



Energy Forward
Rethink. Redefine. Renew.

Our purpose:

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

Navigating this report

Our frameworks: Our corporate responsibility report is prepared in accordance with the Global Reporting Initiative's (GRI) Core Standards, and the Greenhouse Gas Protocol (GHG Protocol). We also provide reporting indices for the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability Accounting Standards Board (SASB) Oil & Gas Services Industry Standard - Extractives & Minerals Processing Sector. Our approach to corporate responsibility is detailed on pages 63 to 83.

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

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Lorenzo Simonelli
 Chairman, President, and
 Chief Executive Officer



At Baker Hughes, we are guided by our corporate purpose and deeply committed to operating in a responsible and sustainable way.

We organize our efforts into the areas of people, planet, and principles, and we work hard to make measurable progress each year. We strive to improve the transparency of our reporting and challenge ourselves to perform at the level of the most responsible companies in the world, not just in our own industry.

2020 was a year of challenge and change for the global business community, and the business case for sustainability has never been clearer. I am tremendously proud of the work our teams have done – and continue to do – in response to the COVID-19 pandemic. We saw first-hand how our values, principles, and policies helped us remain resilient and safe during this unprecedented time. Our ability to manage risk, anticipate challenges, and execute decisively helped us in many ways. We came together to protect our employees, support our customers, deliver for our shareholders, and serve our communities, while advancing our strategy to position Baker Hughes for long-term growth.

People

As an energy technology company, our success is deeply linked with the creativity and engagement of our people. To foster this, we are working to build a diverse, equitable, and inclusive work environment where everyone can bring their authentic selves and talents. I strive to treat people with dignity, respect, and understanding each day and encourage everyone at Baker Hughes to do the same. While I am immensely proud of the progress we continue to make in advancing our inclusive work culture, I acknowledge that there is still more we can do.

Over the last year we have found new ways to work and adjusted our work practices to improve flexibility and opportunity for our approximately 55,000 team members. We never stopped investing in our people and developing the talents and skills they will need to lead the energy transition. Like many companies, we made the difficult decision to restructure our operations and reduce our workforce to meet the realities of the economic environment. While necessary, we made every effort to support our people and help ease their transition.



Planet

We have seen both public and commercial interest in the energy transition accelerate dramatically over the past year, driven by the growing concern of climate change. We remain committed to supporting the goals of the Paris Climate Agreement and we are investing in technology and services that will help the energy industry meet its emissions reduction goals. Technologies such as carbon capture, utilization, and storage (CCUS); hydrogen; geothermal; and energy storage are integral to our growth strategy as we position ourselves for new energy frontiers.

We continue to make progress on our own sustainability journey. During 2020 we reduced our Scope 1 and 2 carbon emissions 15% compared to the prior year, and made progress on many of our environmental metrics. You will read in this report how we have reset our emissions reporting base year to 2019 to reflect our changing company, and how we are outlining decarbonization pathways to achieve our net-zero emissions goals by 2050.

We recognize climate change is a challenge to our business model, but we also see it as an opportunity: to enter new markets and expand our low-carbon energy technology portfolio. This year we began the reporting of risks and opportunities under TCFD. This process has put us in a better position to evaluate and strengthen our financial resilience and adjust our strategic planning in the face of climate change.

Principles

For me, corporate responsibility comes down to doing the right thing and not taking shortcuts. At Baker Hughes we bring this spirit to life through our culture, our compliance programs, our Code of Conduct, and our supplier integrity program. We hold each other mutually accountable, and all employees are encouraged to speak up, stop work, or report concerns free from retaliation. That is non-negotiable for me and our extended leadership team.

While we have ambitious goals for the future, we recognize that Baker Hughes can't do it alone. That is why we are part of a global network of forward-thinking partners. We continued to expand this network by joining leading organizations like the Global Carbon Capture and Storage Institute, the Hydrogen Council, and the Methane Guiding Principles. Also, we remain committed to supporting the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption. We intend to advance these principles in our strategy, culture, and business practices.

I want to express my most sincere thanks to our employees, customers, partners, and shareholders for your support and resilience during 2020. Together, we made great progress, and we are positioning Baker Hughes for sustainable growth in the future. We all have a role in taking energy forward, and I am pleased to have you with us on this journey.

A handwritten signature in black ink, appearing to read 'L. Simonelli'.

Lorenzo Simonelli

Chairman, President, and Chief Executive Officer

Allyson Anderson Book
Sustainability Steering
Team Chair



The last year has been pivotal in the evolution of sustainability as a core business principle.

Interest in—and awareness of—environmental, social and governance (ESG) issues have never been higher. We are building on more than a decade of our company’s progress, and we are continually striving to provide rigorous and transparent reporting of our sustainability performance. Here are some of the highlights in this year’s report:

Board governance

The Governance and Nominating Committee changed its name in 2020 to the Governance and Corporate Responsibility Committee, reflecting its active role in overseeing sustainability and ESG issues, and the importance of this area to our corporate strategy.

An updated view of ESG materiality

The world has changed in many ways since our last report, driven by the COVID-19 pandemic, heightened urgency about climate change, and the importance of diversity, equity, and inclusion. We conducted an update of our formal ESG materiality assessment to address these changes and ensure that our reporting is aligned with the most pressing sustainability issues.

Integrating risk management

Identifying and managing enterprise financial, operational, and climate change risks is an important part of our strategic planning process. We continue to work toward integration between our strategy development, enterprise risk management, and sustainability programs. This has allowed us to provide a more strategic view of our company’s risks and opportunities, and we believe it will lead to improved reporting and management of critical issues as opportunities rather than challenges.

Broadening our sustainability reporting frameworks

We strive to continually improve our sustainability reporting, ever since our first Carbon Disclosure Project submission in 2010. We took an important step forward in 2019, when we prepared our report in accordance with the GRI Core Standards. We continue to advance our reporting in this year’s edition by including the SASB and TCFD frameworks. We also added transparency in how we calculate and report our emissions in accordance with the Greenhouse Gas Protocol. Our stakeholders have expressed great interest in seeing our reporting expanded to a broader range of leading sustainability frameworks, and we will continue to advance in this area.

A new emissions-reduction baseline

Two years ago, we made a commitment to achieve net-zero Scope 1 and 2 emissions from our operations by 2050. Since then, many other companies, both in our sector and across the economy, have announced similar commitments. We continue to make progress on emissions reductions. We are resetting our carbon emissions reduction base year from 2012 to 2019 to account for corporate changes, new acquisitions, and divestitures in accordance with the Greenhouse Gas Protocol. By resetting our base year but maintaining the interim goal of a 50% reduction by 2030, we are challenging ourselves to accelerate our emissions reduction progress.

Net-zero roadmap

This year, we outline our strategy to achieve net-zero Scope 1 and 2 emissions by 2050. The net-zero roadmap illustrates key emissions reduction pathways and levers for achieving our climate goals.

Expanding Scope 3 emissions reporting

The assessment of our value-chain emissions is an integral part of our sustainability strategy. The calculation of Scope 3 emissions is one of the most complex and technically challenging topics in sustainability. While we have reported a portion of our Scope 3 emissions for several years, we continue to expand our reporting to include new categories of both

upstream and downstream emissions that are the core to our business. In this year’s report, we add detailed reporting of the capital goods, upstream transport and distribution, waste from operations, and a portion of sold products categories. We have outlined our plans for continued reporting expansion with an ultimate objective of setting a Scope 3 emissions reduction target in the future.

Sustainable supply chains

A truly sustainable and ethical company does not exist on its own. Supply chain resilience and innovation were critical to our performance through the year. Similarly, we recognize the importance of these relationships to help us advance the energy transition, reduce emissions, build ethical supply chains, and promote diversity, equity, and inclusion in the global business community. We continue to advance our sustainable supply chain framework, by working with our suppliers to support their sustainability performance.

Taken together, we believe the additional enhancements undertaken with our sustainability reporting demonstrate our commitment and the increasing maturity of our programs. I hope you find our Corporate Report on Responsibility to be accessible, transparent, and relevant. We are committed to continually improving our processes and programs. If you have questions or comments about our programs or performance, I encourage you to reach out to me or a member of our leadership team.



Allyson Anderson Book

Vice President, Energy Transition and Sustainability Steering Team Chair









2020 Corporate Responsibility Dashboard

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

People

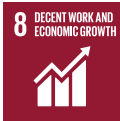



MATERIAL PRIORITY	KEY PERFORMANCE INDICATORS (KPIs)	2018 RESULT	2019 RESULT	2020 RESULT	SDG
Attracting, retaining, and developing talent	% of voluntary turnover in workforce	6%	6%	6%	
	# of employees participating in leadership training programs	5,200	5,400	6,155	
	# of people completing professional development planning with their manager	New 2019 metric	31,960	16,000	
Diversity, equity, and inclusion	% of people who identify as women in workforce, senior leadership, and board of directors	17%, 19%, 22%	17%, 21%, 22%	18%, 17%, 33%	 
	% of US employees who identify as minority groups	35%	35%	36%	
	Amount spent with diverse suppliers and small businesses (U.S. only)	\$118M	\$132M	\$93M	
Community and stakeholder engagement	Total company and employee charitable and in-kind contributions	\$23.3M	\$25.7M	\$119M	 
	Volunteer service hours	17,000	29,673	7,161	

Planet

MATERIAL PRIORITY	KEY PERFORMANCE INDICATORS (KPIs)	2018 RESULT	2019 RESULT	2020 RESULT	SDG
Greenhouse gas emissions	Change in Scope 1 & 2 emissions compared to 2019 base year	Not applicable	Not applicable	-15%	 
	% of electricity from renewables and zero-carbon sources	17,762 MW (3% of total)	104,457 MW (15% of total)	163,075 MWH (22% of total)	
Energy transition business impact and innovation	Number of ISO-certified product life cycle assessments completed	New 2019 metric	1 completed, 2 underway	1 completed, 2 underway	 
					 
Water and waste management*	Waste generated (metric tons)	New 2019 metric	170,587	677,830	 
	Water use (million liters)	New 2019 metric	7,882	5,798	
	Volume of significant spills (barrels) (GRI 306-3)	New 2019 metric	1,598	738	

* 2019 and 2020 water and waste values are not directly comparable because of new calculation methodologies shifting from modeled data to measured data, and because of expanded reporting. 2019 water values are restated to account for the current methodology.

Principles

MATERIAL PRIORITY	KEY PERFORMANCE INDICATORS (KPIs)	2018 RESULT	2019 RESULT	2020 RESULT	SDG
Ethics and governance	# of employees trained in ethics and compliance	50,000	56,675	53,370	 
	Supplier social audits conducted	589	590	434 (virtual)	
	Supplier audit findings closed within 90 days	91%	96%	83%	
Health, safety, and environment (HSE)	Perfect HSE days	153	161	200	 
	Leading indicators				
	HSE observations	586,000	1,084,627	1,038,071	
	Leader HSE engagements	39,851	67,726	68,886	
	Near misses	1,841	1,763	1,299	
	Lagging indicators				
	Total recordable incident rate	0.32	0.28	0.23	
	Days away from work case count	133	137	104	
	Days away from work case rate	0.14	0.12	0.11	
	Work-related fatalities	1	0	0	

Built on a century of experience and with operations in more than 120 countries, our innovative technologies and services are taking energy forward.



About Baker Hughes

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2020 Revenue

\$10.1B
Oilfield services



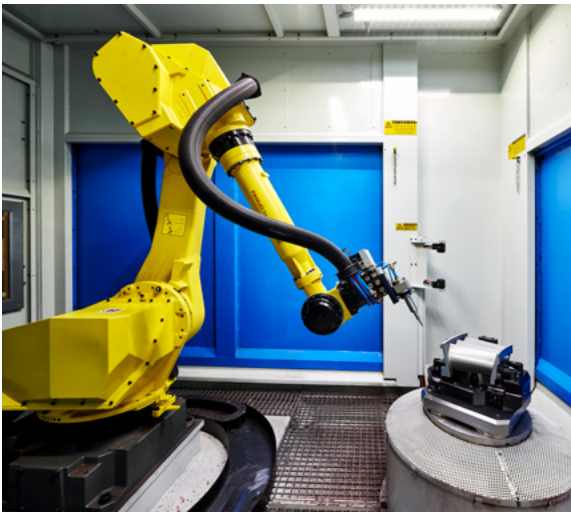
\$2.0B
Digital solutions

\$20.7B
Total revenue

\$5.7B
Turbomachinery and process solutions

~45%
of our revenue is more industrial in nature. This percentage refers to our businesses which serve multiple industries including those outside upstream oil and gas.

\$2.8B
Oilfield equipment



Company profile

Baker Hughes is an energy technology company that provides solutions to energy and industrial customers worldwide. Built on a century of experience and with operations in more than 120 countries, our innovative technologies and services are taking energy forward—making it safer, cleaner, and more efficient for people and the planet. Our company is organized into four product companies.

Oilfield Services (OFS)

offers products and services for the upstream sector, including well construction, production, and integrated well services, as well as chemicals for midstream transportation and downstream processing.

Oilfield Equipment (OFE)

provides next-generation technology, services, and project-management solutions to reduce the total cost of ownership for our customers. OFE draws from a portfolio of ultra-reliable technologies, including subsea trees, manifolds, flexible risers, and advanced control systems.

Turbomachinery & Process Solutions (TPS)

provides rotating equipment and process flow and transmission technologies that maximize productivity, minimize risk, and reduce project costs.

Digital Solutions (DS)

combines sophisticated hardware technologies and enterprise software and analytics to connect industrial assets, providing customers with data and intelligence to improve operational efficiencies, safety, and security.



Strategy and vision

Our strategy is focused on improving our core competitiveness and delivering higher productivity solutions today while positioning for the future. In order to drive our strategy forward, we developed a three-pronged approach to guide our execution, which consists of transforming our core, investing for growth, and positioning for new frontiers in the energy space.

Transforming the core represents our focus on improving margins and cash flow across our businesses through cost improvements, portfolio rationalization, and new business models. We execute this strategic priority by deploying high efficiency technology, expanding the use of remote operations, and implementing digital technology and artificial intelligence (AI) with our customers.

Investing for growth centers around expansion into high-potential segments such as industrial power, industrial asset management, non-metallic materials, and chemicals. In 2020, more than 45% of our revenue was industrial in nature. We are advancing this work through the formation of our new non-metallic joint venture with Saudi Aramco and the opening of new manufacturing facilities.

Positioning for new frontiers underscores our commitment to help meet global energy demand by offering lower-carbon solutions across industries. We have deployed existing solutions for customers, while making strategic long-term investments in carbon capture, hydrogen, and energy storage. We have enhanced our energy transition capabilities during 2020 through the acquisition of Compact Carbon Capture (3C) and the introduction of the world's first "hybrid" hydrogen turbine designed for gas networks.



Transform the core

Improving margins and cash flow through cost improvements, portfolio rationalization, and new business models.



Invest for growth

Driving growth in high-potential segments like industrial power and process technology, industrial asset management, non-metallics materials, and chemicals.



Position for new frontiers

Making strategic investments to drive the decarbonization of energy and industry with carbon capture, utilization and storage, hydrogen, and energy storage.

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 clean, affordable energy for everyone, everywhere.

In 2020, our company generated a direct economic value of \$20.7B in revenue. That economic value was distributed to a wide variety of global stakeholders as outlined in the chart to the right.

We develop and rely on a network of suppliers who provide raw materials, equipment, supplies, and services. Annually, we spend \$10.3B in direct and indirect material purchases. Of this, 82% is spent with suppliers in the countries where we operate. During 2020 we spent \$93M with diverse suppliers and small businesses. This is an area we are actively working to improve.

Our economic impact also extends to our role as a global employer. At the end of 2020 we employed approximately 55,000 employees worldwide and offer fair and competitive wages and benefits. We believe in developing a diverse and global workforce in the countries where we operate. Seventy-eight percent of our employees and 63% of our senior managers work outside the United States in more than 80 countries.

Economic value added (\$ Millions)		
	2019	2020
Revenues	\$23,838	\$20,705
Operating costs*	\$22,237	\$19,664
Returns to shareholders	\$995	\$744
Payments to governments (taxes)	\$438	\$441
Community investments	\$25	\$119

\$595M

invested in research and development

Investment in innovation

As an energy technology company, Baker Hughes is committed to advancing innovation and promoting new technologies across our operations. Even during the economic uncertainty of 2020, we maintained our intense focus on technology development, investing \$595M in research and development, and being awarded 3,066 patents—an increase over prior years. We advanced our use of digital technology and automation, which we see as an enabler of lower costs, lower emissions, and reduced health, safety, and environmental (HSE) risk. For example, we conducted virtual gas turbine tests in our TPS business. Our iCenters in Florence, Houston, and Kuala Lumpur monitor more than 900 customer assets and have accumulated more than 15 million hours of equipment data.

3,066

patents awarded

We believe AI can be one of the next frontiers in unlocking energy efficiency and safety. Through BakerHughesC3.ai (BHC3), our strategic relationship with C3.ai, we have launched two software solutions—BHC3 Reliability and BHC3 Production Optimization. They were designed to help our customers use AI-derived insights to reduce their risk and improve the efficiency of their operations.

* Operating cost is a non-GAAP number. It is defined as total costs and expenses, less charges for goodwill and impairments; restructuring impairments and other charges; and separation and merger-related charges



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, and our people.

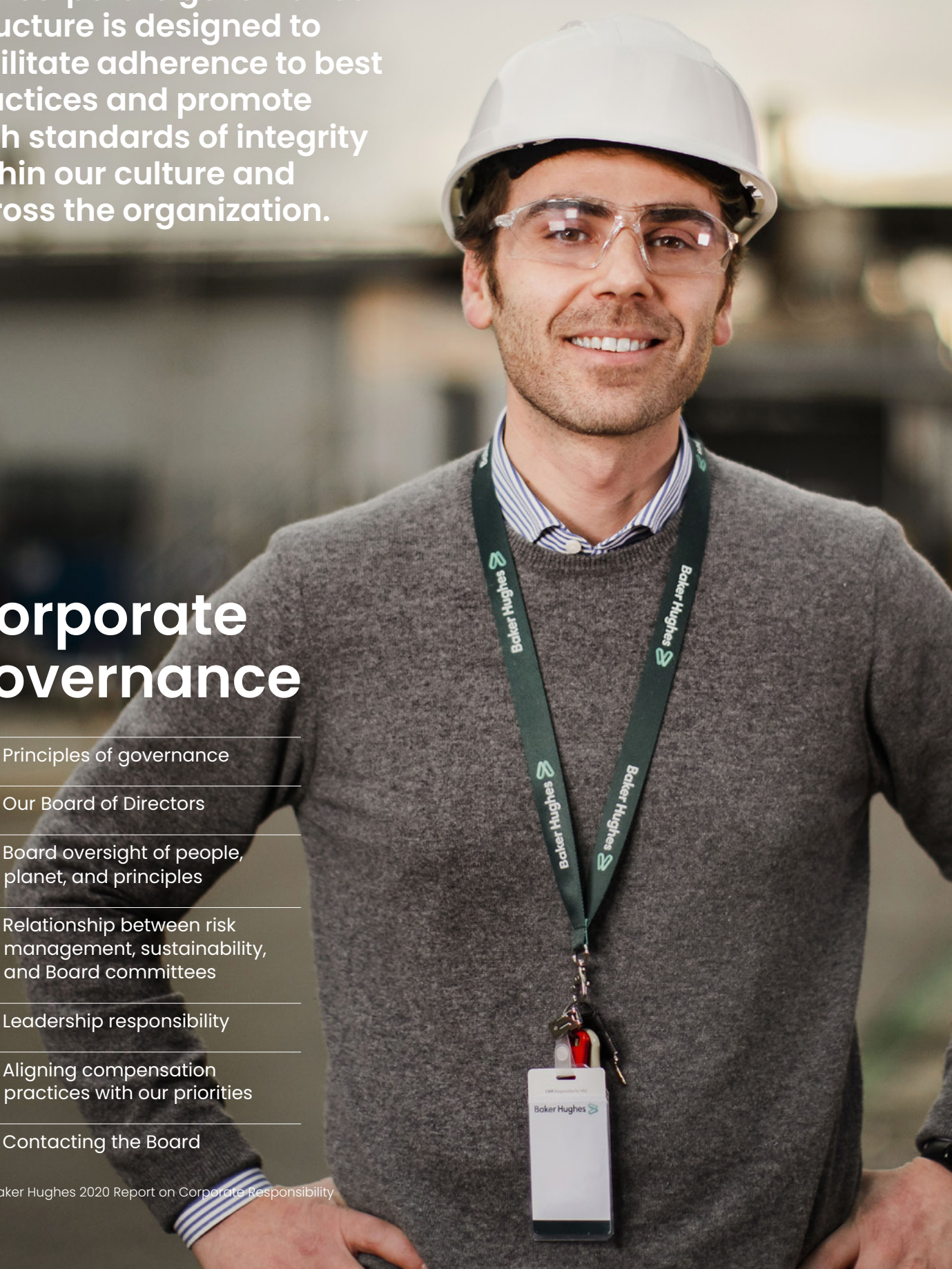
At Baker Hughes, we are guided by our values. They provide a straightforward and action-orientated way of expressing our culture. They are grow, collaborate, lead, and care.

Never were our values more important than when navigating the COVID-19 pandemic. Our values guided our actions and operating decisions as we responded to the global crisis. In addition to being part of the fabric of our work culture, we bring our values to life through formal programs such as our monthly global leadership forums, our Energize employee recognition program, and our #LetsTalk social conversations series.

Our corporate governance structure is designed to facilitate adherence to best practices and promote high standards of integrity within our culture and across the organization.

Corporate governance

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At Baker Hughes, our corporate governance structure is designed to facilitate adherence to best practices and promote high standards of integrity within our culture and across the organization. Our sustainability framework of people, planet, and principles is embedded at every level of our company with oversight by our Board of Directors.

Principles of governance

Our framework for corporate governance is set forth in our Governance Principles and our Third Amended Bylaws which can be found on our website, in the investors section, under corporate governance.

Our Governance Principles provide guidelines for Board matters, including the leadership structure of the Board. Written charters for the Board’s Audit Committee, Compensation Committee, Governance & Corporate Responsibility Committee, and Conflicts Committee (a subcommittee of the Governance & Corporate Responsibility Committee) describe the roles and responsibilities of each committee.

Additionally, our Code of Conduct applies to all officers, directors, and employees.

Our Board of Directors

Operating responsibly and with accountability to serve the best interests of our stakeholders requires sound corporate governance—a commitment that begins with our Board of Directors. Our Board is led by our Chairman, President, and CEO, Lorenzo Simonelli. We encourage you to read Lorenzo’s letter at the beginning of this report to hear directly from him about the importance of our corporate responsibility journey.

Geoff Beattie has been elected as lead independent director, a role specifically required under our Governance Principles. As lead independent director, Geoff has a clear and comprehensive set of duties, including responsibility to lead meetings of the independent directors and to regularly meet with the Board Chair. Our board has determined that this role provides an effective check on management and provides the appropriate balance between our focus on strategic execution and independent Board oversight.

Our Board exhibits an effective mix of skills, experience, diversity, and perspectives, collectively demonstrating leadership and a substantive understanding of our strategy as an energy technology company. Our directors’ sustainability expertise includes direct experience with human resources and talent development, legal and corporate governance issues, environmental and safety regulations, and risk oversight including cybersecurity, finance, and operations. Our Governance & Corporate Responsibility Committee, which recommends director candidates for

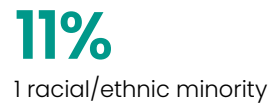
Board highlights

Our director nominees exhibit an effective mix of skills, experience, diversity, and perspective.

GENDER DIVERSITY



RACIAL/ETHNIC DIVERSITY



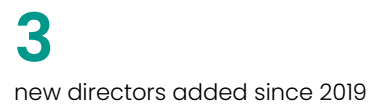
INDEPENDENCE



ENVIRONMENTAL AND SAFETY



BOARD REFRESHMENT



INDUSTRY & OPERATIONAL EXCELLENCE



AVERAGE DIRECTOR AGE



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.

The Stockholders Agreement entered into with General Electric (GE) in July 2017, as further amended, sets forth a number of minority stockholder protections and additional corporate governance requirements. For example, GE has the right to designate one director for nomination by the Board for election until GE no longer beneficially owns at least 20% of the voting power of our outstanding common stock. The Conflicts Committee provides oversight of the relationship and ensures compliance with the Stockholders Agreement.

Board oversight of people, planet, and principles

Our sustainability framework directly supports our company strategy to become a leader in the energy transition. Our Board regularly provides oversight of and guidance for our sustainability strategy, through operational risk and strategic assessments, as well as its regular Board and Committee cadence. Our Board's oversight responsibilities require ongoing, in-depth consideration of economic, social, and environmental risks and opportunities.

Primary oversight for many of our people, planet, and principles priorities, including corporate responsibility, governance, and environmental, health and safety matters is the responsibility of the Governance & Corporate Responsibility Committee. This committee assesses our material impacts, discusses associated risks with management, and reviews and considers stakeholder feedback on sustainability topics.

Our Compensation Committee oversees human capital management, including diversity, equity, and inclusion. Other committees of the Board oversee additional people, planet, and principles priorities within their subject matter.

Relationship between risk management, sustainability, and Board committees



Board of Directors

Strategic Oversight leading product companies, leading through technology, leading through the energy transition, and enterprise risk management



Audit Committee

Oversees risks related to financial and other regulatory reporting, internal controls, cybersecurity, and global ethics and compliance, including our Code of Conduct

Compensation Committee

Oversees executive compensation, management succession planning, talent management, and culture (including diversity, equity, and inclusion)

Governance and Corporate Responsibility Committee (GCR)

Oversees corporate social responsibilities and public issues, HSE, and governance structure and practices

Conflicts Committee

Oversees related party transactions with GE



Ongoing sustainability reporting

Our Board receives regular reports relating to sustainability matters, including:

- Quarterly HSE report from our Chief HSE, Security, and Quality Officer to the GCR Committee and the Board
- Quarterly report on sustainability matters, policy and regulatory changes
- Quarterly compliance report from our Chief Compliance Officer to the Audit Committee
- The GCR Committee also reviews and approves our annual report on corporate responsibility

Enterprise risk management process

Enterprise Risk Management is a continuous exercise at Baker Hughes. Annually, we seek input from each business segment to refresh existing risks, and identify new or emerging risks (including sustainability risks) that have enterprise-wide impact. This process spans from identifying, categorizing, and rating the risks based on reputational, operational, regulatory impact, financial impact, likelihood, and existing controls for risk mitigation. Proposed mitigation action plans are then created based on identified gaps and assigned to executive leadership for accountability and execution. These actions and key risk indicators are regularly reviewed by the executive leadership team. A selection of the top sixteen risks are also reviewed with our Board of Directors on a quarterly basis.

Individual director engagement

Directors periodically meet with leadership on specific topics outside of regular Board meetings, as well as with groups of employees.

Board onsite and virtual visits

Board meetings are occasionally held virtually, onsite at our various facilities, or at the locations of our business partners. These visits provide opportunities for our directors to experience our operations, interact with personnel at different levels of the organization, ask questions, and observe culture.

Governance and Corporate Responsibility Committee (GCR)

Sustainability Executive Sponsors

Regina Jones
Chief Legal Officer

Deanna Jones
Chief Human Resources Officer

Brian Worrell
Chief Financial Officer

Sustainability Steering Team Led by Vice President of Energy Transition

Horizontal coordination and reporting of sustainability work across the company

Working Teams



People



Planet



Principles



Reporting

Leadership responsibility

The primary responsibility for developing, managing, and executing our strategy, including our people, planet, and principles priorities, rests with our management team.

Allyson Anderson Book, our vice president of energy transition, oversees our energy transition strategy and serves as the primary point of contact on day-to-day sustainability matters. Additionally, Allyson chairs our Sustainability Steering Team that, together with subject-matter working teams, manages our sustainability priorities, sets goals, monitors our progress, and coordinates our sustainability reporting. We encourage you to read the letter from Allyson at the beginning of this report.

We also have a formalized sustainability management structure with designated executive sponsors that report to the Board.

Aligning compensation practices with our priorities

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

During 2020, we made several compensation decisions that reflected the market conditions, including no base salary increases. Annual bonuses were awarded 40% below target and long-term incentive grants were 60% performance share units for Mr. Simonelli and 50% for other executives.

Approximately 89% of Mr. Simonelli’s target total compensation is performance-based and at-risk. Our other named executive officers have an average of 80% performance-based and at-risk compensation.

Our incentive-based compensation plans for our CEO and named executives balance financial metrics with quantitative and qualitative performance goals. Payouts under our annual bonus plan in 2020 were weighted 70% based on achievement of formulaic, financial metrics and 30% based on achievement of strategic goals. The strategic objectives included several of our people, planet, and principles priorities, demonstrating our Board’s commitment to our sustainability framework. Sustainability metrics considered by the Compensation Committee include performance related to “Perfect HSE Day” improvement, the rapid implementation of safety-protocols related to COVID-19, leadership of the compliance-first culture, development of low-carbon emissions strategies including the completion of the Compact Carbon Capture acquisition, and our focus on diversity, equity, and inclusion and continued progress on key diversity metrics.

A more detailed discussion of our executive compensation program is available in our 2021 proxy statement.

Contacting the Board

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

People, planet, and principles

Baker Hughes organizes the reporting of our corporate responsibility performance into three categories; people, planet, and principles. We have used this organizing structure for several years, and continue it in this year's report to allow for year-over-year comparison. In most cases the topics outlined in our people, planet, principles structure overlaps with the pillars of environment, social, and governance, and the 200, 300, 400 categories of the GRI standard. Index tables in accordance with various reporting standards are included in the appendix of this report.

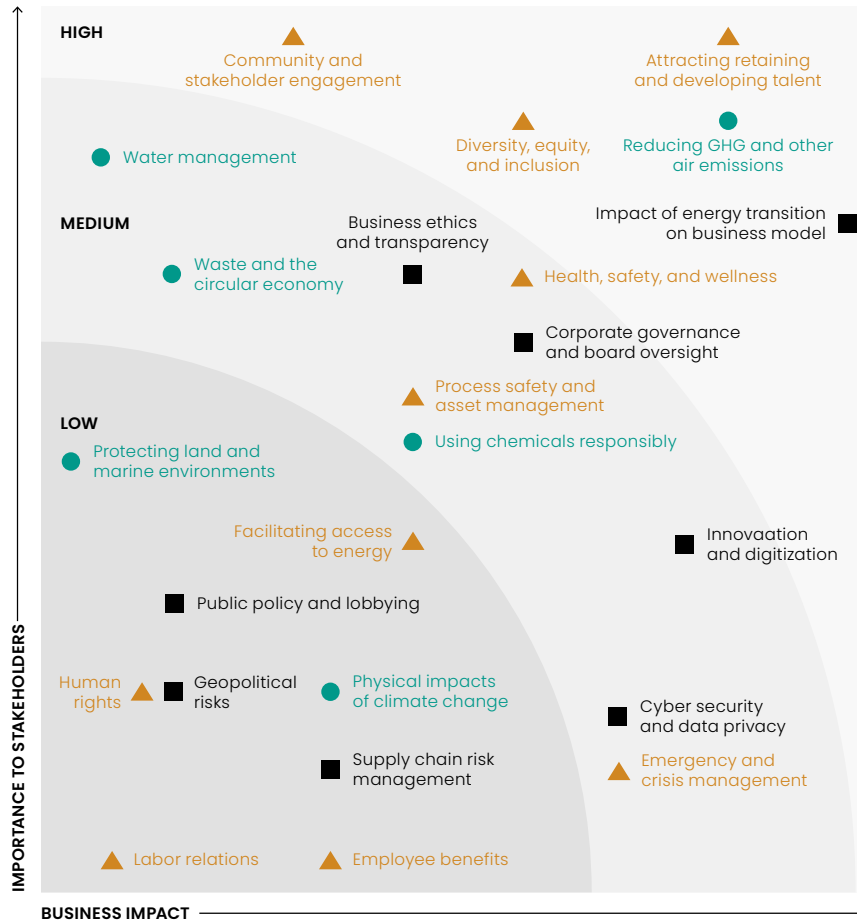


Identifying our material people, planet, and principle priorities

In preparation for this report, we undertook an update of our formal ESG materiality assessment in response to events such as the COVID-19 pandemic and demonstrations in support of racial equality in the U.S. We refreshed our materiality assessment prior to issuing our 2020 report to reflect company and stakeholder perceptions of the increasing importance of issues like health, safety, and cybersecurity.

The update in 2021 was a condensed version of our formal materiality assessment in 2019. The update is based on input from virtual in-person interviews, stakeholder requests, and publicly available data. In this context, ESG materiality should not be confused with financial materiality. A detailed explanation of ESG materiality is included on page 85.

Our updated materiality map is presented below:



▲ People

HIGH

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

MEDIUM

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

LOW

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

● Planet

HIGH

- Reducing GHG and other air emissions

MEDIUM

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

LOW

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

■ Principles

HIGH

- Impact of energy transition on business model

MEDIUM

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

LOW

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

Innovative minds, engaged employees, and diverse perspectives are needed to meet the world's pressing energy challenges.

People

- 25 People
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- 31 Community



People

People and community

At Baker Hughes, our people are central contributors to our purpose of taking energy forward. We understand that innovative minds, engaged employees, and diverse perspectives are needed to meet the world's pressing energy challenges.

With approximately 55,000 employees and operations around the world, we are able to harness experiences, networks, and unique perspectives. That global reach also makes us agile, so when the health and economic challenges of the COVID-19 pandemic spread across the world, our crisis management teams were able to respond quickly. During the year, economic realities required us to restructure our organization and reduce our workforce. While necessary, we made every effort to support our people with severance and outplacement assistance.

We firmly believe that no matter what external circumstances we might face, we must continue to invest in the education and development of our people to succeed as an energy technology company. As such, we maintained transparency and supported our employees through this tumultuous time, with regular updates from our leadership about the state of the markets and their impacts on our business.

Mental health and emotional well-being was also an important focus for our people and our company. We hosted virtual wellness events and promoted our Employee Assistance Program and Employee Resource Group communities as means of emotional support.

We recognize that the energy transition is a critical global priority for the environment, but it is not without its challenges. Low-income, underprivileged communities as well as racial and ethnic minority groups may be disproportionately affected by the economic shifts associated with the energy transition. It is important to ensure that we leave no one behind. There is no path to a new energy future that does not include diversity, equity, and inclusion (DEI). It will require conscious action and close collaboration among the private sector, the public, and stakeholder groups. At Baker Hughes, we strongly believe that our diverse points of view will spark the innovation and creativity we need as we navigate through the energy transition.

Diversity, equity, and inclusion

Baker Hughes leveraged the foundational elements of our diversity, equity, and inclusion efforts to navigate the challenges of 2020. In addition to the pressures resulting from the COVID-19 pandemic, including concerning numbers of women leaving the workforce on a global scale, 2020 was a year of immense social unrest resulting in a global movement to address racial equity in and out of the workplace. Amid these tensions, we recognized the need to increase our focus on equity more broadly, ensuring fair treatment and access to opportunity for all employees, and we committed to assessing where we have opportunities to do better.

Many of our leaders and Employee Resource Groups (ERGs) were instrumental in creating spaces to have safe and supportive conversations to acknowledge diverse perspectives and process emotions during these challenging times. Further, we strengthened our culture through the global Diversity, Equity, and Inclusion Council and our ERGs, and through prioritization of DEI metrics in our talent strategy.

We know that advancing DEI is about more than implementing activities and programs. It’s about embedding the right behaviors to grow an inclusive culture. We seek to align our organization with the behaviors it will take to deliver on our strategy. These same behaviors will help us advance our culture—one that prioritizes trust, open communication, appreciation of differences, and continuous learning.

As we have continued to prioritize DEI, we have focused on diversifying our workforce, with a particular emphasis on increasing gender representation, and we are encouraged by areas of progress made in 2020. We experienced stronger hiring rates for women, moving from 22% in 2019 to 27% in 2020, contributing to our overall increase of employees who identify as female from 17% in 2019 to 18% in 2020. We understand that continued progress will require an ongoing commitment from our organization.

In 2020, our leadership development programs were comprised of 60% women, including the Cultivate program, which fosters the development of high-potential female leaders.

Additionally, in 2020, we empowered leaders to embed DEI into the hiring process through the use of a new recruiting tool, RoleMapper. It is a framework designed to develop diverse and inclusive vacancy postings that attract the widest possible pool of qualified and diverse talent.

As we look ahead, we remain committed to continuing to strengthen our focus on DEI. Inclusiveness is a learned behavior. We have seen a growing recognition within Baker Hughes that the more inclusive we are, the better the environment for everyone. Our programs seek to engage and equip leaders so they can own, demonstrate, and prioritize diversity, equity, and inclusion in the way they work and lead their teams. We will monitor progress—both qualitatively and quantitatively—to further drive and foster a culture of inclusion.

Specific to the United States, Equal Employment Opportunity (EEO) data shows continued opportunities for improvement. In the US, 36% of Baker Hughes employees identify as a member of a minority group, which has remained consistent with prior years.

Employee resource groups

Our people are the heart of Baker Hughes and our strategic advantage. One of the ways we organize the talents and interests of our people is through our Employee Resource Groups (ERGs). Our eight ERGs offer community, celebrate different perspectives, and give a voice to groups that might otherwise be unheard.

Female workforce representation by level		
	2019	2020
Aspire leadership program members	43%	48%
Impact leadership program members	43%	50%
Entire workforce	17%	18%
Senior leadership	21%	17%
Board of directors	33%	33%

Voluntary attrition percentage		
	2019	2020
Overall	6%	6%
Female	N/A	6%
Male	N/A	6%

New hires		
	2019	2020
Overall	11,346	4,157
Female	22%	27%
Male	78%	73%

Our Employee Resource Groups



African American Forum



Asian Pacific American Forum



Enabled



LatinX



Multicultural



Pride@Work



Veterans



Women's Network

Members enrolled in ERGs

2019 | **3,217** 2020 | **5,789**

Our ERGs are communities that come together around shared characteristics, interests, or experiences. The ERGs have the potential to be true catalysts for change and inclusion at Baker Hughes, and we encourage all employees to participate either as members or allies.

We relaunched our ERGs in 2019 and have seen steady growth in participation. With 5,789 employees participating at year-end 2020, our ERGs host events, promote mentorship, and elevate conversation around awareness and key issues.

For example, our African American Forum (AAF) was a critical partner in supporting our Black community and employees during 2020's focus on social justice. CEO Lorenzo Simonelli spoke to employees in conversations and showed his support and the company's work to further social justice both internally and externally.

During a week-long celebration of International Day of Persons with Disabilities in December, the Enabled ERG held events across the company to educate and share experiences with employees.

With a focus on supporting the communities where we live and work, Uwem Ukpong, Executive Vice President of Regions, Alliances, and Enterprise Sales and Executive Sponsor of the AAF, joined the Greater Houston Partnership's Racial Equity Committee. Houston, home to the Baker Hughes's headquarters, is recognized as one of the most diverse cities in America, and the Greater Houston Partnership's Racial Equity Committee serves as a framework for how companies can commit to increasing and implementing their diversity, equity, and inclusion efforts.

In our Women's Network ERG, we saw over 85% growth over the prior year. In 2020, 94 women graduated CULTIVATE, a development program designed to accelerate the career development of female talent. An additional 101 women joined the next CULTIVATE class and are scheduled to graduate in 2021.

Investing in our people

Compensation, benefits, and employment practices

We offer competitive compensation and benefits packages to all employees and regularly assess our total rewards through industry benchmarking and local market comparison groups. The majority of our benefits are tailored by location to meet the specific needs of our employees, their families, and their communities. Healthcare plans and life insurance are a core benefit of the company and are provided to all full time employees globally.

Baker Hughes offers leaves of absence for a range of quality-of-life needs, including family care and personal leaves. To support new parents with balancing work and family matters, in most countries that Baker Hughes operates, the company provides paid leave to all employees for the birth or adoption of a child that typically exceed local requirements. For example, in the U.S., employees may take up to eight weeks of paid parental leave.

Being a global company means global opportunity. We recognize the value of local talent and work to hire, retain, and promote local employees across our business, supporting them with mentors, development, and guidance to ensure success.



Members of our leadership programs organize community events like the #Move5ForYouth campaign

Talent and lifelong learning

Our learning and development offerings are just one of many ways we invest in our people and work to be an employer of choice. To retain our talented workforce, we design our training and leadership programs with a focus on growth, challenge, and understanding, and we recruit with intention and purpose.

This year our learning and development organization pivoted to a virtual model, with 6,155 employees successfully participating in our leadership-training programs, logging an average of 1.27 hours per participant. More than 29% of employees completed performance reviews with their managers. Additionally, 440 employees completed our enterprise talent development programs.

Despite the year’s challenging external circumstances that required us to shift to virtual learning and development offerings, we continued to offer all our leadership programs.

In our relentless focus on fostering inclusion, we activated thousands of internal influencers from our talent bench engagements, leadership programs, Employee Resource Groups, human resources, and corporate affairs teams to promote conversations and identify opportunities in support of culture, talent development, health and well-being, social justice, and community partnership.

Aspire

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

Impact

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

Cultivate

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

One way we are diversifying our recruitment efforts is through our collaboration with Potentia Workforce, an organization leading neurodiversity hiring through programs, projects, and products. Neurodiversity is another way we are striving to expand the diversity and inclusiveness of our workforce.

Working in new ways

As the reality of the pandemic set in across the globe, our company’s robust crisis-management teams and extensive experience allowed us to quickly pivot—enabling as many individuals to work from home as possible and ensuring that individuals who needed to be on site for critical business-continuity work were equipped with personal protective equipment, able to work at least six feet apart, and work in a way that was as safe as possible.

Throughout 2020, we saw an increase in video calls and an agile workforce willing to share best practices. In December, we introduced our policy for formal flexible work arrangements in the U.S., allowing employees to agree with leadership on flextime, remote working, and a compressed workweek as priorities and responsibilities allowed. This is an example of lessons learned during the pandemic that will be carried into our new normal.

Human rights and anti-discrimination

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

The Baker Hughes Human Rights Policy applies to all employees, business partners, vendors, suppliers, and contractors. This policy is informed by the UN Guiding Principles on Business and Human Rights. The Baker Hughes Code of Conduct, supported by a framework of policies and guidelines, sets forth the expectations that we do what is right and safe, and considers the wellbeing of our people, customers, communities, and environment. We integrate rigorous onboarding,

training, management, due diligence, and reporting systems to identify, prevent, mitigate, and take prompt corrective action to address compliance issues. Due diligence tools we rely on include, but are not limited to, legal and regulatory compliance reviews and supplier social audits. When adverse human rights impacts are uncovered due to our business activities or from linkages to our operations, we are committed to taking timely and transparent action to remediate in a fair and equitable manner. Grievance mechanisms are available for all individuals across our value chain, including our Ombuds process and our Baker Hughes Help Line, which is operated by an independent third party. The service is available 24 hours a day. Confidentiality is respected and individuals may choose to remain anonymous.

Baker Hughes Help Line

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

+1 713 626 0521 (Collect)

Ombuds Process

Baker Hughes Ombudsperson, Baker Hughes Company, 17021 Aldine Westfield Road, Houston, Texas, 77073, USA

Bakerhughes.ombuds@bakerhughes.com

We commit to responsible business practices, high standards of integrity and ethical conduct, compliance with all applicable laws, and respect for the rights and dignity of all people. We respect internationally recognized human rights as expressed in the International Bill of Human Rights and the fundamental conventions of the International Labour Organization Declaration on Fundamental Principles and Rights at Work. If there is a conflict between internationally recognized human rights and national laws, the company will follow processes that seek ways to honor the principles of international human rights.

We prohibit slavery, servitude, forced and compulsory labor, human trafficking, and child labour—collectively “modern slavery.” (See our Modern Slavery Act Statement.)

We prohibit discrimination or harassment against any employee or applicant based on race, color, religion, national or ethnic origin, sex (including pregnancy), sexual orientation, gender identity or expression, age, disability, veteran status, or other characteristics protected by law (see our Fair Employment Practices Statement).



Health and safety protocols were of crucial importance while meeting customer needs throughout the year.

We are committed to providing a work environment free from all unlawful forms of harassment and bullying, including sexual harassment, and furthering workplace health and safety.

We respect the freedom of association and right to collective bargaining.

We respect individual privacy rights and commit to processing, collecting, handling, and protecting personal information responsibly, in compliance with applicable privacy and information security laws, the Baker Hughes Data Privacy Policy, and related policies, guidelines, and notices.

We commit to ensuring we are not complicit in human rights abuses or violations.

As part of our Ethical Supply Chain Program, we engage with businesses that share our high standards of integrity and compliance and respect for human rights. The Supplier Integrity Guide governs all aspects of our relationships with suppliers, contractors, consortium partners, and consultants (collectively “suppliers”). The terms and conditions of our contracts with suppliers require that suppliers and subcontractors adhere to standards of conduct set out in our Supplier Integrity Guides. This is integral to our supply chain management.

Baker Hughes Enterprise Security team is committed to the security and safety of our people, assets, operations, and reputation while helping to ensure business activities are conducted in a manner that avoids adverse impact. Enterprise Security uses risk-based methodologies to safeguard Baker Hughes assets globally, including assessing and mitigating human rights risks when working with public and private security contractors. Our security personnel are trained in human rights policies or procedures.

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.



The Baker Hughes Foundation supports a variety of environmental, educational, and health and safety causes, including the Emancipation Park Conservancy in Houston.

Community

Supporting our communities

Baker Hughes is committed to making a tangible impact by supporting the communities where we live and work and encouraging our employees to engage actively in service projects.

2020 brought many challenges to our communities due to the COVID-19 pandemic, economic uncertainty, and the inability to participate in in-person activities and events. We attempted to adapt our philanthropy and community programs to help in new ways and to use technology to support the needs of the community.

Early in the COVID-19 pandemic, the need for medical supplies was paramount to combating the pandemic while keeping front-line workers safe. Baker Hughes facilities around the world responded to this critical need by 3D printing consumable ventilator parts and personal protective equipment.

Knowing the difficulty of finding employment during a period of economic uncertainty, the Baker Hughes Foundation partnered with the 100K Mentors Challenge and Life Project 4 Youth, two nonprofits dedicated to

providing virtual career mentoring, mock interviews, and professional networking for students from underrepresented communities who were struggling to find jobs and internships because of the pandemic. Many Baker Hughes employees provided virtual mentoring through these organizations.

Making an impact

In 2020, Baker Hughes contributed the equivalent of \$119M to our communities through a combination of financial contributions, in-kind donations of goods and services, and employee donations. A summary table is included below:

	2019	2020
Company & foundation financial contributions	\$2M	\$3M
Company in-kind contributions	\$24M	\$115M
Employee financial contributions	\$0.4M	\$0.8M
Total combined contributions	\$26M	\$119M
Employee volunteer hours	29,670	7,161



Our strategic community impact areas

At Baker Hughes, we target our community support efforts on three areas that align with our strategy and our values. Through our giving, we seek to make a meaningful positive impact in the areas of:

Education and opportunity

Bringing education and opportunity to all people, especially underserved populations, is a key area of focus for Baker Hughes. To support the many communities Baker Hughes operates in around the globe, we donated tens of millions of dollars in software products to universities and technical schools in more than 15 countries. We also supported youth educational programs in our major operating communities of Houston, Texas, and Florence, Italy.

Environment

We promote clean air and water, biodiversity, and nature-based climate solutions. We continued our collaboration with The Nature Conservancy in Borneo, Indonesia, where we help support the adoption of reduced-impact logging. Indonesia is home to some of the world's most threatened ecosystems, and we believe our partnership with the Nature Conservancy helps to make gains in protecting climate and wildlife.

Health, safety, and wellness

As a leader in occupational health and safety, Baker Hughes has long contributed to causes that promote the well-being of our communities. The COVID-19 pandemic and other natural disasters put great stress on social services and disaster response organizations. The Baker Hughes Foundation responded by providing grants to local food banks, social services organizations, and health care providers in our largest communities in the U.S., the UK, and Italy. We also funded hurricane response on the U.S. Gulf Coast and wildfire recovery in Australia.

Baker Hughes volunteers lend a helping hand at the Houston Food Bank.



Our employees around the world are our best ambassadors of the our Care value. Here a team in Malaysia presents a contribution to support a local orphanage.

Engaging employees in the community

At Baker Hughes, our employees care, especially when they volunteer their time to help others. Though organized volunteerism was difficult to do safely during the COVID-19 pandemic, more than 7,000 employee volunteer hours were logged around the world.

Our teams came up with new and innovative ways to help the people around them who needed it most. For example, some held virtual volunteer events to make gifts for those in need, while others participated in virtual mentoring and professional networking sessions. Some teams held virtual food drives and holiday toy drives. Our teams adapted by designing new safety protocols for socially distanced volunteer events where temperature checks, face masks, and carefully marked workspaces became the new normal. However, what never suffered was the spirit of giving and community, with virtual volunteering providing a much-needed and appreciated opportunity for interaction with colleagues. Even for those who could not participate in volunteer events, our commitment to giving remained strong.

In 2020, we launched a new volunteer recognition program, which allows employees to direct Baker Hughes Foundation grants to nonprofits in recognition of reaching volunteer milestones of 10 or more hours. More than 85 employees were awarded grants for outstanding volunteerism during the program's inaugural year.

The Baker Hughes Foundation matches employee contributions to qualified nonprofits, up to \$5,000 per person per year. Many of our people participated in organized fundraisers, personal giving, and matching gifts. Our employees contributed more than \$750,000 of their own funds to charity in 2020, more than doubling their contributions from 2019. Some of the most popular causes included UNICEF's disaster relief program and global food banks and social services organizations supporting community needs during the pandemic.

The Baker Hughes Foundation

The Baker Hughes Foundation is focused on being steward of charitable resources for meaningful community impact. The Foundation supports organizations with shared values, demonstrated leadership, evidence of impact, financial soundness, and the capacity to implement initiatives and evaluate their success. We make strategic philanthropic contributions, match Baker Hughes employee contributions, and award volunteer recognition grants to support outstanding employee community service.

An aerial photograph of a small boat on a vast, deep blue ocean. The boat is positioned in the upper center of the frame, leaving a white wake behind it. The water's surface is textured with small waves. In the bottom right corner, a rocky shoreline is visible, with light-colored rocks meeting the dark blue water.

It is a priority for us to innovate—to offer lower carbon products and services, improve our operational efficiency, and reduce our emissions.

Planet

-
- 35 Energy and climate (net-zero roadmap)

 - 37 Scope 1 and 2 greenhouse gas emissions

 - 40 Scope 3 greenhouse gas emissions

 - 41 Climate change as a financial risk and opportunity

 - 42 Responsible environmental practices (air, water, waste, biodiversity, and circular economy)

 - 43 Minimizing environmental risks



Planet

Energy and climate

Baker Hughes supports the objectives of the Paris Climate Agreement, and we believe that the private sector has a crucial role to play in limiting the global temperature rise to 1.5-degrees Celsius. We are committed to reducing our GHG emissions, advancing the energy transition, and enabling the global shift to lower carbon industries, infrastructure, and value chains.

It is a priority for us to innovate—to offer lower carbon products and services, improve our operational efficiency, and reduce our emissions. We are actively engaged in helping our customers meet their carbon and methane emissions reduction goals. We advocate for policies and technology that we believe will advance the energy transition such as CCUS, hydrogen, carbon pricing, and methane emissions reduction.

In 2019, we were among the first companies in our industry to commit to achieving net-zero Scope 1 and 2 emissions by midcentury. In this report, we are outlining the core elements of our net-zero roadmap that will help us deliver on this commitment. Our commitment to climate action and the energy transition is a core part of our company's growth strategy, and we will continue to embed these actions into our operating model and across our product companies.



Our net-zero roadmap

Our net-zero roadmap is based on nine key building blocks necessary to achieve net-zero Scope 1 and 2 carbon emissions by 2050. This includes defining and operationalizing our efforts for the enterprise transformation, implementing a comprehensive sustainable supply-chain framework, and continuing to innovate and advance our research and development of low-carbon technology. In 2020, we expanded our low-carbon technology portfolio and we are prioritizing net-zero considerations in our corporate investment strategy to ensure alignment and complementarity across priorities required to deliver a business transformation. At the same time, we are enhancing transparency and reporting by incorporating the TCFD and SASB standards into our reporting framework. We also continue to engage on the net-zero transformation with stakeholders across the energy ecosystems. These efforts are detailed in the Principles section of this report.

<p>1. Ambition</p> <p>50% Scope 1 & 2 GHG emissions reduction by 2030, and achieve net-zero Scope 1 & 2 GHG emissions by 2050.</p>	<p>2. Governance</p> <p>Oversight and accountability for net-zero target driven from the top</p>	<p>3. Corporate strategy</p> <p>Net-zero target embedded and aligned with the company's strategy</p>
<p>4. Enterprise transformation</p> <p>Key operating model changes in support of net-zero transformation</p>	<p>5. Supply chains</p> <p>Transformed supply chains to build a low-carbon ecosystem</p>	<p>6. Innovation</p> <p>Developing innovation and low-carbon technologies to deliver net-zero</p>
<p>7. Finance</p> <p>Substantial commitment to finance our net-zero transformation</p>	<p>8. Transparency</p> <p>Communicating action and providing balanced information on progress against net-zero ambition (TCFD, SASB 2020)</p>	<p>9. Engagement</p> <p>Enhancing the pace and scale of net-zero action through engaging with and influencing stakeholders across ecosystems</p>

Note: In this report, "net-zero" refers to net-zero Scope 1 and 2 greenhouse gas emissions.

Our decarbonization pathways

Through this process, we identified eight strategic decarbonization pathways. Each of these is prioritized, linked to specific actions over the short, medium, and long-term, and assigned owners.

Decarbonization pathways			
	PATHWAY	STRATEGIC APPROACH	GHG PROTOCOL EMISSIONS CATEGORY
SCOPE 1 & 2	Operational efficiency	Reducing emissions from Baker Hughes's own manufacturing processes	Scope 1 - Direct emissions Scope 2 - Purchased electricity
	Facility energy efficiency	Reducing emissions from energy use (liquid / gas fuels and electricity) at Baker Hughes's facilities	Scope 1 - Facilities Scope 2 - Purchased electricity
	Renewable energy	Increasing the proportion of renewable energy used in the electricity mix	Scope 2 - Purchased electricity
	Vehicles	Increasing electrification and low-carbon fuelling in Baker Hughes's own vehicle and vessel fleet	Scope 1 - Vehicles
SCOPE 3	Supply chain & Procurement	Reducing upstream emissions from supply chain and sourcing activity	Scope 3 - Purchased goods and services
	Transport & Logistics	Reducing emissions from Baker Hughes's commuting, business travel and freight haulage	Scope 3 - Employee commuting Scope 3 - Business travel Scope 3 - Upstream transport
	3rd party managed waste	Reducing emissions from third-party disposal and treatment of waste generated in operations	Scope 3 - Waste from operation
	Low-carbon products & services	Reducing downstream emissions from customer use of Baker Hughes's products and services	Scope 3 - Use of sold products

We continued to make progress on our emissions reduction efforts in 2020. Our results are outlined below.

Scope 1 and 2 greenhouse gas emissions

Resetting our base year

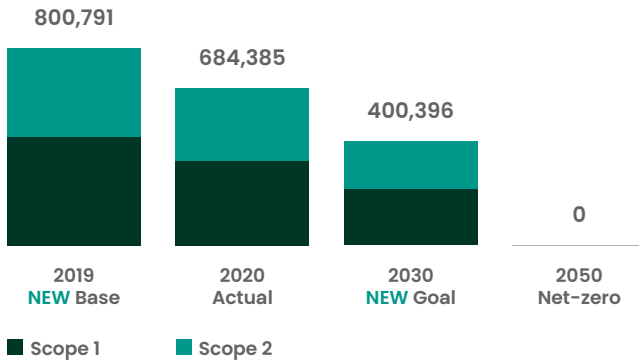
As our company evolved over the last several years, there have been substantial structural changes. We believe resetting our base year from 2012 to 2019 will provide an accurate view of our company and its emissions profile. As we continue our journey to achieve a 50% reduction in Scope 1 and 2 emissions by 2030 and net-zero by 2050, a reset to 2019 also results in more aggressive mid-term targets over this decade. Please refer to the bar graph on the Scope 1 and 2 greenhouse gas emissions by year on the next page.

Our carbon emissions reporting is conducted in accordance with the World Resources Institute and World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol for corporations. Each year, we evaluate organizational structure changes to determine if adjustments are needed related to acquisitions or divestitures of business units. For 2019, we have restated our emissions to account for recent divestitures, to include emissions related to field activities, and to reflect changes in methodology.

Scope 1 & 2 greenhouse gas emissions by year

Market based

(Metric tons CO₂E)



Our 2030 goal is to reduce 2019 GHG emissions by half.

The recalculation of our fixed-base year emissions after structural changes is in accordance with the WRI/WBCSD Greenhouse Gas Protocol’s “same-year/all-year” approach. Our new 2019 emissions base year allows for a more precise comparison of emissions reduction going forward.

Reducing Scope 1 and 2 emissions

Our 2020 Scope 1 and 2 emissions represent a 15% reduction compared to 2019. Please refer to the section above titled “Resetting our base year”. This substantial reduction was partially due to lower activity during the COVID-19 pandemic, but also due to efficiency and emissions reduction efforts across our global business. Further in this report, we list our 2020 progress across the key decarbonization pathways for the scope 1 and 2 emissions: facility energy efficiency and operational energy efficiency, uptake of renewable and zero-carbon energy, and emissions reduction in our vehicle fleets.

Improving energy efficiency and reducing emissions at our facilities

Baker Hughes engages employees in practical energy emissions reduction programs. We are continuously undertaking operational improvement projects at our sites globally. Facility energy-efficiency and emissions reduction from our manufacturing processes are the core elements of our strategy.

Energy-efficiency programs: We equip our site teams with resources and training to build targeted improvement programs. We take a standardized approach to energy-efficiency assessments, action plans, and tracking of improvements, including formal energy audits. Our energy “treasure hunts” and “weekend walk throughs” are designed to evaluate a comprehensive set of improvement opportunities applicable to our operations. More than 230 assessments were completed in 2020, and more than 850 have been completed in the last two years.

Energy efficient lighting and equipment: We continued our work to retrofit lighting and equipment at sites to improve energy efficiency. We completed 17 LED lighting projects during 2020, comprising more than 22,000 fixture replacements. In addition, a number of other projects including heating/air conditioning upgrades were completed.

Operational improvements: We continue to make improvements in facility operations that increase efficiency and reduce emissions. For example, in our TPS business, we continued steps to replace conventional refrigerant gases for compressor testing with a new low-emissions gas.

Powering our sites with renewable and zero-carbon energy.

We have increased our share of renewable and zero-carbon electricity from 15% in the prior year to 22% in 2020. From the U.S. to Brazil, Europe, and Singapore, we continue to find opportunities to use renewable and zero-carbon energy sources at our sites across the globe.

We apply renewable energy certificates from wind-generated power at all of our Texas facilities for 2020, supporting new wind and solar assets coming online in Texas during 2021.

Measuring home office emissions

In March 2020 Baker Hughes’s offices around the world shifted to remote offices for those employees not working at a manufacturing site or distribution center. Since home offices became the place of work for thousands of employees, we felt it was necessary to include home office contribution in Baker Hughes’s carbon footprint disclosure. As very little data existed, we installed smart home monitors in the homes of three employee volunteers based in Texas and Florida in the United States. That data was used to construct a remote office baseline. This pilot has been expanded to include a larger population of people in more regions of the world for different configurations of equipment based on selected volunteer user profiles. The GHG emissions associated with remote work are included in Scope 2 as a counterbalance to reduced emissions resulting from fewer office-based employees working onsite at our facilities in 2020 due to the COVID-19 pandemic. In the context of the pilot study, there was an estimated 84% reduction in carbon emissions per person compared to the emissions for the same person that would commute and work in an office building.

We now have 100% zero-emission electricity sources for all Baker Hughes sites in the United Kingdom from a combination of wind and nuclear power.

Renewables are in place for three facilities in Macae, Brazil, using a combination of solar, biomass, and hydroelectric energy and at our Celle, Germany campus.

Rooftop solar installations were completed in 2020 for the Singapore Completions site as well as facilities in Talamona, Bari, Florence, and Massa, Italy. A three-year plan to procure additional renewable energy has been developed.

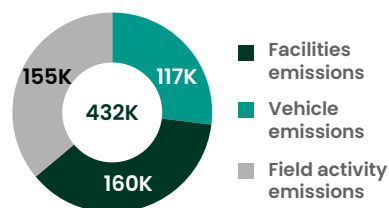
We have evaluated the use of microgrids and will further pursue such opportunities to achieve carbon emissions reduction, particularly in areas where diesel generators are used to support grid resilience.

Reducing emissions from vehicle fleets:

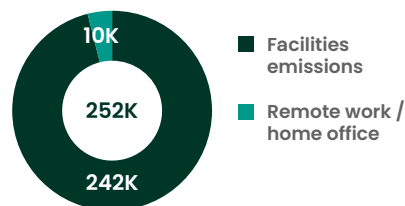
We utilize in-vehicle monitoring systems (IVMS) to track and reduce unnecessary idling. Current metrics indicate a 26% reduction in average idle time per vehicle, year-over-year. While we believe that increased awareness is a significant contributor to this reduction, the economic downturn and associated travel restrictions related to COVID-19 likely also affected these results. We have completed an analysis of the energy efficiency improvements that can be gained by using hybrid vehicles and plan to further evaluate how to cost-effectively incorporate electric vehicles into our existing fleet in future years.

Greenhouse gas emissions by category

2020 Scope 1
(Metric tons CO₂E)

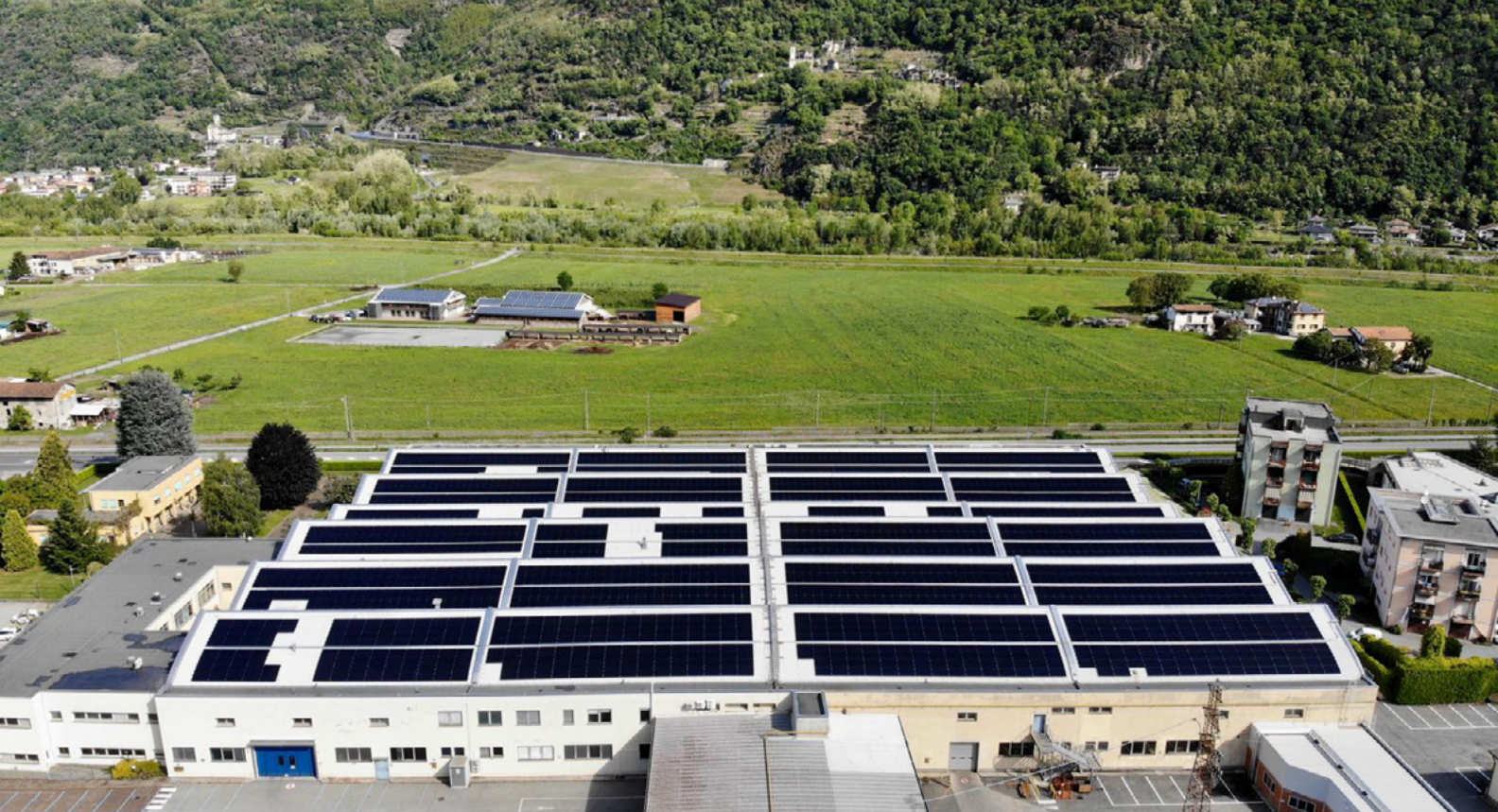


2020 Scope 2
Market based
(Metric tons CO₂E)



Energy use by category

	MWHS CONSUMED
Electricity (Total)	734,734
Renewable Electricity	163,075
Non-Renewable Electricity	571,658
Diesel/Distillate	934,012
Natural Gas	670,641
Gasoline/Petrol	288,571
Propane	4,982
Other Fuels	38,247



Solar generation at our Talamona, Italy facility. In 2020 we increased our percentage of renewable electricity to 22%.

Scope 3 greenhouse gas emissions

Measuring and reducing our value chain emissions is an integral part of our climate strategy. In 2019, Baker Hughes committed to expand the reporting boundary of our Scope 3 emissions.

While most of these emissions are outside of our direct control, we have influence on some of them, including product design and materials, the structure, and circularity of our value chain, and through collaboration with upstream suppliers, customers, and other stakeholders.

We reviewed the Scope 3 categories in accordance with the Greenhouse Gas Protocol and have expanded our reporting. In 2019, we disclosed travel-related emissions and a subset of our logistics-related emissions.

In 2020, we added reporting on emissions from the capital goods acquisition of property, plant, and equipment, an expanded view of international shipping across the Baker Hughes enterprise, waste generated from our operations, and a portion of the use of sold products. We applied the expanded boundary and methodology to both 2019 and 2020 to give a frame of reference consistent with our accounting for Scopes 1 and 2.

Reducing scope 3 or value chain emissions is a key building block of our emissions reduction strategy. Baker Hughes is innovating through material and design to look for new ways to reduce emissions upstream and downstream of our operations, and to enable our customers to reduce their emissions we do not control.

We piloted our Supplier Emissions Program in 2020 and will launch it to key suppliers in 2021, so that we can quantify emissions across our vast and complex supply chain. This program aims to nurture valuable engagement around sustainability, emissions quantification, and idea sharing to move forward together in our sustainability journey.

In the future, we intend to continue our focused efforts to further expand our Scope 3 boundary to identify further emissions reduction opportunities. We see reduced emissions from commuting, business travel and freight haulage, waste, upstream emissions from supply-chain and sourcing activity, as well as working with our customers to assess and reduce their emissions from the use of our products as the most promising opportunities for future Scope 3 emissions reductions.

Scope 3 emissions by category (metric tons CO ₂ e)		
	2019	2020
Capital goods	302,420	247,129
Upstream transportation and distribution	245,829	162,445
Waste generated in operations	Data not available	204,061
Business travel	88,421	25,376
Employee commuting	153,871	108,887
Use of sold products*	1,724,648	1,601,376

Climate change as a financial risk and opportunity

We recognize climate change as one of the biggest threats the world faces, and one which poses particular challenges to our business. On the other hand, supporting the low-carbon energy transition will enhance our business resilience by providing new opportunities.

Climate-related risks and opportunities extend beyond normal business strategic planning cycles. Climate change has the potential to impact Baker Hughes over the short- (5 years), medium- (5-10 years) and long-term (beyond 10 years) time horizons.

To better understand how the potential long-term impacts of climate change could impact our business, in accordance with the TCFD recommendations, we have begun the process of climate change scenario analysis. We have conducted qualitative climate change risk and opportunity hotspot mapping to understand the climate issues that could impact the business in the future under different scenarios.

We have conducted a qualitative review into the scenario attributes of an orderly (1.5-2-degrees Celsius), disorderly (2-3-degrees Celsius) transition scenarios and a business as usual (>4-degrees Celsius) scenario considering peer reviewed, publicly available third-party scenarios, including the International Energy Agency (IEA), Network for Greening the Financial System (NGFS), and the Intergovernmental Panel on Climate Change’s (IPCC) Representative Concentration Pathways.

We identified the climate-related risks and opportunities with the potential to impact Baker Hughes’s business under the range of climate change scenarios. We are exposed to a number of risks associated with a shift to a low-carbon economy, in particular, the changing demand for hydrocarbons and policies that could prohibit upstream oil activities and production. Such changes could prohibit demand for our upstream oilfield services and equipment. Associated with this are risks around our ability to attract human talent and access capital if investors and recruits consider upstream activities negatively.

While we recognize these risks, the opportunity around the transition is also significant to Baker Hughes. We are playing a key role in enabling the low-carbon energy transition and our growing energy transition solutions products and services can support an increased demand for low emissions products, emissions monitoring and measurement solutions, and low-carbon energy technology and services, from new and existing customers.

Beyond transition aspects, we also recognize the risks arising from physical changes in climate, in particular the potential impacts of extreme weather events impacting our operational sites and equipment in the 120 countries around the world we operate in. This risk of extreme weather events was identified as one of the risk scenarios within our 2020 ERM risks and mitigation action plans and is being executed to ensure we respond appropriately.

In the future, we will explore these risks and opportunities identified in further detail, conducting quantitative climate change scenario analysis to gain further insight into the potential materiality of the issues.

* Not included are emissions from other gases (ethane, propane, and butane) equate to 583,181 metric tons CO₂e in 2019 and 384,252 metric tons CO₂e in 2020



Responsible environmental practices

We are committed to the health and safety of people, protection of the environment, and compliance with environmental laws, regulations and our policies.

Through proactive and preventative programs and reporting, innovative approaches and technology, and community investment and engagement, we aim to bring positive and lasting environmental progress to our customers, the industry, and the world.

Our environmental management approach

We take a holistic, risk-based approach to minimize the environmental footprint of our activities, products, and services across our operations and throughout the value chain. It is built on stringent environmental standards that we set for ourselves, which meet or exceed regulatory requirements and are applied across our sites and operations globally.

Our management system comprises global policies, procedures, training, reporting, and assurance and control measures that detail the minimum standards for controlling environmental risk. It is built on a tiered approach that can be tailored to local requirements or risk profiles. It is embedded throughout the organization with the highest levels of accountability and engagement at the top. To drive leadership at all levels, we promote environmental awareness, train and engage employees, and share best practices to continue learning from each other. We ensure alignment with customers and value chain partners, collaborating with leaders across industry sectors.

We track and report our progress globally and we regularly assess and evolve our approach to drive continuous improvement.

Core focus areas

- Enhancing transparency and environmental reporting
- Preventing spills
- Protecting air quality
- Ensuring water quality and conservation
- Preserving biodiversity
- Reducing waste and promoting a circular economy
- Restoring our environment

Enhancing transparency and environmental reporting

Baker Hughes is committed to enhancing and expanding our external reporting and driving continuous performance improvements.

In the fourth quarter of 2020, we completed a fast-track project to enhance the capabilities of the Sustainability Reporting application within our system of record, which included additional aspects for hazardous and non-hazardous waste, metals recycling, electronic waste, and water discharges across our facilities. These efforts resulted in the disclosure of 15 new environmental reporting metrics during 2020, in alignment with the GRI and based on a materiality assessment. This included the full suite of water metrics, aligning our waste reporting to the newly issued GRI guidelines for this topic, and providing detailed health metrics for the first time. This is a positive step in our multi-year journey to elevate and expand our external environmental reporting.

Minimizing environmental risks

Preventing spills

We are committed to reducing spill volumes to minimize potential effects to the environment. Our approach is built on the core concept of spill prevention, with robust internal standards involving risk identification and control measures, including secondary containment and other engineering controls as well as improved systems and processes. When spills do occur, effective response procedures ensure immediate mitigation of environmental affects and prompt reporting, as required, promotes continual learning. Investigating spill incidents is integral to our environmental management system, so that we can implement corrective actions to prevent reoccurrence.

Volume of significant spills, as defined by GRI standard 306-3, was reduced by 54% year-over-year.

Spill volume		
	2019	2020
Significant spills (barrels) (GRI 306-3)	1598	738
Oil spills (barrels)	214	28
Fuel spills (barrels)	3	<1
Waste spills (barrels)	<1	<1
Chemical spills (barrels)	350	155

Protecting air quality

We are committed to managing our air emissions aligned to industry best practices and regulatory standards. This includes reducing the emissions of carbon dioxide and other greenhouse gases related to our activities to mitigate climate change risks. Our progress is reported in the Energy and Climate section of this report.

Our overall approach to protecting air quality is centered on robust environmental practices to minimize routine emissions and prevent emergency releases. We identify, assess, mitigate, and control potential sources of air emissions from processes and operations, including both stationary and mobile sources. Where



Water recycling systems like this one are examples of ways we are conserving water at our facilities

needed, we install emission-control devices such as scrubbers, dust collection systems, and paint booths to protect air quality and meet regulatory requirements.

In general, we strive to improve our chemistries by substituting less hazardous materials while maintaining efficacy for their intended use. In addition, our environmental procedures prohibit the use of chlorinated hydrocarbon-based solvents or ozone depleting chemicals containing chlorofluorocarbons (CFCs). One particular type, HFC R-134a was previously used for a specific type of turbine testing but has been phased out, with only minimal remaining use at three locations during 2020. This is the result of a multi-year improvement project.

Ensuring water quality and managing water resources

We are committed to conserving and protecting freshwater resources throughout the water cycle—from withdrawal, to use, and eventual reuse or discharge. Due to the nature of our operations, our current use of water does not significantly impact the availability of water in the regions where we operate. More than 90% of our water is withdrawn from and discharged to municipal water systems.

Our approach focuses on monitoring our water use, understanding associated risks across our operations, and taking proactive steps to minimize residual risks by working with other stakeholders, including our customers and industry on adopting efficient water practices.

In 2020, we improved our water quality and conservation program and expanded our reporting requirements. This includes a new water toolkit to enhance awareness of water risks and conservation practices, and a new water assessment. These resources are designed to educate

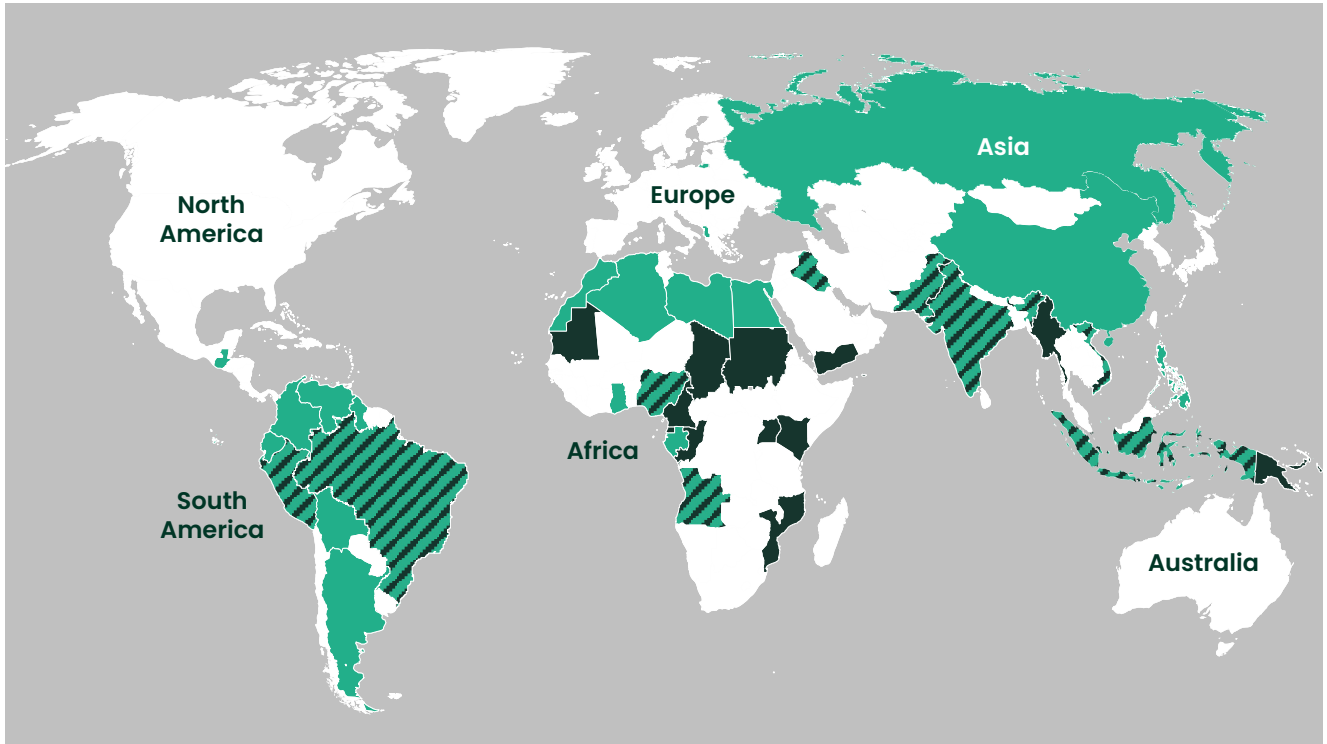
our employees and equip our site teams with effective tools to manage water risks, promote effective water management, and elevate our conservation practices. In addition, we completed the evaluation of water risk across our global operations using the World Resources Institute (WRI) Aqueduct tool. Our real estate portfolio as of year-end 2020 included approximately 150 company sites with high or extremely high water risk based on their physical, regulatory, and reputational risk profile. We plan to reassess water risks across our portfolio on an annual basis.

In 2021, employee teams at these locations will conduct a water assessment to identify water management and conservation actions to be implemented and tracked over a three-year period. Teams are encouraged to submit highlights and successes along the way to be recognized across company communications channels.

These enhancements to our water management program also address increasing interest in the company's water practices, particularly in water-scarce areas around the world.

Water-risk profile

This map shows countries where Baker Hughes operates in countries with high or extremely high water risk, evaluated using the WRI Aqueduct Tool.



■ Extremely high water risk sites ▨ Mix of extremely high and high water risk sites ■ High water risk sites

Core areas of water use

- **Industrial and commercial buildings**
- **Facility-based:**
 - Tap water for drinking, food preparation, and restrooms
 - Irrigation and landscaping
 - Heating and air-conditioning systems
- **Business-based:**
 - Process or production
- **Supporting utilities (fire protection)**

Recommended conservation measures

- Install water submeters to assess water use in various areas
- Reduce irrigation water volumes; substitute drought tolerant plants
- Install low-flow restroom fixtures
- Improve the efficiency in water use for process or production
- Consider water recycling systems or gray-water reuse
- Optimize cooling tower/chiller operation, minimizing blowdown frequency
- Repair steam traps and increase condensate return
- Reduce wash bay water with optimization strategies

Water use* (million liters)			
	WITHDRAWN	CONSUMED	RETURNED
Surface water	250		22
Ground water	485		90
2020 Municipal water	5,063		4,937
Consumed		761	
Total	5,798	761	5,049
Surface water	330		7
Ground water	297		74
2019 Municipal water	7,255		7,213
Consumed		605	
Total	7,882	605	7,294

The organizational boundary for this metric includes facilities under our operational control while active at any time during the calendar year, and does not exclude divestitures.

Examples of water conservation and management programs that are ongoing at our facilities include:

- **Louisiana, U.S.** – Sustainable efforts save water and costs. Waste-water recycling system installed to treat and reuse wastewater for tool washing, reducing offsite disposal by an estimated 200K gallons of water annually.
- **Dubai, UAE** – Designing savings in from the start. Multi-use campus designed to retain and reuse all water used onsite. Nearly 2 million gallons of grey water are treated and reused annually for landscape irrigation. An additional 200K gallons are reused through the wash bay recycling system.
- **Lagomar, Brazil** – Deployed rainwater capturing system to conserve water, reducing water previously sourced from municipal supplies.

Preserving biodiversity

We strive to operate responsibly and protect biodiversity wherever we operate around the world. As part of our commitment to the UN SDGs, we commit to exploring our impacts on biodiversity, protected areas, and areas of significant biological value at our operational sites. We are focused on minimizing our environmental footprint, preserving natural habitats, and protecting and restoring ecosystems through nature-based projects. We accomplish this through our internal standards for establishing new operations, volunteer efforts by our employees, and foundation grants to support environmental efforts.

We aim to minimize any potential impacts on biodiversity as we enter new areas of activity around the world and as we adjust our real-estate portfolio. Generally, our operations are established in existing industrial areas since the majority of our activities commence after industrial exploration has begun. It is our practice to conduct environmental due diligence for each new location. For industrial sites, this is comprised of a review of environmental risks including sensitive habitat, such as wetlands, and the potential presence of threatened or endangered species. We conduct formal Environmental Impact Assessments when required by local regulations.

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 extractive industries, including oil and gas, can have on protected and ecologically sensitive sites. We publicly disclose the presence of International Union for Conservation of Nature (IUCN) Red List species on or adjacent to our company locations, and we are evaluating more robust methods to assess operations which could have the potential to affect IUCN Protected and Conserved Areas. Looking to the future, if we enter and operate in areas of high biodiversity value with critical habitat, we will adopt good management practices to conserve biodiversity and ecosystem services.

Preserving natural habitats

Examples of habitat management programs that are ongoing at our facilities include:

- **Playa del Carmen, Mexico** – The local team built and maintains the facility’s surrounding landscape to protect local wildlife in the area, including coastal protection to minimize erosion. The landscape was designed to include local plants that provide a food source for the local fauna, especially iguanas, birds and lizards. In addition, the team has been active for many years in the community’s sea turtle conservation activities through volunteerism, beach clean-ups, educational efforts and engagement, and in-kind donations of tools and equipment.

* 2019 and 2020 values are not directly comparable because of system enhancements and expanded reporting in 2020. These 2019 water values are restated to account for current methodology.

- Australia, Welshpool Facility** – The Baker Hughes team based at this facility supports a key customer’s natural gas project in Barrow Island, which has been designated a Class A Nature Preserve. We follow a detailed cleaning and inspection plan for our tools and equipment, working closely with our customer as part of their quarantine management plan to prevent the introduction of foreign and invasive species to this sensitive ecosystem. With these biodiversity protections in place, there have been no introductions or proliferations of non-indigenous species since the project began.
- Dubai, Techno Park Campus** – Team planted a landscape comprising local Damas trees that provides habitat for migrating bird species in the months of November, December, and January. The protected bird species includes common and green sandpipers, grey herons, and parrots.

During 2020, groups were not able to volunteer as frequently for environmental protection activities such as beach clean-ups and tree-planting events. However, individual employees did take part in many virtual volunteer activities to protect our environment.

Reducing waste and promoting a circular economy

We are committed to using our resources wisely, reducing our volume of waste, and increasing the recycling and reuse of materials. We seek to apply the principles of a circular economy across our business, operating strategy, and supply chains. This means responsible resource use and striving to increase opportunities to reuse, refurbish, and recycle materials broadly across our global operations. We are also working to design materials and products to last longer or are constructed in a closed loop, circular system rather than the more traditional “make-use-dispose” linear models. We believe a circular economy will minimize resource extraction, waste, and emissions and address environmental challenges including climate change, plastics pollution, and natural resource scarcity. We’re committed to increasing our efforts in this area to help reduce pressure on the world’s resources.

Additive manufacturing

Additive manufacturing refers to the manufacture of parts through 3D printing or deposition, rather than traditional casting or milling. This technique increases design flexibility and reduces waste. We’ve expanded our additive manufacturing processes which can reduce



Virtual clean-up events were one of the volunteer projects that could be conducted safely during the pandemic.

material use by 30–60%, producing much less waste compared to traditional manufacturing processes.

Artificial lift

Our Artificial Lift product line has implemented processes to move towards a circular economy aligned business model. At end of life, customers can return equipment which is then assessed to determine if it can be refurbished. If suitable, it is repaired, tested, and confirmed that it meets original equipment criteria, then it’s redeployed at the customer’s location. Where unsuitable, the equipment is assessed to reclaim materials as feasible, and the remainder is recycled. This program includes pumps, intakes for gas separators, seals, and motors. During 2020, more than 9,300 units were reclaimed.

Drill bits

The Drill Bit product line has taken important steps to move towards a circular economy, building on their prior efforts. One initiative involved expanding the reuse of plastic packaging used to supply our drill bits to the customer, minimizing energy intensive recycling processes or waste disposal in landfills. In 2020, our employees refurbished and reused more than 3,000 units, achieving a 45% improvement year on year, despite the market decline related to COVID-19.

Years ago, we transitioned our polycrystalline diamond drill bits from a manufacture- sell-use business model to a more circular rental model. This ensures that the drill bits are returned to us for a combination of remanufacturing and recycling, versus the more traditional disposal option at end of life. In the current model, reusable polycrystalline diamond compact (PDC) cutters are removed and reclaimed, and the metal bit body is recycled. The useful life of these materials is extended, and in 2020, more than 76,000 PDC cutters were reclaimed to achieve an overall 44% reuse rate.

Waste management and disposal

In 2020, our total waste volume generated was 677,830 metric tons. Of this, 230,618 metric tons were recycled. The volume of waste reported in 2020 is significantly higher than we reported the prior year. 2019 and 2020 waste values are not directly comparable because of new calculation methodologies shifting from modeled data to measured data, and because of expanded reporting.

Waste minimization efforts include reducing the amount of packaging through enhanced use of bulk shipments in our chemical product lines, as well as the conversion of former waste materials to useable products. In 2020, we produced more than 3,000 metric tons of solvent material that is classified in our “waste to product conversion” category.

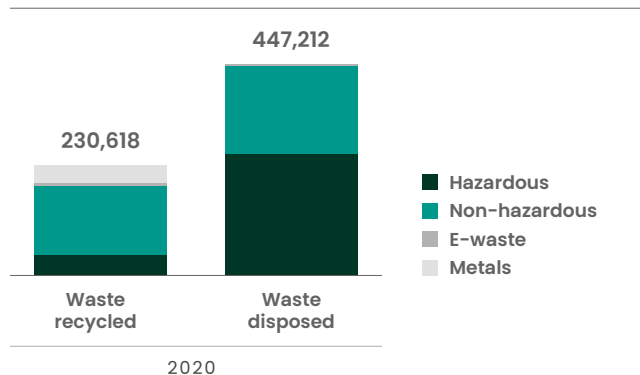
Even with our best efforts, there are still instances where materials are generated for which there is no economic demand, and which require eventual disposal. In such cases, we manage our waste through rigorous internal processes that include facility specific plans, inspections, and compliance with regulatory requirements. We audit our waste vendors and recyclers and give preference to those who provide cost-effective and responsible alternatives to landfill disposal. Our vendors are expected to comply with local environmental standards. During 2020, we emphasized waste vendor audits in Sub-Saharan Africa with audited and approved vendors in Congo, Equatorial Guinea, Ghana, Mozambique, and Angola.

Around the world, we manage the disposal of surplus or obsolete electronic equipment in a process known as e-cycling. As part of this process, we partner with vendors for the remarketing and recycling of electronic equipment such as computers, copiers, and phones. Through these partnerships, we recycled or repurposed 106 metric tons of e-waste. More than 230,000 metric tons of material were diverted from disposal through effective recycling and reuse strategies of metals and other materials. Enterprise-wide, we have enhanced our reporting of waste and recycling, with the intent to be better able to identify reduction opportunities and track progress in the future.

Restoring our environment

We evaluate our operations, to identify and assess the potential environmental risks and apply control measures to prevent or minimize them. We also elevate our operating standards and use periodic auditing and assurance programs to ensure those standards are consistently met. Through these efforts, we seek to minimize our environmental liabilities and, where needed, enhance and restore our properties so they can have a beneficial next use. When remediation is required, we evaluate and select the most appropriate approach and take into account environmental and social considerations, such as potential energy use and the views of local communities.

Waste volume



Waste volume in 2020 (metric tons)			
	WASTE GENERATED	WASTE RECYCLED	WASTE DISPOSED
Hazardous	302,352	42,338	260,014
Non-hazardous	336,652	149,921	186,731
E-waste	573	106	467
Metals	38,253	38,253	-
Total	677,830	230,618	447,212

The organizational boundary for this metric includes facilities under our operational control while active at any time during the calendar year, and does not exclude divestitures.

The health and safety of our employees is not negotiable.



Principles

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- 55 Sustainable supply chains
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Principles

Safety

At Baker Hughes, the health and safety of our employees is a top priority. This commitment is at the core of our culture, and we are committed to doing the right thing, always, to protect our employees, customers, the communities where we live and work, and the environment.

We take a risk-based approach with proactive and preventive programs to deliver safe, secure, and sustainable operations. We have established a stringent set of standards which meet or exceed global regulatory requirements.

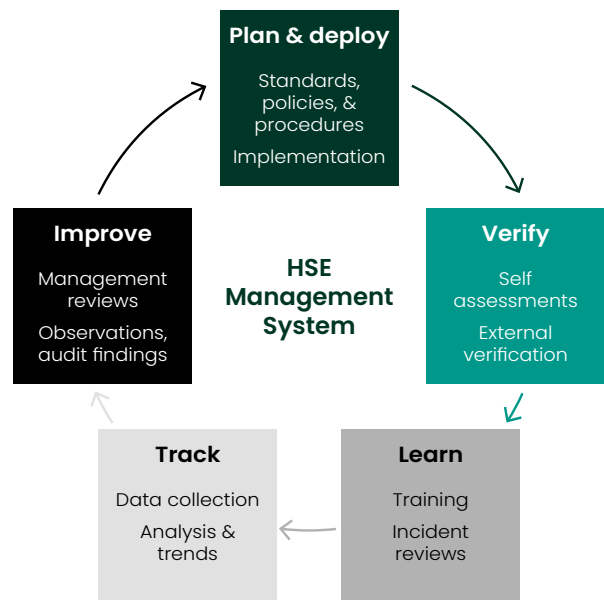
Our management system

Our commitment to HSE starts at the highest levels of our company, starting with the board, and is embedded throughout all layers the organization.

The Baker Hughes HSE Management System is an enterprise-wide framework that drives continual improvement in our HSE performance and legal compliance in our facilities and operations worldwide. Our management system is composed of more than 50 operational control procedures that detail the minimum requirements for controlling safety and environmental risk in our operations, which are aligned with the recognized International Organization for Standardization (ISO) noted below.

For key operations and based on business needs, we hold individual or multi-site certifications to these standards. These certifications include manufacturing, operations and administration across our regions and product companies, which were all maintained in 2020:

- 102 sites were certified to ISO 14001, the international standard for environmental management systems.
- 63 sites were certified to ISO 45001/OHSAS 18001, the international standards for occupational health and safety management systems.
- 273 sites were certified to ISO 9001, the international standard for quality management systems.
- In addition, our internal standards are aligned to ISO50001, the international standard for energy management systems in support of our energy-efficiency goals.



Process safety management (PSM)

Baker Hughes has a robust process safety management program aligned to industry standards and best practices to mitigate related risks and hazards across our operations. This includes global and regional procedures, training courses, process safety

fundamentals, along with risk assessments and barrier checklists, management of change process, and threat response drills. Further, we engage with our customers and the industry regularly on process safety through direct engagements and/or representation on industry committees.

In 2020, we focused on enhancing our risk management processes and expanding our training program. During the year, we developed training content for the areas of process safety reporting, technical awareness, and barrier management, along with risk assessment, and management of change to enhance our focus on risk awareness and mitigation. We also significantly increased our audience size for required process safety training and auto-assigned courses in the Learning Management System to ensure a broader employee base is trained and competent to manage process safety risks.

We are continuing the momentum in 2021, recently launching a new process safety training curriculum. The program was rebuilt to better reflect our current business, present more technical depth, and deliver content more efficiently. The new offering consists of three web-based training courses that cover basic process safety concepts to advanced aspects of barrier management, taking into account the operating environments of Baker Hughes product companies to maximize applicability and relevance.

Fostering a strong safety culture

We encourage and empower all employees to take an active role in “owning” safety by stopping work when conditions are unsafe and reporting observations, near misses, and stop-work events through open reporting channels. This feedback is tracked as leading indicators of our performance. Active leadership engagement is a key contributor to a powerful safety culture. Our leaders reinforce our culture through training, participation, and audits.

Our teams are required to complete recurring training. We offer more than 550 unique HSE courses including foundational training required for all employees, workplace and job-specific training, and human-performance leadership training for managers. During 2020, our employees completed more than 900,000 HSE training sessions*.

* The increase in courses completed was driven by harmonization of training programs, moving to more online sessions with an increased rate of sessions, and some historic combined programs being split into multiple sessions. We expect session completion rates to stabilize in 2021

We set clear targets and assess our progress through both internal and external audits, as well as other verification measures. We regularly review and refine our approach to drive continuous improvement. Formal incident reviews, investigations, and corrective actions are standard.

2020 Health and safety performance*

	2019	2020
Unique HSE training courses offered	>400	577
HSE training courses completed by employees	>275,000	907,035
Perfect HSE days	161	200
HSE leadership engagements	67,726	68,886
HSE observations	1,084,627	1,038,071
Near misses	1,763	1,299
Total recordable incident rate	0.28	0.23
Days away from work rate	0.12	0.11
Days away from work cases	137	104
Work-related fatalities	0	0

* Health and safety performance metrics in the table above are inclusive of employees and directly-supervised contractors unless otherwise noted.

Our ambition is to make every day a Perfect HSE Day—one without injuries, accidents, or harm to the environment. In 2020, we improved our HSE performance with 200 Perfect HSE Days, up 24% versus 2019.

Our total recordable incident rate of 0.23 improved by 18% versus the prior year and consistently outperforms many of our industry peers. Our days away from work incident rate improved 8% year-over-year, declining to .11, as we continue our emphasis on effective controls, human performance, and leadership engagement for higher risk work activities including transportation, electrical, pressure, and process safety, along with dropped objects and material handling.

While we were grateful that we had no work-related fatalities in 2020, the unprecedented COVID-19 pandemic had a significant impact on our employees and their families. We recognize that no day is “Perfect” during a global pandemic and health and safety remain at the forefront of our pandemic response.

Health and wellness

Our commitment to HSE goes beyond safety alone. Occupational health, industrial hygiene, drug and alcohol compliance, and other medical services, as well as employee well-being are key competencies managed within our HSE Center of Excellence and through cross-functional programs. The importance of physical health, ergonomics, preventive health care, and mental wellness cannot be overstated in promoting a healthy, engaged,



Leading through the COVID-19 pandemic

Since the onset of the pandemic, we have taken prudent steps as a company to reduce the risk and spread of the virus. Our top priorities have remained: protecting our employees, maintaining operations, and supporting customers and communities globally.

We activated our enterprise crisis management structure in March 2020, and for more than a year, our global, regional, and local, crisis management teams (CMTs) have managed a coordinated pandemic response. We have done this in alignment with global health standards and local government regulations and containment measures.

In addition, we restricted travel, implemented remote work arrangements for the majority of our office-based employees, and continually enhanced our sites with the latest safety measures. This included implementing on-site screenings, social distancing requirements, and a face-covering mandate for all facilities globally.

We are continuing to closely monitor the situation and evolving vaccine landscape. We believe that vaccines will play a critical role in the long-term recovery from the pandemic, and we are supporting vaccine education and access for our employees where possible. While the future looks brighter today than a year ago, we remain fiercely committed to health and safety measures to protect our employees, operations, and communities.

and productive workplace—especially during a global pandemic. Because of this, we increased our focus on overall employee health and well-being throughout 2020, with a particular emphasis on mental health.

We equipped our people leaders with information, resources, and training to engage and support their teams. These resources vary from mental health education to tips on staying connected and avoiding burnout, as well as guidance on what to know and to do if someone is struggling, to name a few.

In addition, in early 2020, we expanded our EAP benefit coverage across all countries where we operate, enabling all employees – and in most locations their families – access to professional coaching/support for any situation. From handling daily life to managing remote work, coping with life events, or navigating COVID-19, the EAP provides a broad range of support.

We also deployed new global programs to engage employees and help them adapt in a global pandemic. These included activities such as a global social media challenge to promote face coverings and prevention, virtual fitness classes, and webinars on well-being. We also promoted ergonomic health for employees working from home by setting up processes to collect items from the workplace and sharing home office ergonomic best practices.

Security

The Baker Hughes Security Team is committed to protecting our people, our workplaces, our operations, and our communities globally through intelligence-based risk mitigation measures. Our approach extends from mitigating site security risks to supporting traveler safety, as well as broader situational awareness and incident/crisis preparedness and response.

In 2020, the Baker Hughes Security function was ranked number one in the energy sector in Security Magazine’s annual ratings list, the Security 500. This is an annual ranking of the top 500 enterprise-security programs across 20 sectors. Companies are ranked on a variety of factors and metrics, including progressiveness of their security programs, efficiency of costs, security spend as a percentage of revenue, and other attributes that are gained from interviews and independent research.

Horizontally structured to support product companies, functions, and regions, the team is organized in accordance with global risk and operational structure. Our Code of Conduct establishes principles that require our employees to act in a manner that is compliant with all applicable laws and expects our employees to do what is right, safe and considers the wellbeing of communities in which we operate. Our business partners, vendors, suppliers, and contractors are also expected to abide by these principles, including our contract security personnel. In addition, our security team is currently building a process and training to ensure all contractors not only follow our Code of Conduct, but are better prepared to assess and mitigate human rights risks in any situation.

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

At the center of Baker Hughes’s security operations is the Global Intelligence & Travel Security Operations Center (GITSOC) focused on: 1) monitoring global developments and issuing timely updates; 2) administering the travel security program for high-risk locations; and 3) operating the emergency-notification system for critical communications and operational impact.

Employee engagement and reporting

In 2020, we conducted virtual town halls, security-awareness campaigns, and webinars. We also introduced a new tool to capture security-related concerns and incidents/potential incidents that are escalated to the regional security team to address. This enables the Security team to respond quickly and track trends over time to improve the effectiveness of its programs and better support employees.

Crisis management and business continuity

Security activated and provided ongoing support of the global, regional, and local crisis-management teams (CMTs) charged with leading the company’s global COVID-19 response. Since structures and processes were in place prior to the pandemic, our CMTs were able to scale up quickly to support our employees and operations in an unprecedented environment. In addition, the security team supported a number of subsequent CMT activations and drills to support other events outside of the pandemic such as extreme weather, civil unrest, and geopolitical conflicts, among others. The team has now learned lessons from the last year and is further refining our approach in 2021 and beyond.

Situation monitoring and emergency notifications.

After its launch in early 2020, the GITSOC quickly adapted its approach to monitor the evolving COVID-19 regulatory landscape along with other key risk areas. This team, along with the broader security organization, played a key role in helping employees affected by border closures or other travel restrictions return home safely. In addition, they disseminated timely updates related to a myriad of other situations through security advisories, notifications, or alerts.

Privacy and cybersecurity

Baker Hughes takes security and data privacy very seriously, and we are committed to individual’s rights to data protection and privacy. We protect our digital systems and data through a comprehensive cybersecurity management program, and we operate a comprehensive Cyber Fusion Center to coordinate resources, reduce incident response time, and shift toward a proactive cyber-defense model. Following the National Institute of Standards and Technology cybersecurity framework, we conduct third-party reviews of our program.

Baker Hughes has a Global Data Privacy Program in place which is designed to ensure that personal data will be protected and handled in accordance with applicable law and applicable contractual obligations. In 2020, we replaced our existing data-privacy management system and updated our cookie consent process to assess and record data processing activities efficiently, while ensuring compliance with data privacy regulations. We also modernized our identity and access management infrastructure and implemented new capabilities including secure and seamless federation authentication capabilities for customers and suppliers.



As we expand remote operations and testing, cybersecurity and data privacy is more important than ever

Baker Hughes’ Product Security approach spans three critical cornerstones: people, process, and technology. It is based on international standards, regulations and industry best practices, such as:

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

This holistic approach ensures 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 ensure products are shipped free of known vulnerabilities. Baker Hughes serves as a trusted partner to energy-related operators willing to keep or improve their operational security posture.

Integrity, compliance, assurance, and reporting concerns

Ensuring integrity and compliance is a foundational element of our culture and a business priority. We set high expectations outlined in our Code of Conduct and reinforced through our leadership. More than 97% of our employees completed training on our Code of Conduct in 2020.

[View our Code of Conduct](#)

Our Code of Conduct includes commitments in the following areas:

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

Open reporting

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

Report a concern at
reportconcerns.bakerhughes.com, or by calling 1-800-288-8475 (US only) or 1-713-626-0521 (International) to anonymously speak with an a third party agent.

To help us maintain our high standards of integrity and compliance, we enhanced our open reporting process in 2020 by implementing an easier to use web portal and adding anonymous text reporting for US employees. In March 2020, we held our Integrity Month campaign that actively engaged leadership and employees, and we conducted over 2,000 Integrity Matters team sessions.

Anti-corruption

Our Code of Conduct includes a summary of our Anti-Bribery & Corruption policy, which prohibits bribery and facilitating payments in all business dealings, in every country around the world, with governments, employees of state-owned companies, and the private sector, or anyone else whatsoever. We have internal controls and governing policies addressing compliance-sensitive activities such as travel and expenses, charitable donations, and working with third parties to prevent bribery and live training in high-risk countries. We conduct audits on our processes and procedures, including more than 300 one-on-one interviews with employees in high-risk countries, in an effort to prevent corruption. Annually, we host company-wide Anti-Bribery training, which was completed by more than 37,000 people.

Sustainable supply chains

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

Our sustainable supply-chain framework consists of four core programs. As a part of the Supplier Social Responsibility Program, all our suppliers are screened and assessed for social risks. We ensure that integrity and compliance are a foundational element of our culture. Our suppliers are required to hold their own suppliers to equivalent standards. Our enterprise-wide global ethics and compliance program is designed to prevent, detect, and appropriately respond to any potential violations of the law or company policies, and this program applies to our suppliers. We will continue to enhance our supplier social responsibility frameworks in the coming year, through the addition of new programs addressing supply chain labor and emissions reporting.

Supplier integrity management

We review our direct material suppliers to determine our Supplier Social Responsibility Program (SSRP) applicability through our common supplier onboarding process.

Assessment: We take a risk-based approach to our supply chain auditing program to identify suppliers based on country risks, the supplier’s past performance, and other factors. We look to continuously improve our risk profiling by further identifying additional risk factors, such as process risks, to include in our reviews. Additionally, pre-engagements and on-site periodic assessments follow an “Eyes Always Open” policy for our teams to be alert to potential violations during any supplier visit.

Verification: Suppliers identified as high-risk are subject to audit by our trained auditors. These auditors conduct on-site audits on a one- to five-year basis, using a global questionnaire and risk-weighting metrics. In 2020, due to the pandemic and restricted travel, we moved to desk-top audits with our suppliers to prevent disruption of the program. We intend to return to in-person audits when it is deemed safe to do so.

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

Accountability: All assessment findings from on-site audits are recorded in our automated assessment tracking tool. This tool monitors each assessment finding until it is closed, which occurs only after the supplier provides evidence that all noted findings have been corrected. Our target is to close 90% of audit findings within 90 days. New suppliers will not be issued purchase orders, and existing suppliers’ purchase orders will be suspended, if findings remain open beyond this timeframe and no exception was provided. Business relationships will be suspended immediately in the case of serious labor-related findings.

Training: We have 152 trained SSRP auditors with the opportunity for all employees to take SSRP Awareness training and Eyes Always Open training. Each one of our trained employees is empowered to raise concerns they may have on supplier expectations, human rights issues, and on-site due diligence requirements.

We drive better outcomes through our collaboration and partnership with suppliers and other stakeholders. Working together with suppliers, customers, governments, industry partners, academic institutions, and non-governmental organizations, we can achieve holistic progress in human rights more than any one sector can accomplish alone.

Supplier social responsibility

	2019	2020
Number of certified SSRP auditors	145	152
Number of SSRP audits	590	434
Number of SSRP audit findings	3,301	965
% of new suppliers audited during onboarding	64%	74%
% of audit findings closed within 90 days	96%	83%
Number of suppliers rejected due to SSRP audit	55	21

Policy engagement and working with governments

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

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

We developed criteria for engaging with trade associations to ensure engagement aligns with the strategic interests of Baker Hughes. In 2020, we increased our activity with organizations focused on hydrogen, geothermal, energy storage, carbon capture and storage, and new industrial sectors, in addition to our traditionally petroleum-focused associations.

Partnerships for advancing sustainability

We are committed to enhancing the pace and scale of the global energy transition. In 2020, we initiated the development of a net-zero aligned stakeholder engagement strategy. We hope to inspire others in our industry and lead by example. Cooperation and sharing of best practice and lessons learned can help get us to the net-zero faster. Collaboration enables a deeper understanding of the challenges at hand and optimal ways for crafting and scaling the solutions. In our engagements, we are guided by our public policy positions in support of climate action, carbon pricing, CCUS and hydrogen development, and reduction of methane emissions (the policy statements are available on our website).

In 2020, we joined the Hydrogen Council and the European Commission Clean Hydrogen Alliance, where we are working with the private sector partners, non-governmental organizations, and governments in support of the development of a hydrogen economy allowing both blue and green hydrogen growth to reduce emissions from difficult to abate sectors.

As a member of the Carbon Capture Coalition, a nonpartisan collaboration of more than 80 businesses and organizations building support for economy-wide deployment of carbon capture, transportation, utilization, and removal, we actively contribute to national and global dialogues on the CCUS. In 2020, we provided our support and written comments to the United States government in favor of expansion and extension of the 45Q tax credit for CCUS.

We worked with the Keystone Policy Center, a nonprofit organization, on the development of a Decarbonization Dialogue. The Decarbonization Dialogue, led by Keystone Policy Center and Great Plains Institute, convened experts from different sectors of the economy to provide recommendations on near-term federal policies for driving economy-wide and equitable decarbonization. The Decarbonization Dialogue was designed to provide a collaborative set of policy solutions that could inform the public debate on climate action and decarbonization solutions.

In addition to work on energy transition and climate, Baker Hughes also actively participates with several industry organizations to support the development of HSE standards and best practices. These include the International Association of Drilling Contractors, American Petroleum Institute, Center for Offshore Safety (COS), International Association of Oil and Gas Producers, and Society of Petroleum Engineers (SPE). Baker Hughes also created and shared industry guidance on proactive learning on behalf of IOGP and has been recognized by key customers for our efforts to improve HSE performance using human performance/human factors concepts through our Human Performance Leadership training program.



Our corporate responsibility framework

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Our reporting frameworks

Our reporting frameworks align with the standards most frequently referenced by our stakeholders, including investors. This report is prepared in accordance with:

- The GRI Core Standards
- The GHG Protocol

And provides reporting indices for:

- The TCFD Standards
- The SASB Oil & Gas Services Industry Standard
- Extractives and Mineral Processing Sector, as well as other relevant sector standards.

We have made a good-faith effort to reference the relevant disclosures for each standard. These disclosures represent the best available data at the time of publication. As our reporting continues to evolve over time and additional data becomes available we will incorporate it into future reports.

Managing risk

Baker Hughes identifies risks to our business and assets utilizing an effective Enterprise Risk Management (ERM) process – a risk-based management and monitoring program that is aligned to the business cycle, leads to more informed decision making and builds resilience across the organization.

Our ERM process includes an annual risk review with representatives of business segments and functions to proactively identify and monitor key risks and opportunities that have significant potential to affect our business. Identified risks are then reviewed with executive leadership for validation and alignment, ownership of risk responses, and monitoring of key risk indicators. The ERM Steering Committee has oversight of the ERM program and will recommend further analysis or in some cases, specific improvements to strengthen the company's safeguards.

The CEO and ERM executive sponsors perform deep dive reviews of response actions for each risk with the risk owners and quarterly updates are presented to the Executive Leadership Team. In addition, the top sixteen risks are reviewed during Board of Directors meetings throughout the year.

The ERM Team works closely with key stakeholders to introduce, support, and promulgate the risk culture across the company. There are six (6) main cultural values driving Baker Hughes's ERM practices. These are:

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

A summary of our company's material risks is presented in our 2020 10K filing.

Support to the UN Global Compact

Baker Hughes is a signatory of the UN's Global Compact: a voluntary leadership platform for the development, implementation, and disclosure of responsible business practices. Baker Hughes takes a leadership position in our industry sector by making this commitment.

We are committed to supporting and reporting our progress toward the Ten Principles of the United Nations Global Compact on human rights, labor, environment, and anti-corruption, as well as the Sustainable Development Goals.

Support to the Paris Climate Agreement objectives

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

As an energy technology company with a portfolio of low-carbon solutions across the energy spectrum, our corporate strategy is to lead through the energy transition to a zero-carbon future. We have committed ourselves to reduce our carbon equivalent emissions 50% by 2030 and to achieve net-zero Scope 1 and 2 carbon equivalent emissions by 2050 in line with the Paris Climate Agreement. Our net-zero by 2050 and interim goal of a 50% reduction in emissions by 2030 covers our Scope 1 and 2 emissions.

Our management systems

Baker Hughes maintains robust management systems that govern different aspects of our operations, including safety, environment, and quality management.

The Baker Hughes HSE Management System is an enterprise-wide framework that covers all employees and contract/contingent workers. It drives continual improvement in our HSE performance and legal compliance in our facilities and operations worldwide. Our management system comprises 15 elements and operational control procedures that detail the minimum standards for controlling safety and environmental risk in our operations.

In addition, we maintain ISO-certified management systems in the following areas across our sites:

- 102 sites ISO 14001 certified (environmental management system standard)
- 273 sites ISO 9001 certified (quality management system standard)
- 63 sites ISO 18001 or 45001 certified (occupational health and safety standard)

Stakeholder engagement

Engagement with key external stakeholder groups allows Baker Hughes to help shape the direction and priorities of select entities, gain insights from a vast global consortium of peers; customers, governments, and academia; and, establish knowledge-sharing networks for more informed and effective decision-making and strategic planning. In 2020, we developed an engagement strategy and criteria for how we select engagement in external associations and organizations. These engagement criteria and process ensure we employ our resources to the entities that are shaping the future of energy while aligning with our strategic interests.

We begin to assess memberships, affiliations, and engagements with external stakeholder associations by identifying key areas of common interest between the external group and the Baker Hughes product companies and corporate functions. If areas of common interest are found, we will evaluate the organization’s strategic direction and its alignment with our priorities, such as climate science, environmentally safe and efficient hydrocarbons development with advanced methane and carbon emissions abatement technology such as CCUS, and the energy transition. If we are aligned, and the criteria are met, a formal membership decision is made.

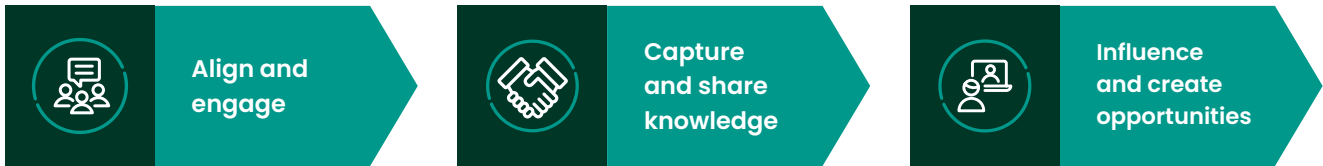
As a result, in 2020 we increased our activity with organizations focused on hydrogen, geothermal, energy storage, carbon capture, utilization, and storage, energy efficiency, emissions management, and new industrial sectors, in addition to our traditionally hydrocarbon-focused associations.

Engaging with diverse stakeholders opens a spectrum of perspectives on our operations and helps us identify the future of energy and the most significant ways we impact the world as an energy technology company.

Our criteria for engaging with industry associations

-
- ✔ Does a membership or affiliation provide the opportunity for Baker Hughes to enhance our leadership role?
 - ✔ Does the specific purpose of our outcome align with our energy technology strategy and our core values?
 - ✔ Does the membership or affiliation bring insights and resources to our company not available to non-members?
 - ✔ Does membership or affiliation enhance our relationship with customers, thought leaders or other key stakeholders?
 - ✔ Are we prepared to invest appropriate human resources for full and active participation, including sharing the insights of our engagement?
 - ✔ Does the engagement provide reasonable value?

Stakeholder engagement process



During the past year, most of the face-to-face meetings and conferences that enable our traditional stakeholder engagement methods moved to virtual or electronic formats. Despite these changes, we continued to conduct a variety of engagements and to align our priorities with those of our stakeholders.

One such engagement exemplifying our commitment to the energy transition is with Geothermal Rising, a non-profit organization advancing the understanding and practical use of geothermal energy. Our engagement with Geothermal Rising demonstrates our support and involvement in the renewables sector. In 2020, we advanced our engagement by augmenting our membership with participation in the executive policy committee, helping to shape the strategy for growth and deployment of geothermal energy throughout the United States and the rest of the world. In addition, in the geothermal space, we furthered our engagement with the U.S. Department of Energy, National Renewable Energy Laboratory (NREL) geothermal program.

Beyond memberships, collaborations and partnerships are also key forms of external stakeholder engagement. In 2020, we provided support to Resources for the Future (RFF), a nonprofit organization that conducts independent research into environmental, energy, and natural resource issues. Our support allowed RFF to organize multi-stakeholder workshops on “internal carbon pricing” and the impact of the energy transition on oil and gas workers and communities. The learnings that we harvest from RFF, along with a number of organizations such as the International Energy Agency

Greenhouse Gas Technology Collaboration (IEAGHG), Global Carbon Capture and Storage Institute (GCCSI), and the Energy Storage Association, are shared across the organization through an extensive network of knowledge groups. Collaboration on these topics better positions Baker Hughes for the future of energy.

University relationships are also an important piece of the stakeholder engagement strategy. Baker Hughes is a sponsor of the Stanford Natural Gas Initiative (NGI), a collaboration of research groups at Stanford University drawn from engineering, science, policy, geopolitical, and business disciplines that works with a consortium of industry partners and other external stakeholders to generate the knowledge needed to use natural gas to its greatest social, economic, and environmental benefit. This alignment to our energy transition and emissions reduction commitments makes this engagement a mutually beneficial partnership in the realms of safe, environmentally safe, and efficient utilization of natural gas. Baker Hughes will continue to participate in workshops and speaking engagements with Stanford NGI to present and share ideas on this topic.

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

STAKEHOLDERS	FORM OF ENGAGEMENT	FREQUENCY
Customers	Global, regional, and local industry events, forums, and conferences	Our senior leaders and commercial teams actively participate in hundreds of customer events and meetings across the globe. Most 2020 events took place virtually.
	Proprietary company events and meetings	
	Partnerships and working groups to advance best practices	
Investors	Public quarterly earnings calls	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.
	Annual shareholder meeting	
	Executive meetings, presentations, and operational tours	
	Outreach program led by our Investor Relations group, the Corporate Secretary's Office, and Executive Compensation Team	
Employees	Town hall meetings	We exchange ideas and feedback with our employees across a wide array of communications channels weekly, monthly, quarterly, and annually.
	Interactive online forums	
	People leader engagement	
	Employee Resource Groups, many with senior leader sponsors	
	CEO's Employee Pulse Group	
Governments	Formal and informal bilateral meetings with public officials at all levels of government	Given the breadth and scope of our industry and the global footprint in which we operate, Baker Hughes senior leaders across our operations engage with public officials at all levels of government on a regular basis.
	Lobbying and other direct engagement in compliance with applicable laws and regulations	
Community	Civic engagement through economic development groups, chambers of commerce and related forums	We have ongoing dialogue with community partners on charitable projects and planning for employee volunteerism, and weekly as employees hold positions with local groups.
	Collaboration and social investments where we operate and in support of broader society	
Policy groups and industry associations	Membership participation across the globe	Our participation in industry groups includes monthly, quarterly, and annual meetings, events, and engagement to advance best practices and policy positions.
	Working groups, committees, and public-private partnership activities in industry groups and associations	
	Leadership and committee positions that extend and strengthen organizational capabilities	
Universities, Institutions, and NGOs	Connections, collaborations and partnerships on a variety of shared business, industry, social, and environmental interests globally	We participate in multiple opportunities to collaborate with institutions and organizations on public policy, regulations, technology roadmaps, and a variety of research projects.

Data summary and reporting indices

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Greenhouse Gas Emissions

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GRI reporting index & data summary

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

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
General disclosures	102-1	Name of the organization	Baker Hughes Company
	102-2	Activities, brands, products, and services	About Baker Hughes, page 12 Form 10-K, Business, pages 1-10
	102-3	Location of headquarters	17021 Aldine Westfield Road, Houston, Texas 77073 The Ark, 201 Talgarth Road, London, W6 8BJ, United Kingdom
	102-4	Location of operations	Form 10-K, Properties, page 24
	102-5	Ownership and legal form	Form 10-K, Business, page 1 2021 Proxy Statement, Corporate governance page 15
	102-6	Markets served	2020 Annual Report Form 10-K Business, pages 1-10
	102-7	Scale of the organization	Form 10-K, Business, pages 1-10 Form 10-K, Properties, page 24 2021 Proxy Statement, Stock ownership pages 23-24
	102-8	Information on employees and other workers	People, pages 25-26
	102-9	Supply chain	Principles, pages 53-56 Form 10-K, Business, pages 1-10
	102-10	Significant changes to the organization and its supply chain	Form 10-K, Business, 1-2
	102-11	Precautionary Principle or approach	Planet, pages 34-48
	102-12	External initiatives	About Baker Hughes, pages 13-14 Stakeholder engagement, page 60-62
	102-13	Membership of associations	Stakeholder engagement, page 56-57, 59
	102-14	Statement from senior decision-maker	A letter from our CEO, pages 4-5 A letter from our Sustainability Steering Team chair, pages 6-7
	102-15	Key impacts, risks, and opportunities	A letter from our CEO, pages 4-5 2020 corporate responsibility dashboard, pages 8-10 About Baker Hughes, page 13-14 Form 10-K, Risk Factors, pages 13-24
	102-16	Values, principles, standards, and norms of behavior	About Baker Hughes, page 15 Corporate Governance, page 23 People, page 25-27, 29-30 Principles, pages 50, 54-56 Proxy Statement, Summary, page 3 Proxy Statement, Corporate governance, pages 15, 20, Governance Principles Our Way: Baker Hughes Code of Conduct
	102-17	Mechanisms for advice and concerns about ethics	Principles, page 29 Our Way: Baker Hughes Code of Conduct Baker Hughes Supplier Integrity Guide
	102-18	Governance structure	Corporate governance, page 18-20 Proxy Statement, Corporate governance, pages 17-20

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
General disclosures	102-19	Delegating authority	Corporate governance, pages 18-20
	102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate governance, pages 19-20
	102-21	Consulting stakeholders on economic, environmental, and social topics	Corporate governance, page 21, 23 Our corporate responsibility framework, pages 60-62 Proxy Statement, Corporate governance page 16
	102-22	Composition of the highest governance body and its committees	Corporate governance, page 17, 19 Proxy Statement, Summary, page 4 Proxy Statement, Election of Directors, pages 6-12
	102-23	Chair of the highest governance body	Corporate governance, page 17 Proxy Statement, Corporate governance, page 17
	102-24	Nominating and selecting the highest governance body	Proxy Statement, Election of Directors, page 6, 12-14
	102-25	Conflicts of interest	Proxy Statement, Corporate governance, pages 15, 20 Proxy Statement, certain relationships and related party transactions, page 25
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance, pages 17-19
	102-27	Collective knowledge of highest governance body	Corporate governance, page 17 Proxy Statement, Corporate governance, page 11
	102-28	Evaluating the highest governance body's performance	Proxy Statement, Summary, page 3 Proxy Statement, Corporate governance, page 14
	102-29	Identifying and managing economic, environmental, and social impacts	Corporate governance, pages 19-20, 23 Proxy Statement, Corporate governance, pages 17-19
	102-30	Effectiveness of risk management processes	Proxy Statement, Corporate Governance pages 22-23
	102-31	Review of economic, environmental, and social topics	Corporate governance, page 23
	102-32	Highest governance body's role in sustainability reporting	Corporate governance, page 19
	102-33	Communicating critical concerns	Corporate governance, page 21 People, page 29 Principles, page 55 Proxy Statement, Corporate governance, pages 16, 20
	102-35	Remuneration policies	Corporate governance, pages 20-21 Proxy Statement, Director compensation, pages 21-22 Proxy Statement, Compensation discussion and analysis, pages 27-43
	102-36	Process for determining remuneration	Corporate governance, page 20-21 Proxy Statement, Compensation discussion and analysis, pages 27-43
	102-37	Stakeholders' involvement in remuneration	Proxy Statement, Compensation discussion and analysis, page 33
	102-38	Annual total compensation ratio	Proxy Statement, CEO pay ratio disclosure, page 55-56
	102-40	List of stakeholder groups	Our corporate responsibility framework, page 62
	102-41	Collective bargaining agreements	Approximately 25% of employees are represented under collective bargaining agreements or similar-type labor arrangements.
	102-42	Identifying and selecting stakeholders	Our corporate responsibility framework, pages 60-61

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
General disclosures	102-43	Approach to stakeholder engagement	Our corporate responsibility framework, pages 60-62
	102-44	Key topics and concerns raised	Our corporate responsibility framework, page 61
	102-45	Entities included in the consolidated financial statements	Form 10-K, Exhibit 21.1
	102-46	Defining report content and topic boundaries	Our corporate responsibility framework, page 59
	102-47	List of material topics	Corporate governance, page 23
	102-48	Restatements of information	Restated categories for 2019 include: 304-3, 305-1, 305-2, 305-3, 305-4, 305-5
	102-49	Changes in reporting	Corporate governance, page 23 Planet, pages 35-41, 44-48
	102-50	Reporting period	January 1, 2020 to December 31, 2020
	102-51	Date of most recent report	July 2020, for fiscal 2019
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	https://www.bakerhughes.com/contact-us
	102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI Standards: Core option
	102-55	GRI content index	Reporting index and data summary, pages 64-70
	102-56	External assurance	Data summary and reporting indices, page 76
Management's approach	103-1	Explanation of the material topic and its boundary	Corporate governance, page 23
	103-2	The management approach and its components	Our corporate responsibility dashboard, pages 8-10 Corporate governance, pages 20-21 In addition, our management approach for each singular topic is found in the applicable people, planet, and principles section.
	103-3	Evaluation of the management approach	Our corporate responsibility dashboard, pages 8-10 Corporate governance, pages 19-21 Additional performance data as reported in this Reporting index and data summary
Economic performance	201-1	Direct economic value generated and distributed	About Baker Hughes, page 14. Data not reported by country.
	201-2	Financial implications and other risks and opportunities due to climate change	A letter from our CEO, pages 4-5 Planet, pages 35-41 Annual Report Form 10-K, Risk factors, pages 13-24
Market presence	202-2	Proportion of senior management hired from the local community	About Baker Hughes, page 14
Indirect economic impacts	203-2	Significant indirect economic impacts	Planet, pages 40-41, 43, 46-48
Procurement practices	204-1	Proportion of spending on local suppliers	About Baker Hughes, page 14 82% of spending is directed at local suppliers

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
Anti-corruption	205-1	Operations assessed for risks related to corruption	Principles, page 55 Our Way: Baker Hughes Code of Conduct Baker Hughes Supplier Integrity Guide
	205-2	Communication and training about anti-corruption policies and procedures	Principles, page 55
	205-3	Confirmed incidents of corruption and actions taken	Principles, page 55 Material legal actions, if any, are reported in our Form 10-K, Legal proceedings, and financial statements and supplementary data
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Material legal actions, if any, are reported in our Form 10-K, Legal proceedings, and financial statements and supplementary data
Energy	302-1	Energy consumption within the organization	Planet, page 38-39
	302-2	Energy consumption outside of the organization	Planet, page 38-39
	302-3	Energy intensity	Planet, page 38-39 Energy intensity ratio: 0.000129 MWh/\$
	302-4	Reduction of energy consumption	Planet, page 38
Water and effluents	303-1	Interactions with water as a shared resource	Planet, pages 44-46
	303-2	Management of water discharge related impacts	Information unavailable
	303-3	Water withdrawal	303-3 A: Planet, page 46
			303-3 B: Water withdrawn from water-stressed areas
			WITHDRAWN (MILLION LITERS)
Surface Water - Water Stressed Areas			1
Ground Water - Water Stressed Areas			81
Municipal Water - Water Stressed Areas	360		
Consumed - Water Stressed Areas			
Total - Water Stressed Areas	442		
303-3 C: All values are for fresh water			
303-4	Water discharge	303-4 A: Planet, page 46	
303-4 B: All values are for fresh water			
303-5	Water consumption	303-4 C: Water discharged to water stressed areas for 2020 totaled 410 million liters	
		303-4 D: Information unavailable	
		303-5 A: Planet, page 46	
		303-5 B: Water consumption from water stressed areas in 2020 totaled 32 million liters	

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ciudad del Carmen, Mexico, and Walpole, Massachusetts
	304-2	Significant impacts of activities, products, and services on biodiversity	Planet, page 46
	304-3	Habitats protected or restored	Planet, pages 46-47
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	One - Caddo madtom, Arkansas USA; listed as an endangered species. Our water treatment system is permitted to discharge into the South Fork of the Caddo River in accordance with regulatory requirements.
Emissions	305-1	Direct (Scope 1) GHG emissions	Planet, pages 37-39 Statement and Notes on Greenhouse Gas Emissions, page 80
	305-2	Energy indirect (Scope 2) GHG emissions	Planet, pages 37-39 Statement and Notes on Greenhouse Gas Emissions, page 80
	305-3	Other indirect (Scope 3) GHG emissions	Planet, pages 40-41
	305-4	GHG emissions intensity	Planet, page 38 [GHG emissions intensity ratio: 0.000033054 Metric tons CO ₂ e per revenue dollar Metric (denominator): \$20.7 USD Billions Emissions included: Scope 1 and Scope 2 Gases included: CO ₂ , CH ₄ , N ₂ O] Statement and Notes on Greenhouse Gas Emissions, pages 80, 83-84
	305-5	Reduction of GHG emissions	Planet, pages 36-38
	305-6	Emissions of ozone-depleting substances	Planet, page 43
	Waste	306-1	Waste generation and significant waste-related impacts
306-2		Management of significant waste-related impacts	Planet, page 48 GHG Protocol, page 82
306-3		Waste generated	Planet, page 48

Waste directed to disposal (metric tons)					
	HAZARDOUS WASTE	NON-HAZARDOUS	E-WASTE	METALS	WASTE PREVENTED
Preparation for Re-use	843	2,410	34	N/A	N/A
Reclamation	92	869	N/A	N/A	N/A
306-4 Waste diverted from disposal	Recycle	N/A	N/A	72	N/A
	Material Recovery	N/A	N/A	38,253	N/A
	Other Recovery Options	41,403	146,642	N/A	N/A
	Total Diverted	42,338	149,921	106	38,253

All waste diverted from disposal is processed off-site.

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA					
Waste	306-5	Waste directed to disposal	Waste Diverted from Disposal (metric tons)					
				HAZARDOUS WASTE	NON-HAZARDOUS	E-WASTE	METALS	WASTE PREVENTED
			Incineration with Energy Recovery	2,720	4,739	N/A	N/A	N/A
			Incineration without Energy Recovery	2,513	1,105	N/A	N/A	N/A
			Landfilling	10,993	97,618	N/A	N/A	N/A
			Disposal	N/A	N/A	N/A	467	N/A
			Other Disposal Operations	243,878	83,269	N/A	N/A	N/A
			Total Sent to Disposal	260,104	186,731	N/A	467	N/A
			All waste disposed off-site, none processed on-site					
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	Form 10-K, Business, pages 9-10 Form 10-K, Risk factors, pages 18-19 Form 10-K, Financial statements and supplementary data, page 92					
Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	Principles, pages 55-56					
	308-2	Negative environmental impacts in the supply chain and actions taken	Principles, page 56					
Employment	401-1	New employee hires and employee turnover	People and community, page 26 "2020 total attrition was 23.0% (19.6% female, 23.8% male)"					
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	People and communities, page 27					
	401-3	Parental leave	People and communities, page 27					
Labor/management relations	402-1	Minimum notice periods regarding operational changes	We comply with local laws and collective bargaining agreements pertaining to operational changes.					
Occupational health and safety	403-1	Occupational health and safety management system	Principles, pages 50-51					
	403-2	Hazard identification, risk assessment, and incident investigation	Principles, page 51					
	403-3	Occupation health services	Principles, page 51					
	403-4	Worker participation, consultation, and communication on occupational health and safety	Principles, page 51					
	403-5	Worker training on occupational health and safety	People, page 28, Principles, page 51					
	403-6	Promotion of worker health	Principles, pages 51-53					

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
Occupational health and safety	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Principles, page 51
	403-8	Workers covered by an occupational health and safety management system	Principles, pages 50-51
	403-9	Work-related injuries	<p>Days Away from Work Case Rate: 0.11 TRIR: 0.23</p> <p>Formula for calculating TRIR: # of recordable cases X 200,000 hours divided by total hours worked. Total hours worked is calculated using factors based on job family data for each employee, such as length of shift and overtime typical of job families.</p> <p>Percent of recordable injuries by type: musculoskeletal disorders 68%; diseases caused by physical agents 9%; diseases caused by chemical agents 3%; respiratory diseases 19%; skin diseases 1%</p>
	403-10	Work-related ill health	<p>GRI 403-10 a i = No work related fatalities from safety or health incidents.</p> <p>GRI 403-10 a ii = 69 recordable illnesses</p> <p>GRI 403-10 a iii Main types of work related illnesses are provided in 5 categories below</p> <ul style="list-style-type: none"> • Occupational musculoskeletal disorders (68%) • Respiratory Diseases (19%) • Diseases caused by physical agents (9%) • Diseases caused by chemical agents (3%) • Skin Diseases (1%) <p>Note: The increase in respiratory illnesses from 0% in the prior year is due exclusively to COVID-19 cases which were classified as work related.</p> <p>403-10 b Not categorized.</p> <p>403-10 c Our formal Baker Hughes Risk Assessment procedure includes a detailed assessment of hazards and the identification of appropriate controls and is required for work activities conducted by our employees and supervised contractors.</p> <p>403-10 d All employees and contractors supervised by the company are included in these reported values. Unsupervised contractors are not included in these metrics.</p> <p>403-10 e Baker Hughes follows OSHA standard reporting methodologies to determine recordability of illnesses.</p>
Training and education	404-1	Average hours of training per year per employee	2020 corporate responsibility dashboard, page 8 People, pages 28, 51
	404-2	Programs for upgrading employee skills and transition assistance programs	People, page 28
	404-3	Percentage of employees receiving regular performance and career development reviews	Corporate Responsibility Dashboard, page 8 People, page 28

	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE LOCATION AND DATA
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	2020 corporate responsibility dashboard, page 8 Corporate governance, page 17 People, page 26 Proxy Statement, Election of Directors, page 6-10
	405-2	Ratio of basic salary and remuneration of women to men	We issue a UK Gender Pay Gap report in accordance with country requirements. Our next report will be issued, as required, in the fall of 2021.
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Principles, page 29
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Principles, page 55 Human rights policy statement
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Principles, page 55 Human rights policy statement
Security practices	410-1	Security personnel trained in human rights policies or procedures	Principles, pages 53-55 Human rights policy statement
Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	Principles, pages 30, 55 Human rights policy statement
Human rights assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Principles, page 55 Human rights policy statement
	412-2	Employee training on human rights policies or procedures	Principles, page 55 Human rights policy statement
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Principles, page 55 Human rights policy statement
Local communities	413-2	Operations with significant actual and potential negative impacts on local communities	Form 10-K, Business, pages 1-10, Form 10-K, Risk factors, pages 13-24
Supplier social assessment	414-1	New suppliers that were screened using social criteria	Principles, pages 55-56
	414-2	Negative social impacts in the supply chain and actions taken	Principles, pages 56
Public policy	415-1	Political contributions	Principles, page 56 Political Contributions Report
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No material losses of customer data
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Principles, pages 54-55

Index to SASB sector standards

SECTOR	TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Oil & gas - services	Emission reduction services & fuels management	Total fuel consumed, percentage renewable, percentage used in: (1) on-road equipment and vehicles and (2) off-road equipment	EM-SV-110a.1	Planet, page 39
		Discussion of strategy or plans to address air emission-related risks, opportunities, and impacts	EM-SV-110a.2	Planet, pages 38-39, 43
		% of engines in service that meet Tier 4 compliance for non-road diesel engine emissions	EM-SV-110a.3	Data not reported
	Water management services	Total volume of fresh water handled in operations (1) and % recycled (2)	EM-SV-140a.1	Data not reported
		Discussion of strategy or plans to address water consumption and disposal related risks, opportunities, and impacts	EM-SV-140a.2	Data not reported
	Chemicals management	Volume of hydraulic fracturing fluid used & % hazardous	EM-SV-150a.1	Data not reported
		Discussion of strategy or plans to address chemical related risks, opportunities, and impacts	EM-SV-150a.2	Planet, page 43
	Ecological impact management	Average disturbed acreage per (1) oil and (2) gas well site	EM-SV-160a.1	Not applicable
		Discussion of strategy or plans to address risks, opportunities related to ecological impacts from activities	EM-SV-160a.2	Planet, page 46-47
	Workforce health and safety	Total Incident rate (1), fatality rate (2), near miss frequency (3), total vehicle incidents (4), average hours of HSE training (a) full time and (b) contract employees and (c) short-service employees	EM-SV-320a.1	Principles, page 51
		Description of management systems used to integrate a culture of safety throughout the value chain and project lifecycle	EM-SV-320a.2	Principles, page 50-51
	Business ethics & payments transparency	Amount of net revenue in countries that have 20 lowest rankings in Transparency International's Corruption Perception Index	EM-SV-510a.1	2% of overall revenue
		Description of management systems used for prevention of corruption and bribery throughout the value chain	EM-SV-510a.2	Principles, page 55
Management of the legal and regulatory environment	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	EM-SV-530a.1	Principles, page 56	
Critical incident risk management	Description of management systems used to identify and mitigate catastrophic and tail-end risks	EM-SV-540a.1	Principles, page 53-54, 59	

SECTOR	TOPIC	ACCOUNTING METRIC	CODE	INFORMATION REFERENCE
Oil & gas - exploration & production	Biodiversity impacts	Number and aggregate volume of hydrocarbon spills, volume in Arctic, volume impacting shorelines with ESI rankings 8-10, and volume recovered	EM-EP-160a.2	Planet, page 43
	Resource transformation - electrical & electronic equipment	Energy management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	RT-EE-130a.1
	Hazardous waste mgmt.	Amount of hazardous waste generated, percentage recycled	RT-EE-150a.1	Data not reported
Technology - hardware	Product security	Description of approach to identifying and addressing data security risks in products	TC-HW-230a.1	Principles, pages 53-54
	Employee diversity & inclusion	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	TC-HW-330a.1	2020 corporate responsibility dashboard, page 8 People, page 26

Activity Metrics

	METRIC	CODE	INFORMATION REFERENCE
Oil & gas - services	Number of active rig sites	EM-SV-000.A	Baker Hughes 2020 10K filing, Rig Count - Page 31
	Number of active well sites	EM-SV-000.B	Data not reported
	Total amount of drilling performed	EM-SV-000.C	Data not reported
	Total number of hours worked by all employees	EM-SV-000.D	Data not reported

TCFD Index

The following table compares Baker Hughes 2020 financial and corporate responsibility disclosures with the TCFD recommendations.

1. Governance

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe the board's oversight of climate-related risks and opportunities	2020 Corporate Responsibility Report, Corporate governance, p. 17-19 2020 Corporate Responsibility Report, Board oversight of people, planet, and principles, p. 18
Describe management's role in assessing and managing climate-related risks and opportunities.	2020 Corporate Responsibility Report, Corporate governance, p. 19-20 2020 Corporate Responsibility Report, Board Oversight of people, planet, and principles,, p. 18 2021 Proxy Statement, Risk oversight, p. 17 2020 Proxy Statement, Risk oversight, p. 23

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.	2020 Corporate Responsibility Report, Climate change as a financial risk and opportunity, p. 41 2020 Baker Hughes 10K, Legal and regulatory risks, p. 18-19 2020 Baker Hughes 10K, Risk Factors, p. 13-24 2020 Baker Hughes 10K, Our Vision, Energy Transition Solutions, p. 1-2
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2020 Corporate Responsibility Report, Climate change as a financial risk and opportunity, p. 41 2020 Corporate Responsibility Report, Strategy and Vision, p. 13 2020 Baker Hughes Annual Report, Our strategy, p. 5 2020 Baker Hughes Annual Report – Shareholder's Letter – Planet, People, Principles, p. 7-8 2020 Baker Hughes 10K, Legal and regulatory risks, p. 18-19
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	2020 Corporate Responsibility Report, Climate change as a financial risk and opportunity, p. 41

3. Risk Management

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe the organization's processes for identifying and assessing climate-related risks.	2020 Corporate Responsibility Report, Climate change as a financial risk and opportunity, p. 41 2020 Corporate Responsibility Report, Board oversight of people, planet, and principles, p. 18 2020 Corporate Responsibility Report, Relationship between risk management, sustainability, and Board committees, p. 19 Baker Hughes climate policy* Baker Hughes carbon pricing policy* Baker Hughes methane policy*
Describe the organization's processes for managing climate-related risks.	2020 Corporate Responsibility Report, Climate change as a financial risk and opportunity, p. 41 2020 Corporate Responsibility Report, Relationship between risk management, sustainability, and Board committees, p. 19 2020 Corporate Responsibility Report, Identifying our material priorities, p. 23 2020 Corporate Responsibility Report, Corporate governance, p. 20

* Available in our Corporate Responsibility Download Center on www.bakerhughes.com/company/corporate-responsibility

TCFD RECOMMENDATIONS	DISCLOSURE CONTENT AND REFERENCES
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	2020 Corporate Responsibility Report, Climate change as a financial risk and opportunity, p. 41 2020 Corporate Responsibility Report, Relationship between risk management, sustainability, and Board committees, p. 19

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.	2020 Corporate Responsibility Report, Planet Section, p. 37-38 2020 Corporate Responsibility Report, Relationship between risk management, sustainability, and Board committees, p. 19 2020 Corporate Responsibility Report, Aligning compensation practices with our priorities, p. 20
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2020 Corporate Responsibility Report, Planet Section, p. 37-41 2020 Corporate Responsibility Report, Statement and Note on GHG Emissions, p. 76-84 2019 CDP Climate Change Report, Targets and performance, p. 17-22
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2020 Corporate Responsibility Report, CEO letter, p. 4-5 2020 Corporate Responsibility Report, Planet section, p. 37-38 2020 Baker Hughes 10K, Environmental matters, p. 9-10 2020 Baker Hughes Annual Report – Shareholder’s Letter – Planet, People, Principles, p. 7-8 2019 CDP Climate Change Report, Targets and Performance, p. 17-22



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Independent Accountants' Review Report

The Board of Directors and Management
 Baker Hughes Company

We have reviewed the accompanying Statement and Notes on Greenhouse Gas Emissions (“GHG Statement”) for Baker Hughes Company (the “Company”) for the years ended December 31, 2019 and 2020 (collectively, “the Subject Matter”). Management of the Company is responsible for presenting the Subject Matter in accordance with the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard Revised Edition, the WRI/WBCSD Greenhouse Gas Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard, and the WRI/WBCSD Greenhouse Gas Protocol: Corporate Value Chain (Scope 3), Accounting and Reporting Standard as set forth in Note 1 (collectively, the “GHG Protocol”). Our responsibility is to express a conclusion on the Subject Matter based on our review.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Subject Matter in order for it to be in accordance with the criteria. A review is substantially less in scope than an examination, the objective of which is to obtain reasonable assurance about whether the 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. We believe that our review provides a reasonable basis for our conclusion.

As described in Note 1, environmental and energy use data are subject to measurement uncertainties resulting from limitations inherent in the nature and methods of 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.

Our review was limited to the Statement and Notes on Greenhouse Gas Emissions. Accordingly, we do not express an opinion or any other form of assurance other than on the Subject Matter.

Based on our review, we are not aware of any material modifications that should be made to the Statement and Notes on Greenhouse Gas Emissions for Baker Hughes Company for the years ended December 31, 2019 and 2020 in order for it to be in accordance with the GHG Protocol.

The Baker Hughes 2020 Corporate Responsibility Report includes information and metrics that were not subject to our review procedures. Accordingly, we did not review or conclude on the sufficiency, appropriateness of accuracy of the reporting apart from the Statement and Notes on Greenhouse Gas Emissions or express any other form of assurance other than on the preparation and presentation of the Subject Matter in accordance with the GHG Protocol.

KPMG LLP

Boston, Massachusetts
 June 24, 2021

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Statement and Notes on Greenhouse Gas Emissions

Greenhouse Gas Emissions Summary Table

(MT CO ₂ e)	2019	2020
Total Scope 1 Emissions	497,144	432,316
Total Scope 2 Indirect Emissions – Market Based	303,647	252,069
Total Scope 3 Emissions	2,515,189	2,349,274
Total Scope 1, 2, and 3 Emissions	3,315,980	3,033,659

Note 1 – Company

The Statement and Notes on Greenhouse Gas (GHG) Emissions has been prepared based on a calendar reporting year 2020, from January 1st, 2020 through December 31st, 2020, corresponding to the Baker Hughes Company (the Company) fiscal year. Since the Corporate Responsibility Report includes a new base year reset from 2012 to 2019, the Statement and Notes also include emissions data from a calendar reporting year 2019, from January 1st, 2019 through December 31st, 2019, corresponding to the Company’s fiscal year.

Scope 1

GHG emissions information has been prepared in accordance with 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 represents direct GHG emissions that occur from sources that are owned or controlled by Baker Hughes.

- **Scope 1, facilities:** Where fuel quantity is known, stationary combustion source methodology is used as described in the EPA Mandatory Reporting Rule, 40 CFR Part 98 Subpart C. Where fuel quantity is unknown, methodology is based on size of occupied space and type of operation using the U.S. Energy Information Administration (EIA) Commercial Buildings Energy Consumption Survey (CBECS) data. Facilities subleased to third parties are excluded.
- **Scope 1, field activities:** Where fuel quantity is known, stationary combustion source methodology as described in the EPA Mandatory Reporting Rule, 40 CFR Part 98 Subpart C. Where fuel quantity is unknown, fuel spend-based methodology is used based on purchase records.

- **Scope 1, vehicles and marine vessels:** Where fuel quantity is known, mobile combustion source methodology is used, as described in the EPA Center for Corporate Climate Leadership GHG Inventory Guidance on Direct Emissions from Mobile Combustion Sources. Where fuel quantity is unknown, methodology is based on similar vehicles with known fuel usage.

Scope 2

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

- **Scope 2, facilities:** Emissions are calculated from electricity use with EPA e-grid, Canada National Inventory, and International Energy Agency emission factors.

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) and renewable energy guarantees of origin (REGOs).

Where electricity use data is unavailable, methodology involves calculation of energy use based on square footage and facility type using the U.S. Energy Information Administration (EIA)- Commercial Buildings Energy Consumption Survey (CBECS) data.

- **Scope 2, remote work:** Emissions based on electricity use were assessed in a Baker Hughes specific Home Office Pilot study. The study assessed the specific electricity use and calculated the corresponding emissions using IEA Emission Factors. During 2020, the unprecedented challenges associated with COVID-19 pandemic resulted in remote work requirements for about 90% of our office-based employees. Therefore, emissions associated with remote work are included in Scope 2 as a counterbalance to reduced emissions resulting from fewer office-based employees working onsite at our facilities in 2020. Please refer to the section titled “Measuring home emissions” on page 39.

Scope 3

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

- **Category 2** – average spend-based method.
- **Category 4** – distance-based method
- **Category 5** – waste-type-specific method
- **Category 6** – distance-based methodology including optional hotel nights
- **Category 7** – average-data method
- **Category 11** – direct use-phase from products that directly consume energy during lifetime use of product and GHG released during lifetime use of product

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 Greenhouse gas 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 this document for Scope 1, 2 and 3 emissions categories.

Note 2 – GHG reporting

Organizational boundaries

The Company has selected the control approach and operational control as the organizational boundary. We include emissions from operations across our wholly-owned companies and subsidiaries over which we have operational control, and exclude non-operated, minority owned joint ventures. Our consolidation approach is also operational.

Operational boundaries

Scope 1-2 Operational boundaries: We include Scope 1 emissions from the combustion of fuels onsite at our facilities, including natural gas, distillate, gasoline, kerosene, propane, and residual fuel oil. 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 and pressure pumping operations. Scope 2 includes emissions from the purchase of renewable and non-renewable electricity used onsite across our global facility portfolio. Baker Hughes accounts for emissions from long-term leased assets (equipment, vehicles and real estate) that are treated as wholly-owned assets in financial accounting and are recorded as such on the balance sheet. Emissions associated with remote work are also included in Scope 2. For both Scope 1 and 2, the Company includes both owned and leased facilities, vehicles, and equipment.

Scope 3 operational boundaries: Scope 3 includes GHG Protocol Category 2 – capital goods; Category 4 – international shipments from select Baker Hughes transportation management systems; Category 5 – all waste from operations; Category 6 – business travel including hotel, rail, air, rental car, and employee use of personal car for business; Category 7 – employee commuting; Category 11 – direct-use phase emissions from select products of Digital Solutions and Turbomachinery and Process Solutions.

Base year

The GHG base year applies to Scope 1 and Scope 2 emissions and has been prepared in accordance with the GHG reporting policies set out herein. The Company has established 2019 as the new base year. We have restated our emissions base year to 2019 to account for changes in methodology, emissions related to field activities, and recent divestitures in accordance with the WRI/WBCSD Greenhouse Gas Protocol base year recalculation methodology for structural changes using a fixed base year approach. Adjustments to the 2019 base year were made for a) divestitures of four business units, b) incorporation of field activities for pressure pumping; and c) changes in calculation methodology for vehicle emissions.

In accordance with the GHG Protocol, Baker Hughes has established a base year emissions recalculation policy with a 5% cumulative Scope 1 and Scope 2 significance threshold applied to any significant change including improvements in accuracy of emissions factors or activity data, errors, inventory boundary, methods or any other relevant factors. This 5% threshold also applies to the restatement of combined Scope 1 and 2 emissions for any reporting year.

The company does not use residual mix factors in the calculation for market based emissions for the European Union or any other region. We are evaluating this methodology for future reporting.

Greenhouse gases covered

Emissions data is provided in metric tonnes (MT) for each GHG separately. The GHG emissions disclosed in the Report include the following seven greenhouse gases: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), nitrogen trifluoride (NF₃), and sulphur hexafluoride (SF₆). The total metric tonnes of carbon dioxide equivalent (CO₂e) is also provided in accordance with the GHG Protocol.

GHG Emissions Factors

	EMISSIONS SCOPE	EMISSIONS SOURCE	EMISSIONS FACTORS
Scope 1	Vehicles	Distillate fuel, gasoline/petrol	United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020.
			United States – Environmental Protection Agency (EPA), Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2016 EPA 430-R-18-003, Annex 3.2
	Field activities (Pressure pumping, integrated well services, and marine vessels)	Distillate fuel	United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020. United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 5), March 26, 2020.
	Facilities	Natural gas, distillate fuel, gasoline/petrol, kerosene, LPG, propane, residual fuel oil	United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 1), March 26, 2020.
Scope 2	Facilities	Electricity	United States – Environmental Protection Agency (EPA) eGRID 2018, March 9/2020 2019 Canada National Inventory Report 1990–2017, Annex 13-2 through 13-14, April 2019 International Energy Agency (IEA) – IEA 2017 released 2019
	Remote work	Electricity	International Energy Agency (IEA) – IEA 2017 released 2019
Scope 3	Category 2	Capital goods emissions	GHG Protocol Quantis Scope 3 Evaluator tool
	Category 4	Upstream transportation and distribution	DEFRA 2020. UK Government GHG Conversion Factors for Company Reporting 2020, v 1. Freight Goods Table
			DEFRA 2019. UK Government GHG Conversion Factors for Company Reporting 2019, v 1. Freight Goods Table
	Category 5	Waste generated in operations	DEFRA 2020. UK Government GHG Conversion Factors for Company Reporting 2020, v 1. Waste Disposal Table
	Category 6	Business Travel	United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 2), March 26, 2020.
			United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 10), March 26, 2020.
			UK Government – DEFRA GHG Conversion Factors for Company Reporting (hotel stay), 2020.
UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel- air), 2018.			
UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel- air), 2019.			
UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel- land), 2018.			
UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel- land), 2019.			
UK Government – DEFRA GHG Conversion Factors for Company Reporting (Business travel- land), 2020.			
India GHG Program 2015. v 1			
International Panel on Climate Change (IPCC) Fifth Assessment Report for CO ₂ (AR5 – 100 year)			
Category 7	Employee commuting	United States – Environmental Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories (Table 10), March 26, 2020.	
Category 11	Use of sold products	SimaPro 8.4 2017 Global electricity consumption impact factor, IPCC GWP 100-year	

Market-based approach

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

Global warming potentials

GHG emissions were calculated using the Global Warming Potentials (GWP) from the International Panel on Climate Change (IPCC) Fourth Assessment Report for CO₂ (AR4 – 100 year).

Note 3 – CO₂e intensity (2019 and 2020)

Market based: MT CO ₂ e per \$ revenue		
	2019	2020
Scope 1 per \$ revenue	0.0000209	0.000021
Scope 2 per \$ revenue	0.0000127	0.000012
Scope 3 per \$ revenue	0.0001055	0.000113
Total per \$ revenue	0.0001391	0.000147
Total revenue (millions USD\$)	23,838	20,705

Note 4 – Emissions data by greenhouse gas types (2019 and 2020)

GHG emissions by type									
		CO ₂	CH ₄	N ₂ O	HFCS*	PFCS	NF ₃	SF ₆	TOTAL (CO ₂ E)
2020	Scope 1	421,623	268	2,442	7,982	0	0	0	432,316
	Scope 2 Location-Based Approach	314,527	419	1,003	N/A	N/A	N/A	N/A	315,950
	Scope 2 Market-Based Approach	250,970	306	793	N/A	N/A	N/A	N/A	252,069
2019	Scope 1	494,230	315	2,204	395	0	0	0	497,144
	Scope 2 Location-Based Approach	343,333	467	1,094	N/A	N/A	N/A	N/A	344,894
	Scope 2 Market-Based Approach	302,297	393	957	N/A	N/A	N/A	N/A	303,647

*Note: only HFC-134a

Note 5 – Emissions data on direct CO₂ emissions from biologically sequestered carbon

There are no emissions applicable to biologically sequestered carbon (e.g., CO₂ from burning biomass or biofuels), reported separately from the scopes.

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.

Note 7 – Scope 3 reporting

Scope 3 reporting (Metric Tons CO ₂ e)			2019	2020	NOTES
Upstream scope 3 emissions	Category 1	Purchased Goods and Services	Data not available	Data not available	This is excluded as data is not yet available. We piloted an emissions response survey in 2020 and will launch to top spend direct material suppliers in 2021.
	Category 2	Capital Goods	302,240	247,129	This includes capital goods (primarily plant, property and equipment) from the company fixed asset register.
	Category 3	Fuel- and Energy-Related Activities (not included in Scope 1 or 2)	Not relevant	Not relevant	We do not have activities within Category 3.
	Category 4	Upstream Transportation and Distribution	245,829	162,445	This includes a subset of international goods movements (freight) from each product company. The data set is limited in scope due to data complexity and will expand in future years.
	Category 5	Waste Generated in Operations	Data not available	204,061	The waste generated in operations is considered across our facilities portfolio. Emissions are accounted for (non) hazardous, recycling, and e-waste streams.
	Category 6	Business Travel	88,421	25,376	This includes air, rail, hotel, rental cars from preferred suppliers, and employee use of personal car for business travel. Taxis and ride share services are not considered in the 2019 or 2020 data set but may be considered in the future.
	Category 7	Employee Commuting	153,871	108,887	This includes an estimation of all employees using US-based average data. We aim to improve the granularity of this reporting in the future with employee surveys.
	Category 8	Leased Assets	Not relevant	Not relevant	Emissions are considered in Scope 1 and 2 for the operation of leased assets.
Downstream scope 3 emissions	Category 9	Transportation and Distribution	Excluded category	Excluded category	This category is not included as Baker Hughes does not currently have data available to assess transportation of products sold when not controlling or paying for the transportation or distribution.
	Category 10	Processing of Sold Products	Not relevant	Not relevant	This category is not applicable
	Category 11	Use of Sold Products	1,724,648	1,601,376	This includes a subset of direct use-phase emissions as we aim to expand this in future years. Optional indirect use-phase emissions are not considered for 2019 or 2020.
	Category 12	End-of-Life Treatment of Sold Products	Excluded category	Excluded category	This is excluded and will be considered in future reporting. This information is controlled primarily by our customers
	Category 13	Leased Assets	Excluded category	Excluded category	This is excluded as we do not distinguish between products sold to customers and those leased to customers for emissions accounting.
	Category 14	Franchises	Not relevant	Not relevant	This category is not applicable to the Baker Hughes business.
	Category 15	Investments	Not relevant	Not relevant	This category is not applicable to the Baker Hughes business.
Total scope 3 emissions:			2,515,189	2,349,274	

Note 8 – Scope 3 additional disclosures

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

Description of scope 3 methodologies and data used		
	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS
Upstream scope 3 emissions		
Category 2 Capital goods	<p>Activity data (primary data) monetary purchasing volume, represented as acquisition value, for capital goods acquired in 2019 and 2020 from Baker Hughes' business data management systems.</p> <p>Emissions factors (secondary data) cradle-to-gate emission factors for capital goods were obtained from the Quantis WRI Scope 3 Tool</p>	<p>Emissions associated with capital goods were estimated by assigning sub-segments to broad sector of purchase.</p> <p>Emissions calculated by Quantis tool</p>
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	<p>Activity data (primary data) Details from the company's transportation management system including the origin and destination of the shipment, the mode of transport, and weight for international movements.</p> <p>Emissions factors (secondary data) The emission factors are from DEFRA Conversion Factors for Company Reporting, Freighting Goods table for each mode of transport. The 2020 logistics movements use the 2020 factors and the 2019 movements use the 2019 factors."</p>	<p>The calculation uses the distance-weight based methodology. Air movements are distinguished by short haul (distance < 3700km) and long haul (distance > 3700km).</p> <p>Emissions = (emission factor) x (distance of movement x weight of shipment)</p>
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>Activity data (primary data) The quantities of hazardous, non-hazardous, recycled, and e-waste generated during operations were obtained from Baker Hughes' HSE data management system and from waste management suppliers. The data also includes the treatment methods recycling, landfill, incineration with and without energy recovery and others.</p> <p>Emissions factors (secondary data) The emission factors are from the DEFRA 2020 Conversion Factors, Waste Disposal table.</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.</p> <p>Emissions = (emission factor by waste type and disposal method) x (amount of waste by type and disposal method)</p>
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		9%

Description of scope 3 methodologies and data used

	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS
Upstream scope 3 emissions		
Category 6 Business travel	<p>Activity data (primary data) Distance per mode of transportation travelled and number of hotel nights stayed by Baker Hughes employees in the reporting year 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>Emissions factors (secondary data) Emission factors for rental cars are from EPA by car class and Global Warming Potential (GWP) values as reported within the Intergovernmental Panel on Climate Change’s (IPCC) Fifth Assessment Report</p> <p>(secondary data) Emission factors for hotel are from DEFRA GHG Conversion Factors for Company Reporting – “Hotel stay”, 2020. Where data is not available by country, an average emission factor is applied.</p> <p>(secondary data) Emission factors for air are from DEFRA’s GHG Conversion Factors considering flight types (short haul, medium-haul international, long-haul international) and cabin class using 2019 for 2020 Reporting Year and 2018 for 2019 Reporting Year</p> <p>(secondary data) Emission factors for rail are from DEFRA’s GHG Conversion Factors considering national and international rail using 2019 for 2020 Reporting Year and 2018 for 2019 Reporting Year</p> <p>(secondary data) Emission factors for personal cars used for business travel are from country-specific sources. US – EPA Emission Factors Hub 2020; India – India GHG Program 2015; UK & all other countries – DEFRA 2020 Conversion Factors.</p>	<p>Distance-based methodology including hotel nights is used for the emissions calculation. Emissions are calculated using the below formulae and then aggregated.</p> <p>Hotel emissions = (# nights by country) x (emission factor, country)</p> <p>Emissions mode of transportation = (distance traveled) x (emission factor)</p>
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		87%

Description of scope 3 methodologies and data used		
	DESCRIPTION OF THE TYPES AND SOURCES OF DATA USED TO CALCULATE EMISSIONS	DESCRIPTION OF THE METHODOLOGIES, ALLOCATION METHODS, AND ASSUMPTIONS USED TO CALCULATE EMISSIONS
Upstream scope 3 emissions		
Category 7 Employee commuting	<p>Activity data (primary data) Employee count from human capital management system</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 & Performance (https://www.fhwa.dot.gov/policy/2010cpr/execsum.cfm)</p> <p>Emissions factors (secondary data) Emissions factors from EPA GHG Emissions Factors Hub 2020 – Table 10 Scope 3 Category 6 and 7.</p>	<p>Considered employees commute to work 240 days per year. Estimated employees’ commuting behavior during COVID-19 pandemic based on expert judgement considering the employee profiles eligible to work from home from Q2’ – Q4’2020 for reporting year 2020.</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 = (distance traveled) x (emission factor)</p>
Description of the data quality of reported emissions		Fair
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%
Downstream scope 3 emissions		
Category 11 Use of sold products	<p>Activity data (Primary data) Sales data for all products within the Category 11 boundary.</p> <p>(Primary data) The service factor used in the calculation of emissions for TPS is the average service factor by industry segment from Baker Hughes data from 2010 – 2020.</p> <p>Emissions factors (Secondary data) Emission factors for Digital Solutions (DS) are from SimaPro Ecolnvent database and consider global electricity consumption impact factor with IPCC GWP 100-year.</p> <p>(Secondary data) Turbomachinery and Process Solutions references. References for GWP factors:</p> <ul style="list-style-type: none"> • Methane: Intergovernmental Panel on Climate Change’s (IPCC) Fourth Assessment Report, 2013. • Ethane/Propane/Butane: Atmos. Sci. Lett. 2018;19:e804 	<p>Direct use-phase emissions are considered for select products. Energy consumption, gas leakage, product utilization, and estimated lifetime of products is based on product expert knowledge and technical calculations.</p> <p>Emissions, DS = (# of units sold) x (energy consumption rate) x (lifetime in years) x (impact factor electricity, global)</p> <p>Emissions, TPS = (# of units sold) x (venting per unit rate) x (service factor) x (lifetime in years)</p>
Description of the data quality of reported emissions		Good
Percentage of emissions calculated using data obtained from suppliers or other value chain partners		0%

About this report

Unless otherwise specifically stated, this report covers Baker Hughes's performance in 2020. This report, which speaks only as of its date, is not comprehensive, and for that reason, this report should be read in conjunction with our 2020 Annual Report on Form 10-K and our 2021 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 non-audited estimates, 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 or subject to future revision. This report uses certain terms including those that GRI or others refer to as "material" to reflect the issues or priorities of Baker Hughes and its stakeholders. Used in this context, however, these terms are distinct from, and should not be confused with, the terms "material" and "materiality" as defined by or construed in accordance with securities, or other, laws or as used in the context of financial statements and reporting.

Statements of future events or conditions in this report, including those that concern future circumstances and results and other statements that are not historical facts and are sometimes identified by the words "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue," "target" or other similar words or expressions, are forward-looking statements. Forward-looking statements are based upon current plans, estimates and expectations that are subject to risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. The inclusion of such statements should not be regarded as a representation that such plans, estimates or expectations will be achieved. Important factors that could cause actual results to differ materially from such plans, estimates or expectations include, among others: changes in demand for oil and natural gas, as well as integrated products and services; expenditure reductions; changes in economic, political, and business conditions; changes in laws, regulations, other requirements or the enforcement or interpretation thereof including those related to oil and gas exploration and production, natural resources and fossil fuels management and climate-related initiatives; technological developments of, and substantial investments in, alternative energy; success of our CCUS and other initiatives; inability to reduce environmental impact; involvement in litigation; inability to satisfy service, equipment and power purchase agreements; inability to obtain, maintain, protect or enforce our intellectual property rights; remedial or non-compliance actions; the financial and operating conditions of our supply chain; defects in risk management; losses from, or the inability to identify and mitigate, risks inherent in operating in the global energy industry; high cost or unavailability of infrastructure, materials, equipment, supplies and/or personnel; potential disruption of operations due to war, accidents, weather and seasonal factors, political events, civil unrest, cybersecurity, geopolitical, or terrorism threats, pandemics, economic downturns or other causes beyond our control; and the risk factors in the "Risk Factors" section of our 2020 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>.