for preparing and presenting the GHG Examination Subject Matter in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition and GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard (collectively, the "GHG Protocol Corporate Standard"), and for preparing and presenting the GHG Review Subject Matter in accordance with the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (the "GHG Protocol Scope 3 Standard"); the standards together are referred to as the "GHG Protocol." Furthermore, the Company's management is responsible for preparing and presenting the Waste Review Subject Matter in accordance with the Methodology and related Glossary of Terms set forth in the Waste Review Subject Matter (the "Waste Criteria"). Our responsibility is to express an opinion on the GHG Examination Subject Matter based on our examination, and to express conclusions on the GHG Review Subject Matter and Waste Review Subject Matter based on our reviews.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 205, *Assertion-Based Examination Engagements*. 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 reviews were conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*. Those standards require that we plan and perform the reviews to obtain limited assurance about whether any material modifications should be made to the GHG Review Subject Matter and Waste Review Subject Matter in order for them 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

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Matter and Waste Review Subject Matter are 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 engagements, the level of assurance obtained in the reviews is substantially lower than the assurance that would have been obtained had examinations been performed. We believe that the review evidence we obtained is sufficient and appropriate to provide a reasonable basis for our conclusions.

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

The procedures we performed in our reviews 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 and Waste Review Subject Matter, recalculating a selection of the GHG Review Subject Matter and Waste Review Subject Matter based on the methodologies and inputs identified by management, and performing analytical procedures.

Except to the extent stated in our Independent Accountants' Review Report on the People Review Subject Matter, our examination was limited to the GHG Examination Subject Matter presented in the Report and our reviews were limited to the GHG Review Subject Matter and Waste 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, we do not express an opinion, conclusion, or any other form of assurance on such information or metrics.

As described in the GHG Statements and Statement and Notes on Waste, energy use data and waste volume are subject to measurement uncertainties resulting from limitations inherent in the nature of and methods used for determining such data. Obtaining sufficient appropriate examination evidence to support our opinion and sufficient appropriate review evidence to support our conclusions does not reduce the inherent uncertainty in the data. The selection by the Company's 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, boundary enhancement, and enhancements in methodology and data, in accordance with the GHG Protocol.

In our opinion, the GHG Examination Subject Matter of the Company for the year ended December 31, 2022 is presented in accordance with GHG Protocol Corporate Standard, in all material respects.

Based on our reviews, we are not aware of any material modifications that should be made to the GHG Review Subject Matter or the Waste Review Subject Matter for the year ended December 31, 2022, in order for them to be in accordance with the GHG Protocol Scope 3 Standard and the Waste Criteria, respectively.

KPMG LLP

May 24, 2023

# Statements and Notes on Greenhouse Gas CO<sub>2</sub>e Emissions

## Statement on Greenhouse Gas CO<sub>2</sub>e Emissions (MT CO<sub>2</sub>e)

	2019	2022
Total scope 1 Emissions	500,603	376,172
Total scope 2 Indirect Emissions - Location Based	295,317	210,902
Total scope 2 Indirect Emissions - Market Based	286,752	193,933
Total scope 1 and 2 Emissions - Market Based	787,355	570,105
Total reported scope 3 Emissions	188,223,561	252,414,204

### Note 1 - Company

Baker Hughes Company ("Baker Hughes," "the Company," "we," "us," or "our") is an energy technology company with a diversified portfolio of technologies and services that span the energy and industrial value chain. Built on a century of experience and conducting business in over 120 countries, our innovative technologies and services are taking energy forward.

The Statements and Notes on Greenhouse Gas (GHG) CO<sub>2</sub>e Emissions have been prepared based on reporting year 2022, from January 1, 2022, to December 31, 2022, corresponding to the Baker Hughes Company fiscal year. The Statements and Notes on GHG CO<sub>2</sub>e emissions also include emissions data from base year 2019 (January 1, 2019, to December 31, 2019), corresponding to the Company's fiscal year.

The Statements and Notes on GHG CO<sub>2</sub>e Emissions do not include 2020–2021 emissions data since recalculated GHG CO<sub>2</sub>e 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 CO<sub>2</sub>e emissions information has been prepared in accordance with the WRI/WBCSD Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. Scope 1 represents direct GHG CO<sub>2</sub>e 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 known fuel purchase records, operating hours and an average hourly consumption rate for field equipment.
- Scope 1, vehicles and marine vessels: Where fuel quantity is known or based on fixed usage contracts, 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 regional averages of similar vehicles with known fuel usage.



## Scope 2

GHG CO<sub>2</sub>e emissions information has been prepared in accordance with the WRI/WBCSD GHG Protocol Corporate Standard and GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard. Scope 2 accounts for GHG CO<sub>2</sub>e 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 UK and European Union. European residual mix factors are used where REGOs are unavailable. 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. We take this approach to counterbalance reduced emissions resulting from fewer office-based employees working on-site at our facilities since the COVID-19 pandemic. The Company continues to offer flexible work arrangements to our global employees and remote working has continued 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 CO<sub>2</sub>e 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 CO<sub>2</sub>e emissions (not included in scope 2) that occur in the value chain of the Company, including both upstream and downstream emissions categories listed in Notes 7 and 8.

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 CO<sub>2</sub>e Emissions for scope 1, 2 and 3 emissions categories. The selection by the Company's management of different but acceptable measurement techniques could have resulted in materially different measurements.

## Note 2 – GHG reporting inventory boundaries

The Company presents its emissions under the operational control approach, accounting for emissions from operations over which it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies. We exclude minority owned joint ventures not operated by the Company.

## Operational boundaries

Scope 1 and 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 (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 2 includes CO<sub>2</sub>e emissions from the purchase and self-generation of renewable and nonrenewable electricity used on-site across our global facility portfolio. 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. The Company accounts for CO<sub>2</sub>e 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. We account for emissions from all other leased vehicles based on operational fleet management inventories. Facilities subleased to third parties are excluded and scope 1 does not include emissions from process and pipeline services (PPS) because robust methods to calculate these are not yet available.

## Scope 3 operational boundaries:

Scope 3 includes:

- GHG Protocol category 1 – purchased goods and services.
- Category 2 – capital goods; We are now disclosing Category 2 based on improvements in data and methodology since our 2021 Corporate Responsibility report.
- 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 – waste from operations.
- Category 6 – 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.

## Base year

The GHG CO<sub>2</sub>e base year applies to scope 1, scope 2, and scope 3 emissions and has been prepared in accordance with the GHG Protocol set out herein. The Company has established 2019 as the base year for scope 1, 2 and 3 as it best represents the most recent year of business-as-usual operations prior to the COVID-19 pandemic. 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 the current reporting year and base year. Significant changes evaluated for recalculation include recent company structural changes, boundary enhancement, and enhancements in methodology and data. The recalculation of our fixed-base year emissions is in accordance with the GHG Protocol's "same-year/all-year" approach. Adjustments to the scope 1 and 2 base year were made for:

1. Divestiture of two business units in 2022 for categories 3 and 5, which use scope 1 and 2 activity data.
2. Improvements in accounting methodology for facility emissions and scope 2 market-based emissions based on enhanced data processing capabilities.
3. Improvements in data quality and estimation methodology for fleet emissions.

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

1. Divestiture of two business units in 2022 for categories 3 and 5.
2. Divestiture of three business units in 2021 for all categories except 3 and 5 which were adjusted in the prior year.
3. Acquisition of three business units in 2021 for all categories except category 3 which was adjusted in the prior year.
4. Improvements in accounting methodology for category 3.
5. Improvements in data quality for category 1.
6. Boundary change for category 11.

## Greenhouse gases covered

Emissions data is provided in metric tonnes (MT) for each GHG separately in addition to the total of all GHGs. The GHG CO<sub>2</sub>e emissions disclosed in the Statements and Notes on GHG CO<sub>2</sub>e Emissions include the following seven greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF<sub>3</sub>), and sulfur hexafluoride (SF<sub>6</sub>).

## 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 apply energy attribute certificates (EACs) only to the electricity consumption of specific facilities under the contract. Excess EACs are not applied to sites or regions other than those under contract. 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 CO<sub>2</sub>e emissions were calculated using the Global Warming Potentials (GWP) from the International Panel on Climate Change (IPCC) Fifth Assessment Report (AR5 – 100 year). Where emission factors are published with AR4 GWP, we have adjusted the factors to use AR5 for consistency across our inventory.

## Emissions Factors

	EMISSIONS SCOPE	EMISSIONS SOURCE	EMISSIONS FACTORS
		Vehicle	<p><b>2019:</b> –United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020.</p> <p>United States – Environmental Protection Agency (EPA), Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2016 EPA 430–R–18–003, Annex 3.2.2022:</p> <p>United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), April 1, 2022.</p> <p>United States – Environmental Protection Agency (EPA), Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019 EPA 430–R–21–005, Annexes to the Inventory of U.S. GHG Emissions and Sinks, Table A-79, Table A-82 and Table A-83.</p>
Scope 1		Field activities (Pressure pumping, wireline, integrated well services, and marine vessels)	<p><b>2019:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1 and 5), March 26, 2020.</p> <p><b>2022:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1 and 5), April 1, 2022.</p>
		Facilities	<p><b>2019:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020.</p> <p><b>2022:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), April 1, 2022.</p> <p>International Journal of Hydrogen Energy 46 – Global warming consequences of replacing natural gas with hydrogen in the domestic energy sectors of future low-carbon economies in the UK and USA, July 8, 2021.</p> <p>California Air Resources Board, High GWP Refrigerants (<a href="https://ww2.arb.ca.gov/resources/documents/high-gwp-refrigerants">https://ww2.arb.ca.gov/resources/documents/high-gwp-refrigerants</a>).</p>
Scope 2		Facilities	<p><b>2019:</b> 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.</p> <p><b>2022:</b> United States – Environmental Protection Agency (EPA) eGRID 2020, April 1, 2022; 2022 Canada National Inventory Report 1990–2020, Part 3, Annex 13, Table A13–1 through Table A13–14; International Energy Agency (IEA) – IEA 2022 released September 2022; Association of Issuing Bodies, European Residual Mixes 2021, Version 1.0, May 31, 2022.</p>
		Remote work	<p><b>2019:</b> International Energy Agency (IEA) – IEA 2017 released 2019.</p> <p><b>2022:</b> International Energy Agency (IEA) – IEA 2022 released September 2022.</p>
		Category 1	<p><b>2019:</b> EXIOBASE 3 EE MRIO tables, Version 3.7, December 18, 2019.</p> <p><b>2022:</b> EXIOBASE 3 EE MRIO tables, Version 3.8.2, October 21, 2021.</p>
Scope 3		Category 2	<p><b>2019 &amp; 2022:</b> GHG Protocol and Quantis “Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool”, last updated February 2021.</p>
		Category 3	<p>GHG Protocol and Quantis “Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool”, last updated February 2021.</p>



Scope 3	Category 4	Upstream transportation and distribution	<p><b>2019:</b> DEFRA 2019. UK Government GHG Conversion Factors for Company Reporting 2019, v 1. Freightings Goods Table.</p> <p><b>2022:</b> DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting 2022, v 1. Freightings Goods Table.</p>
	Category 5	Waste generated in operations	<p><b>2019:</b> DEFRA 2019. UK Government GHG Conversion Factors for Company Reporting 2020, v 1. Waste Disposal Table.</p> <p><b>2022:</b> DEFRA 2022. UK Government GHG Conversion Factors for Company Reporting 2022, v 1. Waste Disposal Table.</p>
	Category 6	Business Travel	<p><b>2019:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Tables 2 and 10), March 26, 2020.</p> <p>UK Government – DEFRA GHG Conversion Factors for Company Reporting (hotel stay, Business travel- air, Business travel- land), 2019.</p> <p>UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel – land), 2020.</p> <p><b>2022:</b> UK Government – DEFRA GHG Conversion Factors for Company Reporting (hotel stay, Business travel- air, Business travel- land), 2022.</p> <p>United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Tables 2 and 10), April 1, 2022.</p> <p><b>2019 and 2022:</b></p> <p>India GHG Program 2015. v 1, Passenger Car Table, p. 9</p> <p>US EPA Environmentally-Extended Input-Output (USEEIO) v1.1</p>
	Category 7	Employee commuting	<p><b>2019:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 10), March 26, 2020.</p> <p><b>2022:</b> United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 10), April 1, 2022.</p> <p>UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel – Land).</p>
	Category 9	Downstream transportation and distribution	<p><b>2019 and 2022:</b> Same as Category 4.</p>
	Category 11	Use of sold products	<p>International Energy Agency (IEA) – IEA 2019 released 2019.</p> <p>International Energy Agency (IEA) – IEA 2022 released September 2022.</p> <p>SimaPro 9.0.0.30 with Ecoinvent 3.5 database.</p> <p>United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 7), April 1, 2022.</p> <p>IEA SDG7: Data and Projections, "Energy intensity," April 2022.</p>
	Category 15	Investments	<p>GHG Protocol and Quantis "Documentation of the data and calculations to support the Greenhouse Gas Protocol Scope 3 Screening Tool", last updated February 2021.</p>

## Note 3 – CO<sub>2</sub>e intensity

Market based: MT CO<sub>2</sub>e per \$ revenue

Total scope 1, scope 2 (market based) and scope 3 emissions per dollar of revenue for the year ended December 31, 2022. The Company has established 2019 as the base year for scope 1, 2 and 3 as it best represents the most recent year of business-as-usual operations prior to the COVID-19 pandemic.

	2019	2022
Scope 1 per \$ revenue	0.000021	0.000018
Scope 2 per \$ revenue	0.000012	0.000009
Scope 3 per \$ revenue	0.007896	0.011931
<b>Total per \$ revenue</b>	<b>0.007929</b>	<b>0.011958</b>
<b>Total revenue (millions USD)</b>	<b>\$23,838</b>	<b>\$21,156</b>

## Note 4 – CO<sub>2</sub>e Emissions data by GHG

### GHG Emissions by gas

Emissions data for all seven GHGs in metric tonnes and in tonnes of CO<sub>2</sub>e include only scope 1 and 2 emissions.

IN MT CO <sub>2</sub> E		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	NF <sub>3</sub>	SF <sub>6</sub>
2022	Scope 1	370,644	4,613	908	7	0	0	0
	Scope 2, Location-Based Approach	209,987	326	589	N/A	N/A	N/A	N/A
	Scope 2, Market-Based Approach	193,239	233	461	N/A	N/A	N/A	N/A
IN ABSOLUTE MT GAS		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	N <sub>2</sub> O	SF <sub>6</sub>
2022	Scope 1	370,644	165	3	7	0	0	0
	Scope 2, Location-Based Approach	209,987	12	2	N/A	N/A	N/A	N/A
	Scope 2, Market-Based Approach	193,239	8	2	N/A	N/A	N/A	N/A

## Note 5 – Emissions data on direct or biogenic CO<sub>2</sub> emissions from biologically sequestered carbon

There are no emissions applicable to biologically sequestered carbon (e.g., CO<sub>2</sub> 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<sub>2</sub>e)

		2019	2022	NOTES	
Upstream Scope 3 emissions	Category 1	Purchased Goods and Services	4,602,303	5,718,784	Includes spend related to purchased goods and services, except for capital goods (Category 2), utilities (Category 3), logistics (Category 4), and business travel (Category 6). Spend considered relates to raw materials, finished & semi-finished goods, and services provided to the Company.
	Category 2	Capital Goods	298,734	233,574	Includes emissions from the upstream production of Plant, Property, & Equipment (PP&E) from the Company's Fixed Asset Registry.
	Category 3	Fuel- and Energy-Related Activities (not included in Scope 1 or 2)	184,214	136,224	Includes emissions from fuel and energy related activities not already accounted for in scope 1 and scope 2 emissions.
	Category 4	Upstream Transportation and Distribution	536,642	317,937	Includes domestic and international third-party owned or operated transportation via land, sea or air purchased by Baker Hughes.
	Category 5	Waste Generated in Operations	20,612	79,284	Includes emissions from the disposal of waste types, hazardous and non-hazardous waste, and disposal methods, such as Recycling, Landfill, or re-use.
	Category 6	Business Travel	100,624	56,454	Includes business travel booked within and outside Baker Hughes' third-party booking system, and out-of-pocket business travel expenses. This includes business travel activities such as air, rail, bus, automobiles (including employee owned and rental cars), as well as hotel stays when employees travel.
	Category 7	Employee Commuting	151,941	101,404	Includes commuting emissions from active employees except for Home Office emissions for employees who work remotely. This includes travel by personal vehicle, public transportation, or other zero emission methods. Optional 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.
Down-stream Scope 3 emissions	Category 9	Transportation and Distribution	518,908	359,773	Includes domestic and international third-party owned or operated transportation related to Baker Hughes products, via land, sea or air, purchased by value chain partners.
	Category 10	Processing of Sold Products	insignificant	insignificant	Over 99% of Baker Hughes revenues are from finished goods.
	Category 11	Use of Sold Products	181,576,472	244,794,528	Includes in-use emissions from products and services sold by Baker Hughes. These direct use-phase emissions originate from the combustion of fuel or consumption of electricity, and leakage during the operation of sold products and services.
	Category 1	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 2023 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 franchises.
	Category 15	Investments	233,111	616,242	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.
<b>Total scope 3 emissions</b>		<b>188,223,561</b>	<b>252,414,204</b>		

## 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
Category 1, Purchased goods and services	<b>Activity data</b> (primary data) direct and indirect purchasing activity in the reporting year.	The calculation uses the spend-based methodology. Where spend cannot be mapped to a UNSPSC code, emissions are estimated through extrapolation of mapped spend.
	<b>Emissions factors</b> (secondary data) cradle-to-gate emission factors for purchased goods and services were obtained from EXIOBASE3.	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 2, Capital goods	<b>Activity data</b> (primary data) PP&E purchasing activity in the reporting year.	The calculation uses the average spend-based 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.
	<b>Emissions factors</b> (secondary data) emission factors from the Scope 3 Quantis Evaluator Tool (ghgprotocol.org/scope-3-evaluator).	Emissions = (spend by category) x (Quantis emission 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%
Upstream scope 3 emissions	<b>Activity data</b> (primary data) scope 1 and scope 2 (market-based) emissions from the reporting year	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.
	<b>Emissions factors</b> (secondary data) emission factors from the Scope 3 Quantis Evaluator Tool (ghgprotocol.org/scope-3-evaluator)	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 3, Fuel and energy related	<b>Activity data</b> (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.	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.
	<b>Emissions factors</b> (secondary data) The emission factors are from DEFRA Conversion Factors for Company Reporting, Freight Goods table for each mode of transport.	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%
Category 4, Upstream transportation and logistics	<b>Activity data</b> (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.	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.
	<b>Emissions factors</b> (secondary data) The emission factors are from DEFRA Conversion Factors for Company Reporting, Freight Goods table for each mode of transport.	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%



Category 5, Waste generated from operations	<p><b>Activity data</b></p> <p>(primary data) The quantities of hazardous, nonhazardous, recycled, and e-waste generated during operations were obtained from the Company's HSE data management system. The data also includes the treatment methods recycling, landfill, incineration with and without energy recovery and others.</p>	<p>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 2022 waste quantities, the 2019 DEFRA Conversion Factor, and 2019 revenue.</p>
	<p><b>Emissions factors</b></p> <p>(secondary data) The emission factors are from the DEFRA Conversion Factors for Company Reporting, Waste Disposal table.</p>	<p>Emissions = (emission factor by waste type and disposal method) x (amount of waste by type and disposal method).</p>
	<p>Description of the data quality of reported emissions</p>	<p>Good.</p>
	<p>Percentage of emissions calculated using data obtained from suppliers or other value chain partners</p>	<p>0%</p>
Upstream scope 3 emissions	<p><b>Activity data</b></p> <p>(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.</p> <p>(primary data) Distance travelled by personal use of car for business travel as reported in Baker Hughes expense management system.</p>	<p>The calculation uses the distance-based methodology for travel, hotel stays, and spend-based methodology for expenses.</p>
	<p><b>Emissions factors</b></p> <p>(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.</p> <p>(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.</p>	<p>Emissions = <math>\sum</math> (distance travelled by vehicle type (vehicle-km or passenger-km) x vehicle specific emission factor (kg CO<sub>2</sub>e/vehicle-km or kg CO<sub>2</sub>e/passenger-km)) + <math>\sum</math> (annual number of hotel nights (nights) x hotel emission factor (kg CO<sub>2</sub>e/night)) + ((<math>\sum</math> (Expenses claimed for public transport) - <math>\sum</math> (Expenses covered by other reports)) x EEIO emission factor (kg CO<sub>2</sub>e/\$)).</p>
	<p>(secondary data) Emission factors for air are from DEFRA's GHG Conversion Factors considering flight types (short haul, long-haul) and cabin class.</p>	<p>Reports used for other travel expenses include reports from third party travel vendors.</p>
	<p>(secondary data) Emission factors for rail are from DEFRA's GHG Conversion Factors considering national and international rail.</p>	
	<p>(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 &amp; all other countries – DEFRA Conversion Factors.</p>	
	<p>(secondary data) Emission factor for public transportation spend is from US EPA Environmentally-Extended Input-Output (USEEIO) matrices.</p>	
	<p>Description of the data quality of reported emissions</p>	<p>Good.</p>
	<p>Percentage of emissions calculated using data obtained from suppliers or other value chain partners</p>	<p>82%</p>

Upstream scope 3 emissions	Category 7, Employee commuting	<p><b>Activity data</b></p> <p>(primary data) Employee count from human capital management system and direct employee commuting data (mode, distance, frequency) taken by a company wide survey.</p> <p>(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 &amp; Performance (<a href="https://www.fhwa.dot.gov/policy/2010cpr/execsum.cfm">https://www.fhwa.dot.gov/policy/2010cpr/execsum.cfm</a> for 2019, and <a href="https://www.fhwa.dot.gov/policyinformation/statistics/2020/vml.cfm">https://www.fhwa.dot.gov/policyinformation/statistics/2020/vml.cfm</a> for 2021).</p>	<p>This calculation uses the average-data method, and assumes an average distance travelled each day, number of employees working from home, and 48 working weeks in a year with a 5-day work week.</p> <p>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.</p> <p>Emissions = total distance travelled by vehicle type x <math>\sum</math> ((# Employees - # Employees Working Remotely) x distance travelled from work to home / day (one-way) x 2 x number of commuting days per year) OR Emissions = Distance travelled x Emission factor per vehicle type x frequency of commute. Only applicable to employees who responded to the survey.</p>
		<p><b>Emissions factors</b></p> <p>(secondary data) Emissions factors from EPA GHG Emissions Factors Hub – Table 10 Scope 3 Category 6 and 7.</p>	
		<p>Description of the data quality of reported emissions</p>	Good.
		<p>Percentage of emissions calculated using data obtained from suppliers or other value chain partners</p>	0%
Category 9, Downstream transportation and distribution		<p><b>Activity data</b></p> <p>(secondary 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.</p> <p>(secondary data) Revenue data, along with Incoterm weighting, is used to estimate emissions for Category 9.</p>	<p>This calculation uses a combination of distance-based and spend-based methods. Emissions are estimated for Category 9 by extrapolating emissions from Category 4 based on revenue.</p> <p>Emissions = (emissions Cat4) x (ratio of BH-purchased vs. not purchased).</p>
		<p>Description of the data quality of reported emissions</p>	Fair
		<p>Percentage of emissions calculated using data obtained from suppliers or other value chain partners</p>	0%
		<p><b>Activity data</b></p> <p>(Primary data) Revenue, sales, build plan data for products and services.</p> <p>(Primary data) Product specifications and subject-matter-expert testimony.</p>	<p>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.</p> <p>Emissions = Sum of emissions (MT CO<sub>2</sub>e) x qty sold in reporting year (functional unit) x expected life (years) x allocation factor.</p>
Downstream scope 3 emissions.	Category 11, Use of sold products	<p><b>Emissions factors</b></p> <p>(Secondary data) See GHG Emission Factors table in Note 2 above.</p>	
		<p>Description of the data quality of reported emissions</p>	Good.
		<p>Percentage of emissions calculated using data obtained from suppliers or other value chain partners</p>	0%
		<p><b>Activity data</b></p> <p>(primary data) Revenue and industry of equity investments which are not consolidated into the Company's financial statements.</p> <p>(Secondary data) Emission factors from the Scope 3 Quantis Evaluator Tool (<a href="http://ghgprotocol.org/scope-3-evaluator">ghgprotocol.org/scope-3-evaluator</a>)</p>	<p>This estimation uses the average-data methodology, reporting year revenue where available, 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. Certain equity investments have zero emissions if there was zero activity in their financial information or financial information was not available.</p> <p>Emissions = (\$ revenue by industry) x (Quantis emission factor).</p>
Category 15, Investments		<p>Description of the data quality of reported emissions</p>	Fair
		<p>Percentage of emissions calculated using data obtained from suppliers or other value chain partners</p>	0%

# Statement and Notes on Waste

## Statement on Waste

Metric	Criteria	Page #	KPI	Methodology
Waste generated	GRI 306-3	p. 71	<ul style="list-style-type: none"> <li>Total waste generated.</li> <li>Hazardous waste generated.</li> <li>Non-hazardous waste generated.</li> <li>E-waste generated.</li> <li>Metal waste generated.</li> <li>All</li> </ul>	Total waste generated = $\Sigma$ Hazardous waste generated, non-hazardous waste generated, e-waste waste generated, metals waste generated.
Waste diverted from disposal by waste type	GRI 306-4	p. 71	<ul style="list-style-type: none"> <li>Total waste recycled.</li> <li>Hazardous waste recycled.</li> <li>Non-hazardous waste recycled.</li> <li>E-waste recycled.</li> <li>Metals recycled.</li> </ul>	Total waste diverted from disposal from Baker Hughes operations through recycling. Total waste diverted from disposal = $\Sigma$ Hazardous waste diverted from disposal, non-hazardous waste diverted from disposal, e-waste diverted from disposal, metals waste diverted from disposal.
Waste diverted from disposal by recovery operation	GRI 306-4	p. 71	<ul style="list-style-type: none"> <li>Hazardous waste diverted from disposal by recovery operation.</li> <li>Non-hazardous waste diverted from disposal by recovery operation.</li> <li>E-waste diverted from disposal by recovery operation.</li> <li>Metal waste diverted from disposal by recovery operation.</li> </ul>	Total waste diverted from disposal from Baker Hughes operations. Total waste diverted from disposal = $\Sigma$ Hazardous waste diverted from disposal, non-hazardous waste diverted from disposal, e-waste diverted from disposal, metals waste diverted from disposal. Each respective component of this calculation is broken down in categories of recovery operations; preparation of reuse, reclamation, recycling, and other recovery operations.
Waste directed to disposal by waste type	GRI 306-5	p. 71	<ul style="list-style-type: none"> <li>Total waste directed to disposal.</li> <li>Hazardous waste directed to disposal.</li> <li>Non-hazardous waste directed to disposal.</li> <li>E-waste directed to disposal.</li> <li>Metal waste directed to disposal.</li> </ul>	Total weight of waste directed to disposal in metric tons by waste type. Total waste directed to disposal = $\Sigma$ Hazardous waste directed to disposal, non-hazardous waste directed to disposal, e-waste directed to disposal, metal waste directed to disposal.
Waste directed to disposal by disposal operation	GRI 306-5	p. 71	<ul style="list-style-type: none"> <li>Hazardous waste disposed by disposal operation.</li> <li>Non-hazardous waste disposed by disposal operation.</li> <li>E-waste disposed by disposal operation.</li> <li>Metal waste disposed by disposal operation.</li> </ul>	Total waste directed to disposal from Baker Hughes operations. Total waste directed to disposal = $\Sigma$ Hazardous waste directed to disposal, non-hazardous waste directed to disposal, e-waste directed to disposal, metals waste directed to disposal. Each respective component of this calculation is broken down in categories of disposal operation categories: Incineration (with energy recovery), Incineration (without energy recovery), Landfilling, and other disposal operations.
Waste prevented	GRI 306-4	p. 71	<ul style="list-style-type: none"> <li>Total waste that was prevented from waste disposal by converting into products.</li> </ul>	The sum of total waste prevented equals the volume of material that was converted from a waste to a product.

## Note 1 – Basis of presentation

The Statement and Notes on Waste have been prepared for the year from January 1, 2022, to December 31, 2022, corresponding to the Company's fiscal year. The Company prepared the Statement and Notes on Waste in accordance with select Global Reporting Initiative's disclosures: GRI 306 Waste 2020. Key terms used are defined in the GRI Standards Glossary.

## Note 2 – Reporting boundary

The Company presents its waste volume from operations over which it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies. We exclude minority owned joint ventures not operated by the Company.

## Note 3 – Use of estimates and estimation uncertainties

The Company bases its estimates and methodologies on historical experience, available information, and various other assumptions that it believes to be reasonable. Waste volume presented are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

## Note 4 – Methodology of Waste Metrics

The volume (metric ton) and waste type are obtained from third party vendors using the Company's HSE data management system. Where data from third party vendors are not available for a certain location, the Company estimates the volume by extrapolating the square footage of the location and the actual volume for the waste type of a similar location.

## Note 5 – Glossary of Terms

TERM	DEFINITION
Hazardous waste	Waste disposed that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered to be hazardous by national legislation.
Non-hazardous waste	All other waste not classified as hazardous, e-waste or metal waste.
Electronic waste (e-waste)	Loosely discarded, surplus, obsolete, broken, electrical or electronic devices. i.e., computers, copiers, fax machines, etc.
Metal waste	Metals are materials that are hard, lustrous, malleable, ductile, and sonorous. i.e., iron, copper, aluminum, calcium, magnesium, etc.



## Legal disclosures

We report our sustainability performance annually. This report was developed for the reporting period of January 1, 2022 to December 31, 2022. This report includes several restatements of data from prior years' reports in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition. 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, which is then approved by the full Board of Directors.

Unless otherwise specifically stated, this report covers Baker Hughes's performance in 2022. Incremental information regarding our sustainability report has been included in our 2022 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, data, estimates and expectations that are subject to risks, uncertainties, and assumptions.

Should one or more of these forward looking statements, 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 2022 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>.