

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Baker Hughes is an energy technology company operating in more than 120 countries, with 68,000 employees and \$23.8B in revenue in 2019. Throughout the year, the focus on the energy transition increased significantly, and it is clear that the threat of climate change and the resulting pressure on capital markets will continue to influence the trajectory of our industry. Looking forward, it is not just the energy industry that is changing. The convergence of technology and data analytics is transforming the way the world works—from how we communicate and interact, to how we power societies and develop and deliver products and services. These changes are happening faster than ever. The rate of change requires a fundamentally new approach to the industry. The demand for energy globally is growing, and oil and gas will remain critical to the global energy mix for the long term. However, the onus is on us in the industry to make it cleaner, more productive, and more profitable, in a world of competing energy sources and changing societal demands. We believe those who can adapt and use change to their advantage will increasingly separate themselves from those who will be left behind. According to Lorenzo Simonelli, Chairman and Chief Executive Officer, “at Baker Hughes, we are committed to playing a leading role in the future of energy. We believe that a cleaner environment is better for business and better for the world. In 2019, we made it a core component of who we are, how we work, and how we approach the future.”

Over the next few decades, we believe demand growth for energy will continue. While renewables will grow as a share of the overall energy supply, we do not believe renewable sources will be able to fully and reliably meet the global energy demand given currently available technology and its small footprint today. We believe natural gas will play an increasingly important role as the key transition fuel, or perhaps even a destination fuel, growing at more than twice the pace of oil over the next 10 years. We also believe that LNG demand growth will be even higher at an annual rate of four to five percent. As we execute on our operational, financial, and strategic goals, we are also mindful of the ever-changing macro backdrop as the threat of climate change and the advancement of technology continues to transform our industry. At Baker Hughes, we believe that the energy industry has an important role to play in addressing the world’s greatest challenges. We are committed to playing a leading role in the future through close collaboration with leading global companies, organizations, and governments to progress shared goals for people and the planet. That is why our strategy is focused on enhancing our competitiveness today, while evolving our portfolio to continue to lead in the future. It requires focus and innovation in three key areas: transforming our core through leading product companies, leading with technology, and enabling the energy transition. Our strategy is enabled by our purpose and values and underpinned by our sustainability framework. We are firmly committed to operating responsibly and with accountability to serve the best interests of our stakeholders and enhance long-term economic value of the Company.

Please note this disclosure includes Baker Hughes operations for calendar /fiscal year 2019 for Scope 1, Scope 2, and Scope 3 emissions across four product companies: Oilfield Services, Turbomachinery & Process Solutions, Oilfield Equipment and Digital Solutions. Business activities producing carbon dioxide equivalent emissions include manufacturing, assembly and maintenance, and administrative activities at our facilities across the globe, transportation including company vehicle fleet, marine vessels, business travel and shipping, among others. More details about these categories are included in the Comments section for each Scope. We report for company operations under our financial control and which are consolidated in our financial statements. This excludes minority owned joint ventures and operating facilities subleased to third parties.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2019	December 31 2019	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Albania
- Algeria
- Angola
- Argentina
- Australia
- Azerbaijan
- Bahrain
- Belgium
- Bolivia (Plurinational State of)
- Brazil
- Brunei Darussalam
- Cameroon
- Canada
- Chad
- China

Colombia
Denmark
Ecuador
Egypt
Equatorial Guinea
Finland
France
Gabon
Germany
Ghana
Guatemala
Guyana
Hungary
India
Indonesia
Iraq
Ireland
Israel
Italy
Japan
Jordan
Kazakhstan
Kenya
Kuwait
Lebanon
Libya
Lithuania
Luxembourg
Malaysia
Mexico
Mozambique
Myanmar
Netherlands
New Zealand
Nigeria
Norway
Oman
Pakistan
Papua New Guinea
Peru
Philippines
Poland
Portugal
Qatar
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Senegal
Singapore
Slovakia
South Africa
Spain
Sweden
Switzerland
Taiwan, Greater China
Thailand
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Uganda
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Uzbekistan
Venezuela (Bolivarian Republic of)
Viet Nam
Yemen

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Board-level committee	The Governance and Corporate Responsibility Committee (formerly the Governance and Nominating Committee) is formally responsible for sustainability, including the risks associated with climate change. A copy of the Governance and Corporate Responsibility Committee charter may be viewed at the following link: https://investors.bakerhughes.com/corporate-governance/documents-charters See especially items 9, 10, 11, 15 and 16 in this charter related to corporate social responsibility, risks, public debate, HSE compliance, sustainability, review of company operations and related activities. In 2019, this Committee confirmed our overall sustainability approach (People, Planet and Principles) and decided on our energy transition strategy as a company.
Chief Executive Officer (CEO)	Our Board Chairman and Chief Executive Officer led the way with our company's decision to make a bold, public commitment in January 2019 to reduce carbon dioxide equivalent emissions to net zero by 2050. We also announced our interim goal of a 50% reduction in carbon emissions by 2030 and our commitment to partner with customers to advance low emissions technologies. Our Chairman has oversight of climate related topics and determines the company's strategy for the energy transition.
Other C-Suite Officer	The Chief Health, Safety, Environment, Security and Quality Governance Officer reports directly to the Chairman and Chief Executive Officer. This Officer provides periodic updates to the Governance and Corporate Responsibility Committee and to the entire Board of Directors on Health Safety, Environment, Security and Quality challenges, risks, milestones & metrics, strategies and highlights of success on a variety of topics, including carbon emissions, climate change and sustainability. In 2019, this Officer confirmed and endorsed the actions we would take to reduce our direct carbon footprint related to Scope 1 and Scope 2 emissions across the organization. Looking forward into 2020, this Officer also leads the executive steering group for Environment, Social and Governance which is inclusive of Scope 3 emissions.
Other C-Suite Officer	The Chief Investment Officer, Strategy and Business Development (formerly the Chief Marketing and Technology Officer): The Chief Investment Officer, Strategy and Business Development reports directly to the Chairman and Chief Executive Officer and provides periodic updates to the entire Board of Directors. This officer is responsible for corporate strategy development and execution, as well as leading all new business development opportunities that align to corporate strategy, including energy transition strategy, corporate emissions reduction, and low to zero carbon emissions solutions for customers. This includes investment decisions related to the corporation's net zero emissions goal for scope 1 and 2, as well as ongoing work related to scope 3 emissions.
Other, please specify	The Vice President- Energy Transition, Strategy and Business Development report directly to the Chief Investment Officer and to the ESG Executive Sponsor Group, comprised of six officers that report directly to the Chairman and Chief Executive Officer. This Executive leads the corporate ESG steering committee, inclusive of the corporate emissions reduction performance. This executive is responsible for the corporate emissions reduction strategy as well as the broader ESG strategy, providing thought leadership for low to zero-carbon solutions for customers, establishing policy and stakeholder engagement programs on energy transition related topics and projects, and coordinating emissions quantification projects/programs throughout the company. This includes decisions about how to manage and enhance life-cycle analysis of products/product lines, cradle to grave emissions work, and macro level corporate emissions reporting.
Other, please specify	The Global Leader, Environment and Sustainability reports directly to the Chief HSE, Security and Quality Governance Officer and is responsible for quantification of the company's carbon emissions and the identification and implementation of reduction pathways for Scope 1 and 2 emissions comprising the company's direct carbon footprint. In 2019, this leader decided on, and obtained Steering Committee endorsement of the near term carbon reduction pathways and directed the implementation of key energy efficiency strategies including our portfolio approach for energy efficient lighting and HVAC equipment, renewable energy procurement and facility optimization.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Our annual reports describe our strategy which is focused on enhancing our competitiveness as an energy technology company and transforming our portfolio to include low to zero carbon emission solution for customers. It requires focus and innovation in three key areas: transforming our core through leading product companies, leading with technology, and enabling the energy transition. Our strategy is enabled by our purpose and values and is underpinned by our sustainability framework. We are firmly committed to operating responsibly and with accountability to serve the best interests of our stakeholders and enhance long-term economic value of the company. Because lowering the carbon footprint for Baker Hughes and delivering lower carbon solutions to our customers is embedded in our strategy, it flows through our policies, capital allocation plans and performance objectives. The strategic blueprint priorities outlined in our 2020 Proxy Statement make up 30% of the short-term bonus payout for our executives. These strategic blueprint priorities include HSE metrics as well as metrics related to our strategy. See proxy statement (page 40) at: https://investors.bakerhughes.com/financial-information/annual-reports

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify (Chief Health, Safety, Environment, Security and Quality Governance Officer)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other C-Suite Officer, please specify (The Chief Investment Officer, Strategy and Business Development (formerly the Chief Marketing and Technology Officer))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Vice President – Energy Transition (formerly Energy Transition Executive).)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Other, please specify (Global Leader, Environment & Sustainability (Vice President))	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Quarterly
Risk committee	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Annually

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chief Health, Safety, Environment, Security and Quality Governance Officer (Chief HSESQ Officer) reports directly to the Chairman of the Board and CEO. This Officer is responsible for company strategy, HSE compliance assurance and performance improvements for HSE, security and quality governance and related focus areas, including carbon emissions, climate change and sustainability. The Global Leader, Environment & Sustainability, monitors and reports the status of our energy and greenhouse gas reduction efforts and goals to HSE, Security and Quality Governance Leadership Team for review and action. At least quarterly, progress is reported to the CEO and Board of Directors. This Officer also leads the Environment, Social and Governance (ESG) Executive Sponsors Group that provides oversight of all corporate ESG work, inclusive of the emissions quantification and strategic emission reduction priorities.

The Chief Investment Officer, Strategy and Business Development reports directly to the Chairman of the Board and CEO. This officer is responsible for corporate strategy development, execution, capital allocation and business development opportunities that align to corporate strategy, including energy transition strategy, corporate emissions reduction, and low to zero carbon solutions for customers. The Chief Investment Office will approve corporate and product company strategy with 5 year and 10 year outlook horizons, provide oversight and metrics on strategy implementation and guide evaluation of the company portfolio.

The Vice President- Energy Transition, Strategy and Business Development reports directly to the Chief Investment Officer and to the ESG Executive Sponsor Group. This Executive leads the corporate ESG Steering Committee and our Energy Transition Team, inclusive of the corporate emissions reduction performance and strategy, thought leadership for low to zero-carbon solutions for customers, policy and stakeholder engagement on energy transition related topics and projects, and coordination of emissions quantification projects/programs throughout the company. This includes life cycle analysis of products/product lines, cradle to grave emissions work, and macro level corporate emissions. The executive also oversees activities that support our commitments as a signatory to the Methane Guiding Principles and the UN Global Compact along with our efforts that align with the UN Sustainable Development Goals.

Our Energy Transition Team, led by the Vice President- Energy Transition, Strategy and Business Development, evaluates opportunities for reducing carbon within the company's operations and across the entire oil and gas supply chain. The cross functional team includes senior executives and subject matter experts within marketing, strategy and business development, technology, environment, government affairs, community and industry relations. The group collaborates to reduce the carbon footprint of our company and our customers through products and services designed to reduce or avoid carbon emissions.

The Global Leader, Environment and Sustainability reports to the Chief HSE, Security and Quality Governance Officer, and is responsible for engaging with stakeholders through industry groups such as the IOGP Environment Committee and IPIECA's Climate Change Working Group. Responsibilities also include driving results across operations in environmental areas that include our carbon reduction pathways inclusive of facility operational improvements, the increased use of renewable energy through utility contracts and onsite solar and planning for future energy efficiency improvements in other areas such as transportation. Annual performance results for company energy efficiency and emission reduction goals are compiled in the company's Corporate Responsibility Report (ESG), which is available to external stakeholders including investors, customers and the public.

An Enterprise Risk Management Committee was managed through Enterprise Security group in 2019 and transitioned back to the legal function in early 2020. This function has been enhanced by our Chief Legal Officer with a new charter and objectives to improve the company's enterprise risk management (ERM) & resilience capabilities through risk response planning, risk exposure analysis and ongoing monitoring of risks aligned to our business' strategic performance objectives. Enhancements include the appointment of a Global Enterprise Risk Management executive. The ERM process is designed to be a collaborative effort including functional area experts and leaders from across our global operations and four product companies. Risks related to climate change have been formally identified in the company's 10K filings and include transition risks and physical risks. At an enterprise level, business risks are evaluated at least annually with the Board of Directors and as important matters arise.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Other C-Suite Officer	Monetary reward	Emissions reduction target Energy reduction target	The Chief Health, Safety, Environment, Security and Quality Governance Officer has priorities/goals or focus areas related to (1) energy and carbon emissions reductions commitment and targets, (2) meeting environmental goals and sustainability objectives, and (3) external reporting and communication including disclosures to customers, investors, and other stakeholders.
Other C-Suite Officer	Monetary reward	Emissions reduction target Energy reduction target	The Chief Investment Officer, Strategy and Business Development has priorities/goals or focus areas related to (1) development of low to no- carbon solutions for customers, (2) carbon emissions reductions commitment and targets,(3) policy development through external engagement in trade organizations and (4) oversight of corporate ESG performance.
Other, please specify	Monetary reward	Emissions reduction target Energy reduction target Other (please specify)	The Vice President- Energy Transition, Strategy and Business Development had 2019 priorities linked to incentive compensation which included: Overarching goal to develop and operationalize the company's energy transition strategy, 2) quantify emissions impact of low carbon solutions including life cycle analysis, 3) further develop strategic plan to deploy carbon capture, use, and storage technologies, 4) additional priorities related to the use of hydrogen and renewables.
Environment/Sustainability manager	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Behavior change related indicator	The Global Leader, Environment and Sustainability (Vice President) has individual goals related to (1) carbon emissions reductions commitment and targets, (2) energy efficiency and conservation strategies, projects, and progress, (3) meeting environmental goals and sustainability objectives including driving behaviors such as employee engagement across the company in actions such as energy treasure hunts that support our carbon reduction commitment, and (4) external reporting and communication including disclosures to customers, investors, and sustainability surveys including CDP and others.
Other, please specify	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Behavior change related indicator	Various personnel throughout the organization have HSE goals and focus areas as part of priorities, linked to their Incentive Compensation Plan. These priorities may include environmental focus areas including our carbon reduction commitment, energy efficiency projects and energy reporting requirements, depending on their specific area of responsibility.
All employees	Monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Behavior change related indicator	The Chairman's HSE Excellence Award is the most prestigious and coveted HSE recognition. This award recognizes teams of 20 or more employees for HSE excellence over a three-year period, and the criteria includes actions to advance HSE Performance in key areas such as culture, sharing lessons and carbon reduction. Teams provide details of their energy efficiency efforts and can include metrics related to reduced energy use and GHG emissions. For 2019, 5 teams were selected from 58 nominees. Each winning team receives a \$10,000 grand prize, which can be used per recognition program guidelines. Many winners use the grand prize to make donations to local charities and/or educational programs within their communities. For example, the Italy Operations and AMO team advanced our carbon reduction commitment with 5 energy efficiency improvement projects including automatic shutdown of equipment linked to employee badge system. The MENATI Services team initiated a new "FSE Job Package" developed to engage Field Service Engineers and promote an interdependent culture, our values, HSE 5 Fundamentals and our carbon reduction commitment.
All employees	Non-monetary reward	Emissions reduction project Emissions reduction target Energy reduction project Energy reduction target Behavior change related indicator	The President's HSE Recognition Awards are the most significant and impressive award bestowed by our product company leaders. This award recognizes teams of 50 or more employees that achieve exceptional performance in the prior year, and the criteria includes actions to advance HSE Performance in key areas such as culture, sharing lessons and carbon reduction. Teams provide details of their energy efficiency efforts and can include metrics related to reduced energy use and GHG emissions. For 2019, 11 teams were recognized from 95 nominees. For example, the Digital Solutions Changzhou Plant team organized more than 20 HSE engagement activities to enhance the HSE culture and performance. This included: 1) Encouraging employees to raise ideas regarding energy saving and waste reduction. 2) Organizing a monthly energy inspection throughout the site. 3) Achieving total cost savings of \$45K from 20 energy efficiency projects. The Oilfield Services Kuwait DS AMO team adapted conventional lights with motion sensors to improve energy efficiency. The Oilfield Equipment and Oilfield Services Jandakot team installed all LED lighting. The TPS team in MODON/Dammam Saudi Arabia completed energy treasure hunt, implemented actions to achieve energy savings and set a baseline for measurement and tracking. In addition, teams that have taken action to reduce energy use and emissions through specific energy efficiency projects, product / service design enhancements or through behavioral changes are recognized on a routine basis through various internal systems (i.e., newsletters, performance reports, yammer, etc.) to all employees. Top performing teams are often recognized by senior executives and managers during leadership visits and informal meetings.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	We have established a broad range of pathways to achieve our short-term energy efficiency and GHG reduction goals. These include the following broad categories: Facility Operational Improvements: identifying opportunities through energy treasure hunts, energy audits and implementing energy efficiency projects; Facility Construction, Renovation and Retrofits: Using sustainable building standards and energy efficient equipment as well as real estate portfolio consolidation; Transportation: optimizing scheduling and logistics, minimizing vehicle idling, and evaluating fleet conversion to low emission models, reducing employee commuting through remote work options; Renewable Energy Sourcing: increasing the use of renewables in utility contracts and installing onsite power generation (e.g., solar); Tool and Equipment Design: using life-cycle analysis to quantify emissions from our products and services and reduce energy use. In the near term, we also expect to have new energy solutions within our product portfolio and leverage new technologies. A key component of the short-term strategy is to continue to raise employee awareness and engagement on our bold low carbon commitment and how they can contribute to success. We do this through a variety of communications including podcasts, videos, weekly publications and various meeting forums, which includes sharing best practices and success stories.
Medium-term	5	10	Baker Hughes' medium-term strategy is to fully integrate energy efficiency and climate change mitigation measures into all aspects of our business planning and risk management process. This entails implementing systematic approaches to carbon emissions reductions for our direct operations as well as the development and redesign of products and services. This will enable us to meet our mid-term target of 50% reduction in carbon emissions by 2030. We aim to integrate energy efficiency into all our major new projects and to promote energy efficiency within our operations to maximize return on investment and reduce our environmental impacts. For our direct operations, this is largely based on energy efficiency projects at our locations to reduce resource use and emissions as well as new construction projects based on sustainable building standards. By retrofitting older locations to meet new sustainability standards, as well as new construction designed to be more eco-friendly throughout its life cycle, energy and emission savings are realized both short and long term. a. We continue to implement our Energy Management Standard (an operational control procedure in our HSE management system) in our manufacturing and large-scale operational facilities. This procedure aligns with the ISO 50001 standard for identifying significant energy sources and implementing measures to effectively reduce energy use. b. We expect to expand our energy efficiency measures across our portfolio to ensure energy efficiency measures are in place broadly and consistently across our operations. c. We expect renewables to comprise a larger percentage of our energy use over time and have targeted specific geographic areas of operation where renewables are available or expanding.
Long-term	10	30	Ultimately, our long-term strategy is to maintain our top-tier status with regard to climate change performance. Specifically, we have set a target to achieve net-zero Scope 1 and 2 carbon equivalent emissions by 2050, which is aligned with the 1.5-degree recommendations of the United Nations Intergovernmental Panel on Climate Change. We are also working to help our customers reduce their carbon footprints through our products and services. Efforts to reduce energy use and increase our percentage of renewable and alternative forms of energy provide cost savings through decreased utility expenses and maintaining compliance with climate change regulations. In addition, we are realizing new business opportunities through our efficiency-enhancing oilfield equipment and services, methane emissions monitoring technology, technologies to contribute to carbon capture and storage, and geothermal drilling, among other alternative energy and digital solutions for industrial sector customers. These position Baker Hughes as the partner of choice when customers are making decisions based on criteria and policies set forth in the Paris and Kyoto agreements.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

Substantive financial or strategic impacts include any that may have a positive or adverse material effect on our business, financial condition, results of operations and cash flows, ability to raise capital or finance debt. Such impacts could affect our ability to provide new technologies, accelerate the obsolescence of any of our products or services, alter our capacity to provide reliable products and services that perform as expected and that create value for our customers, maintain market share, protect our reputation and attract and retain talent. Such impacts could affect one or more business units, alter the strategic direction for the company and affect our ability to succeed.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

An Enterprise Risk Management process covers the identification of risks including climate related risks. This covers current company business operations and forecasts looking to the future. The objective of the risk assessment process is to improve the company's enterprise risk management (ERM) & resilience capabilities through risk response planning, risk exposure analysis and ongoing monitoring of risks aligned to our business' strategic performance objectives. The ERM process is designed to be a collaborative effort including functional area experts and leaders from across our global operations and four product companies. Risks related to climate change have been formally identified in the company's 10K filings and include transition risks and physical risks. At an enterprise level, business risks are evaluated at least annually with the Board of Directors and as important matters arise.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	An example is our monitoring of the implementation of the Paris Accord, whose provisions impact signatory countries through their respective nationally determined contributions (NDCs) of emissions reductions. These NDCs will in turn impact our customers' operations within each signatory country, and therefore Baker Hughes' business.
Emerging regulation	Relevant, always included	An example is our ongoing monitoring of potential carbon taxation and current and proposed carbon trading schemes in various jurisdictions around the world.
Technology	Relevant, always included	Baker Hughes provides energy technology solutions that help energy companies develop energy safely and more efficiently while reducing the carbon footprint of their operations. Our technologies span the entire hydrocarbon life-cycle -- upstream, midstream and downstream -- from exploration through refining. Additionally, within our operations, we continually strive to lower our own carbon footprint by improving the energy efficiency within our facilities and equipment and minimizing waste in our manufacturing processes. Further example is our ongoing monitoring of the prevalence of electric vehicles, which in turn impacts petroleum demand and, therefore, the demand for Baker Hughes' products and services.
Legal	Relevant, always included	An example is our ongoing monitoring of litigation against oil and gas companies alleging that such companies are directly or indirectly responsible for the climate-related effects of the extraction, processing, and use of petroleum.
Market	Relevant, always included	Baker Hughes provides energy technology solutions that help energy companies develop energy safely and more efficiently while reducing the carbon footprint of their operations. We expect markets for energy efficiency technologies to continue to expand, and examples of the company efforts in these markets include the development of hydrogen turbines, technologies related to carbon capture and storage (CCS), methane leak detection systems and others.
Reputation	Relevant, always included	One example is our ongoing monitoring of social license to operate around the world. We recognize reputational risks and this informs our overall sustainability approach and commitment to transparency.
Acute physical	Relevant, always included	One example is our incorporation of the risks of extreme weather events in decisions of where to locate key company assets such as data centers. This also includes the development of contingency plans and crisis management strategies.
Chronic physical	Relevant, always included	One example is our incorporation of the risks of rising sea levels when deciding where to locate a new company facilities, relative to the current coastline.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Carbon pricing mechanisms
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Compliance with environmental and climate change regulations of our or our customers' operations may adversely affect our business and operating results. International, national, and state governments and agencies currently have greenhouse gas reporting requirements that we comply with, which for 2019 included the European Union's Emission Trading System and the United Kingdom's Energy Savings Opportunity Scheme (ESOS) . Caps or fees on carbon emissions have been established and the cost of such caps or fees could disproportionately affect the fossil-fuel energy sector. We comply with the requirements of the European Union's Emission Trading System, Article 8 of the European Union Energy Efficiency Directive and the United Kingdom's Energy Savings Opportunity Scheme (ESOS) which includes the purchase of carbon credits or incurring costs for audits and other requirements. (Reference 2019 10K filing, page 14)

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1800000

Potential financial impact figure – maximum (currency)

3500000

Explanation of financial impact figure

This impact is quantified financially based on 2019 figures for the purchase of carbon credits under the UK Carbon Reduction Commitment, the cost of managing the UK Energy Savings Opportunity Scheme (ESOS) as well as the cost of carbon credits in the European Union, primarily for TPS operations in Italy. Also included is the cost of managing requirements for the European Union Energy Efficiency Directive, Article 8 and associated energy audits. The personnel and system costs for managing data reporting requirements is also included.

Cost of response to risk

1800000

Description of response and explanation of cost calculation

Baker Hughes maintains compliance with existing regulations and reports emissions for permitted facilities required to report. In the UK, we have been obligated to report under the Carbon Reduction Commitment (CRC). This requires that we report our energy and carbon footprint to the authorities, retain auditable records, pay for CO2 emissions through the purchase of carbon allowances, implement energy reduction schemes, benchmark our performance against other businesses and submit figures annually for the assessment of allowances for the following year. The final carbon credits purchased under the CRC commitment were for the period ending March 2019. The UK requirements later changed to the Energy Savings Opportunity Scheme (ESOS) and most recently the Streamlined Energy and Carbon Reporting (SECR) for which we will report in 2021. The European Union Energy Efficiency Directive, Article 8 establishes a baseline threshold and frequency for countries in the EU to follow. In 2018, Baker Hughes prepared a strategy and cost projections to meet the auditing requirement set forth in Article 8 which includes establishing a list of countries that are in scope and determining locations that meet country specific requirements for energy audits. A total of 38 energy audits were completed in 2019 to meet the requirements of this European Union Energy Directive. We have purchased carbon credits for the Italy TPS operations for many years, in line with European Union requirements. We also follow proposed and potential greenhouse gas (GHG) emission reporting requirements, carbon trading schemes, carbon taxes and related topics in other countries including Canada, Australia and Brazil, among others. Baker Hughes reports enterprise-wide GHG emissions in accordance with an internal reporting policy and plan. We utilize a third party to validate the calculation and reporting procedure.

Comment

In 2018 Baker Hughes invested \$1.7MM in a comprehensive HSE software suite, which includes an emissions management program called EcoInventory. The annual cost for staff time to manage the emissions reporting and verification is approximately \$150,000 to \$250,000.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Enhanced emissions-reporting obligations
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

International, national, and state governments and agencies continue to evaluate and promulgate legislation and regulations that are focused on restricting emissions commonly referred to as greenhouse gas (GHG) emissions. In the United States, the U.S. Environmental Protection Agency (EPA) has taken steps to regulate GHG emissions as air pollutants under the U.S. Clean Air Act of 1970, as amended. The EPA's Greenhouse Gas Reporting Rule requires monitoring and reporting of GHG emissions from, among others, certain mobile and stationary GHG emission sources in the oil and natural gas industry, which in turn may include data from certain of our wellsite equipment and operations. In addition, the U.S. government has proposed rules in the past setting GHG emission standards for, or otherwise aimed at reducing GHG emissions from, the oil and natural gas industry. Caps or fees on carbon emissions, including in the United States, have been and may continue to be established and the cost of such caps or fees could disproportionately affect the fossil-fuel energy sector. We are unable to predict whether and when the proposed changes in laws or regulations ultimately will occur or what they ultimately will require, and accordingly, we are unable to assess the potential financial or operational impact they may have on our business. Other developments focused on restricting GHG emissions include the United Nations Framework Convention on Climate Change, which includes the Paris Agreement and the Kyoto Protocol; the European Union Emission Trading System; Article 8 of the European Union Energy Efficiency Directive and the United Kingdom's Energy Savings Opportunity Scheme (ESOS); and, in the United States, the Regional Greenhouse Gas Initiative, the Western Climate Action Initiative, and various state programs implementing the California Global Warming Solutions Act of 2006 (known as Assembly Bill 32). (Reference 2019 10K filing, page 15)

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

250000

Potential financial impact figure – maximum (currency)

5000000

Explanation of financial impact figure

An estimate is provided with the low range based on our current costs for monitoring and managing potential and proposed changes in regulations related to climate change. The maximum potential financial impact over the short term are only our forecasts regarding these matters. These forecasts may be substantially different from actual results, which may be affected by factors such as changes in law that impose restrictions on air emissions or land use practices and more stringent enforcement of existing environmental laws and regulations. The financial impact cannot be quantified over the near and long term given the wide range of possible outcomes and uncertain magnitude of impact of each.

Cost of response to risk

250000

Description of response and explanation of cost calculation

Baker Hughes has various groups responsible for monitoring potential and proposed changes in regulations globally that could potentially impact our operations, including those related to climate change. This includes personnel in Government Affairs, the Energy Transition Team, Environment and Sustainability, HSE and others. In addition, we actively participate in various industry forums in which we monitor regulatory changes and may advocate for prudent and appropriate requirements as well as plan for the management of those new regulations. These forums include the International Oil and Gas Producer's Association (IOGP- Environment Committee), IPIECA's Climate Change Working Group, the American Petroleum Institute (API) and others. The quantification includes costs for company personnel as well as a portion of the annual membership fees for these industry groups.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Please select

Risk type & Primary climate-related risk driver

Market	Changing customer behavior
--------	----------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Requirements and voluntary initiatives to reduce greenhouse gas emissions, as well as increased climate change awareness, are likely to result in increased costs for the oil and gas industry to curb greenhouse gas emissions and could have an adverse impact on demand for oil and natural gas. International, national, and state governments, agencies and bodies continue to evaluate and promulgate regulations and voluntary initiatives that are focused on restricting GHG emissions. These requirements and initiatives are likely to become more stringent over time and to result in increased costs for the oil and gas industry to curb GHG emissions. In addition, these developments, and public perception relating to climate change, may curtail production and demand for hydrocarbons such as oil and natural gas by shifting demand towards and investment in relatively lower carbon energy sources such as wind, solar and alternative energy solutions. The renewable energy industry is developing enhanced technologies and becoming more competitive with fossil-fuel energy. If renewable energy becomes more competitive than fossil-fuel energy, particularly during periods of higher oil and natural gas prices, it could have a material effect on our results of operations. (Reference 2019 10K filing, page 18)

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Impact not quantified financially given wide range of possible outcomes and uncertain magnitude of impact of each

Cost of response to risk

687000000

Description of response and explanation of cost calculation

2019 total company R& D spend was \$687 million dollars as indicated in our Baker Hughes Annual Report (reference: page 9) Costs to develop and market less emissive products and services are dispersed across various groups within Baker Hughes (e.g. research and development, product management, strategy and marketing) and are not broken out separately.

Comment

Baker Hughes continues to develop innovative solutions that help reduce our oil and gas customers' carbon footprints by avoiding or abating emissions, thereby helping to improve the relative carbon footprint of oil and gas compared to non-oil and gas energy sources. We anticipate that our customers will diversify their businesses by investing in non-oil and gas businesses such as renewables or other low- to no-carbon alternative energy solutions. We continue to advance our companies commitment to low or zero carbon emissions by expanding our portfolio of energy technology products and services beyond traditional oilfield services.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
----------------	--

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The potential for climate related changes may pose future risks to our operations and those of our customers. These changes can include extreme variability in weather patterns such as increased frequency of severe weather, natural hazards, rising mean temperature and sea levels, and long-term changes in precipitation patterns (e.g. drought or poor water quality). Such changes have the potential to affect business continuity and operating results, particularly at facilities in coastal areas or areas prone to chronic water scarcity. Managing these risks provides continuity for our direct operations, and also our supply chain. These such events are monitored through our Crisis Management Team on a 24/7 basis when weather related events are approaching and during such events. To further reduce the risks associated with extreme weather conditions, the location of new facilities relative to the current coastline is incorporated into the risk management process. For example, our Energy Innovation Center is located in Oklahoma City, OK and our main data centers were relocated away from coastal areas. (Reference 2019 10K filing, page 15)

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Impact not quantified financially given wide range of possible outcomes and uncertain magnitude of impact of each.

Cost of response to risk

0

Description of response and explanation of cost calculation

The cost of this is difficult to quantify, as it can result in a shift of locations and consolidation of facilities in the Baker Hughes portfolio. This can invoke both cost and savings in the near, mid and long term. At this time, the cost of management is not material and is not incremental to existing real estate portfolio management for the business.

Comment

Facilities will be reviewed against predicted climate trends on a decadal scale to evaluate the risks associated with the physio geographical location.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Legal	Exposure to litigation
-------	------------------------

Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Litigation in connection with, environmental and climate change regulations may adversely affect our business and operating results. (Reference 2019 10K filing, page 14) Public perception of the oil and gas industry is evolving and may result in litigation related to greenhouse gas emissions and climate change.

Time horizon

Short-term

Likelihood

Unknown

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Impact not quantified financially given wide range of possible outcomes and uncertain likelihood and magnitude of impact of each.

Cost of response to risk

0

Description of response and explanation of cost calculation

Several groups within Baker Hughes monitor environmental rulings and litigation on an ongoing basis. Management discusses their potential and actual impact on our and our customers' businesses and develops strategies to mitigate these risks. The cost of management is not material and is not incremental to existing legal expenditures for the business.

Comment**Identifier**

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Carbon pricing mechanisms
---------------------	---------------------------

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

On 22 July 2020, the European Commission (the Commission) published a consultation on a carbon border adjustment mechanism (CBAM) that is open until 28 October 2020. According to the Commission, the CBAM would aim to ensure equivalent carbon costs between imports and goods produced in the European Union (EU). The consultation follows on from the Commission's Green Deal, which proposes a framework of legislation that the EU could use to achieve its goal of net-zero greenhouse gas (GHG) emissions by 2050. The Commission consulted on a list of sectors in which carbon leakage is high, for instance the production of aluminum, iron and steel. The consultation suggests the CBAM could take one of the following forms: • Extending the EU Emissions Trading System (ETS) to imports, and obliging foreign companies to buy carbon permits at the border; • Creating a separate pool of EU ETS permits for foreign producers; • Establishing a border tax on imports, to be levied on selected carbon intensive products produced in sectors at risk of carbon leakage; • Creating a carbon tax (VAT or excise duty) at the consumption level on products produced in sectors at risk of carbon leakage (this would apply to EU production, as well as to imports). Depending on the final form of the CBAM regulation, an additional carbon price could be levied on certain Baker Hughes products manufactured in in countries deemed to be lacking equivalent carbon pricing schemes. Depending on the elasticity of demand for Baker Hughes products, the company could experience decreased revenues due to reduced demand for products and services.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Please select

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Given the uncertainty around the details of this potential regulation – regulatory structure, timing, coverage, carbon price, calculating a product's carbon footprint, market response, etc., Baker Hughes is not able to estimate the potential financial impact of a CBAM at this time.

Cost of response to risk

0

Description of response and explanation of cost calculation

At this time, there is no incremental cost to monitoring these developments as our overall monitoring of emerging regulation is outlined in risk 2 above. Given the uncertainty around the details of this potential regulation – regulatory structure, timing, coverage, carbon price, calculating a product's carbon footprint, market response, etc., Baker Hughes is not able to estimate the future cost of response to risk associated with a CBAM at this time.

Comment

Baker Hughes will continue to monitor development of the EU CBAM and will manage the associated risks as details of the policy begin to emerge.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development and/or expansion of low emission goods and services

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Baker Hughes continues to develop innovative solutions that help reduce our oil and gas customers' carbon footprints by detecting and measuring methane emissions, developing high efficiency products that consume less energy and produce lower emissions, quantifying and verifying carbon emissions for customers, and offering services for adjacent industries in the renewable and alternative energy space. For example, Bentley Nevada condition monitoring equipment is deployed on more than 30,000 wind and hydroelectric turbines around the world. Low carbon products and services are an important part of the Baker Hughes product portfolio today.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

We view the financial opportunity as potentially significant over the mid to long term as oil and gas operators and industrial customers continue to seek methods to decarbonize their operations. We are assessing the market potential for a variety of products, services and use cases, but have not published a quantitative financial forecast.

Cost to realize opportunity

687000000

Strategy to realize opportunity and explanation of cost calculation

We are investing to develop a variety of new solutions to complement our existing portfolio of low to zero carbon and alternative energy solutions. To demonstrate the ability of our solutions to reduce our customers' carbon footprints, we have quantified their emissions avoidance impact from a customer use standpoint. For certain solutions, we are conducting comparative life cycle emissions assessments to certify carbon footprint reductions per ISO 14067 standards. Finally, we are using life cycle assessments to identify and prioritize further efforts to reduce carbon footprint in the design of both existing and new products and services, making them even more carbon competitive. Examples of our solutions include Lumen Sky and Terrain, which is a suite of ground and drone-based methane monitoring solutions to help detect, reduce and prevent fugitive emissions. LUMEN solutions detect a leak, quantifies the rate and identifies the location by streaming real-time data, so operators can take immediate action. The LM9000 gas turbine delivers a 50 percent longer maintenance interval, 20 percent more power and 40 percent lower NOx emissions, resulting in 20 percent lower cost of ownership for liquefied natural gas (LNG) customers.

Comment

Total company Research and Development spend was \$687 million dollars as indicated in our Baker Hughes 2019 Annual Report. Costs to develop and market less emissive products and services are dispersed across various groups within Baker Hughes (e.g. research and development, product management, strategy and marketing) and are not broken out separately.

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced direct costs

Company-specific description

The opportunity to reduce our carbon footprint as well as reduce or energy costs, drove the installation of energy efficient equipment and the use of sustainable building standards. Examples of energy-efficiency projects include lighting retrofits and upgraded heating and air conditioning equipment.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

970000

Potential financial impact figure – maximum (currency)

3000000

Explanation of financial impact figure

These projects provide a cost saving from electricity usage and may have federal and/or state/provincial incentives. The minimum financial impact value is the estimated annual cost savings from projects implemented in 2019 from LED and HVAC projects. We expect that we can triple those savings by applying centralized management for the future, and this is the basis for the maximum value. In mid 2019, we established a master service agreement with a large vendor to provide these retrofits in a portfolio approach going forward. This is available in North America, Europe and other areas and is a service model requiring no upfront capital expenditures. Instead, the vendor is paid from the energy savings achieved through the project over a set duration and is cash flow neutral or positive. In regions and countries where this business model is not available, projects require a more traditional capital investment upfront.

Cost to realize opportunity

759000

Strategy to realize opportunity and explanation of cost calculation

Baker Hughes continues to invest in efficiency aspects of new buildings and modifications. Costs for lighting retrofits, HVAC upgrades, and building automation systems range between \$3500 to \$1 million.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

Baker Hughes entered into an agreement with Walpole Solar Farm, LLC, for the development of a 4.75 MW renewable solar energy project on a brownfield property. This has been an ideal reuse program, benefiting Baker Hughes, Walpole Solar Farm, New England Electric and the local community of Walpole.

Time horizon

Long-term

Likelihood

Virtually certain

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

2000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Revenue of more than \$2 million dollars will be generated for the solar lease at Walpole over the 20 year term.

Cost to realize opportunity

300000

Strategy to realize opportunity and explanation of cost calculation

Baker Hughes partnered with Soltage, a renewable energy provider, in recent years to develop a solar farm on a brownfield site as part of our commitment to create sustainable energy development and our goal of reducing greenhouse gases. Construction of the Walpole Solar Project is on 25 acres at a former industrial manufacturing plant owned by Baker Hughes. The solar panels are constructed within an un-forested area of the footprint of the former manufacturing building. The surrounding ecosystem was not disturbed including the valuable tree species (i.e., the Atlantic White Cedar, home for protected species of moth).

Comment

Identifier

Opp4

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Other, please specify (Increased investment in Baker Hughes because of Environment, Social and Governance Performance)

Primary potential financial impact

Other, please specify (Increase in stock price)

Company-specific description

Increasing focus on environment, social and governance (ESG) performance has led us to make improvements that have the dual benefit of improving our efficiency and reducing risk. As part of our company's ESG reporting process we conducted a materiality assessment and identified the most material ESG topics for our industry and company. We have enhanced our commitment to comprehensive reporting of metrics aligned with Global Reporting Initiative (GRI) as well as benchmarking our performance to leaders across all industry sectors. This helped to guide our investment in environmental stewardship and particularly climate mitigation and greenhouse gas emissions reduction and is reflected both in our ESG reporting and the priorities of our philanthropic giving and community outreach programs. Increasing attention paid to climate change, and our activities to mitigate risk through energy efficiency and a reduction in greenhouse gas emissions, have provided us the opportunity to demonstrate that we are a good corporate citizen.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Unknown

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Demonstrating our environmental and social responsibility efforts through investor ranking surveys brings Baker Hughes to the attention of potential investment organizations and has the potential to increase the demand for Baker Hughes stock. For example, passive investment occurs in firms that are listed on the sustainability rankings such as MSCI, Sustainalytics and RobecoSAM. The benefits of strong ESG performance are indirect and difficult to quantify. Nonetheless, we are committed to improving our performance.

Cost to realize opportunity

275000

Strategy to realize opportunity and explanation of cost calculation

Our Baker Hughes strategy involves a focus on transparency and alignment with recognized sustainability reporting standards such as the Global Reporting Initiative. Key components of our strategy include the following: a) Baker Hughes participates in a number of investor surveys and is keen to share our efforts with investors, customers and employees. b) Publication of performance, policies and related information on our environment, social, and governance programs on an external website (www.bakerhughes.com/planet), which contains specific information on climate and energy c) We also publish our annual Corporate Responsibility report (www.bakerhughes.com/corporate-responsibility) as another means to provide current details on our success and challenges. This comprehensive strategy enables us to reach out to many of our key stakeholders and aligns with our commitment to be transparent in our operations. The cost to realize this opportunity was estimated from specific costs of the company materiality assessment, the 2019 Corporate Responsibility report and website development project, and personnel time spent researching, compiling and auditing the report.

Comment

Our corporate social responsibility efforts include community programs focused on promoting a clean environment, educational opportunities and health and safety for everyone. Baker Hughes contributed financial and in-kind resources of \$25.6 million USD in 2019 and employees volunteered 29,573 hours with community organizations. Employee contributions to qualified non-profits are matched 100% up to \$5,000 USD per year by The Baker Hughes Foundation. Some of our signature non-profit partners include The Nature Conservancy, with projects supporting climate change mitigation, the FIRST Global Challenge and UNICEF's Children Uprooted program.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization’s strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.1b

(C3.1b) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify (Company Specific Climate Scenario Analyses – FE 2040 Advancing Transition and Constrained Transition)	Company Specific Climate Scenario Analyses – FE 2040 Advancing Transition and Constrained Transition Over many years, Baker Hughes has evaluated climate-related scenario analyses developed by IEA and considered this information in short and long- term business strategies. The company participated in numerous meetings, workshops and conferences, interviewed approximately 25 experts in specific aspects of energy continuum and analyzed over 20 energy transition scenarios developed by third parties such as the U.S. Energy Information Agency (EIA), International Energy Agency (IEA), World Economic Forum, IHS, McKinsey, Paris Climate Change Group, International Renewable Energy Agency (IRENA) and others. In December 2019 company experts developed Baker Hughes’ Future of Energy 2040 (FE2040) – two detailed and specific climate-related scenario analyses intended to represent Baker Hughes house view intended as a framework for long term strategy development and planning. The Advancing Transition and Constrained Transition are two cases that capture the evolving mix of 14 fuels across changing consumption patterns in 8 key sectors and 10 global regions from 2015 to 2040. Both cases are supported by a cohesive and granular data set. The fuels include: oil, gas, coal, nuclear, traditional biomass, biofuels, hydro, hydrogen, solar photovoltaic (PV), concentrated solar power (CSP), wind, geothermal, tide, and other. The consumption sectors are broken down as: power and heat generation, industry, commercial, residential, chemical and petrochemical, transportation, other, energy industry own use and losses. The key drivers that were considered in these two cases include: macroeconomics, technology, policy, cost and societal pressure. Baker Hughes FE2040 Advancing Transition case projects relatively swift global proliferation of renewables and electrification including fast electric vehicle adoption that results in oil demand peaking by 2025. Advancing Transition therefore assumes faster shift to lower carbon energy compared to IEA Stated Policies Scenario and can be associated with approximately 2 degree temperature increase. The FE2040 Constrained Transition follows an alternative set of assumptions whereas the existing trends that drive shift to more renewables and electricity get disrupted and slowed down, resulting in oil peak delayed to 2030, supporting a less than 2 degree temperature increase scenario. In both FE2040 Advancing Transition and Constrained Transition cases the temperature increase could be mitigated by broad and systemic deployment of carbon capture, utilization and storage (CCUS) projects.

C3.1d

(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our near-term product development planning has emphasized products and services that are more energy efficient, lighter weight and more reliable, to contribute to life-cycle emissions reduction in manufacturing and use.
Supply chain and/or value chain	Yes	We evaluate the impact of our products and services across the value chain and have begun conducting life-cycle assessments to inform the design and manufacture of our products. We are adopting technologies such as additive manufacturing that have the potential to dramatically change our logistics networks.
Investment in R&D	Yes	Emphasis on decarbonization by the industry and our customers has informed our strategy to focus long-term research and development on decarbonized energy technology such as carbon capture, utilization and storage; hydrogen turbines; and energy storage; among others.
Operations	Yes	Our remote operations, monitoring and testing capabilities allow us to move data instead of people, and to deliver HSE, efficiency and reliability gains for our customers.

C3.1e

(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Assets	Capital has been allocated for expenditures related to products and services that are more energy efficient, lighter weight and more reliable, to contribute to life-cycle emissions reduction. This includes financial planning for organic growth in these areas, including assets needed for manufacturing and production of products providing lower or no carbon solutions. Our strategic financial planning also includes acquisitions and partnerships for related technology areas, such as artificial intelligence and its use in the energy sector. Planning for indirect costs include those related to procuring renewable energy.

C3.1f

(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2012

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

961000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

480500

Covered emissions in reporting year (metric tons CO2e)

663181

% of target achieved [auto-calculated]

61.9810613943808

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

2030 50% Reduction - This goal is in alignment with the Paris Accord and demonstrates Baker Hughes' commitment to do our part to mitigate climate changes per the 1.5 degree scenario. We have achieved a 31% reduction in carbon emissions since 2012, which is 62% of our goal to reach a 50% reduction by 2030. 2012 Base Year disclosure: Base year emissions were re-assessed for fleet, fuel oil and the addition of marine vessel activities to Scope 1. This assessment indicated a difference of less than 2%, so no restatement is required. The company has established a threshold of 5% for base year restatement. The company will perform an assessment of base year emissions on an annual basis and will evaluate the need for restatement or resetting a base year, as appropriate and in accordance with the World Resources Institute/WBCSD - GHG accounting and reporting protocol.

Target reference number

Abs 2

Year target was set

2012

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

961000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2050

Targeted reduction from base year (%)

100

Covered emissions in target year (metric tons CO2e) [auto-calculated]

0

Covered emissions in reporting year (metric tons CO2e)

663181

% of target achieved [auto-calculated]

30.9905306971904

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Please explain (including target coverage)

2050 Net Zero - This goal is in alignment with the Paris Accord and demonstrates Baker Hughes' commitment to do our part to mitigate climate changes per the 1.5 degree scenario. We have achieved a 31% reduction as compared to our base year emissions. 2012 Base Year disclosure: Base year emissions were re-assessed for fleet, fuel oil and the addition of marine vessel activities to Scope 1. This assessment indicated a difference of less than 2%, so no restatement is required. The company has established a threshold of 5% for base year restatement. The company will perform an assessment of base year emissions on an annual basis and will evaluate the need for restatement or resetting a base year, as appropriate and in accordance with the World Resources Institute/WBCSD - GHG accounting and reporting protocol.

Target reference number

Abs 3

Year target was set

2016

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2012

Covered emissions in base year (metric tons CO2e)

961000

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2020

Targeted reduction from base year (%)

17

Covered emissions in target year (metric tons CO2e) [auto-calculated]

797630

Covered emissions in reporting year (metric tons CO2e)

663181

% of target achieved [auto-calculated]

182.297239395238

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but this target has not been approved as science-based by the Science-Based Targets initiative

Please explain (including target coverage)

Science- Based - A mid-range science-based target has been calculated utilizing the carbon target and profit calculator identified in "The 3% Solution: Driving Profits Through Carbon Reductions". Based on this calculation, our average annual percentage emissions reduction is 2.1% with a total % reduction of 17% by 2020. We have calculated this science-based target for informational purposes to align our short-range goals to "The 3% Solution: Driving Profits Through Carbon Reductions". However, as a company we have decided on a bolder commitment that exceeds the science-based target. This bold commitment is to reduce carbon emissions 50% by 2030 compared to our 2012 baseline year and achieve net zero carbon emissions by 2050.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	8	4670
To be implemented*	8	3371
Implementation commenced*	9	4239
Implemented*	471	119915
Not to be implemented	12	2695

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Real Estate Portfolio Consolidation for enhanced energy efficiency)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

40457

Scope(s)

Scope 1

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

5964928

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

21-30 years

Comment

Consolidation from two or more smaller sites into one larger, often multi-modal campus is an important initiative for the company to realize enhanced energy efficiency and real estate cost savings. The savings shown are solely from reduced energy use as calculated from the reduction in square footage from consolidation projects and our average global energy cost. The cost savings related to negotiation of reduced lease payments, other utilities such as waste or water, facility management and other general real estate costs are not included. The investment to implement this opportunity is considered to be zero, because there is no incremental personnel cost for these activities within our existing real estate function. In addition, there is an overall net savings realized from this effort even though upfront costs may be required for specific sites to suit our business needs.

Initiative category & Initiative type

Low-carbon energy consumption	Wind
-------------------------------	------

Estimated annual CO2e savings (metric tonnes CO2e)

74227

Scope(s)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

1162000

Investment required (unit currency – as specified in C0.4)

548000

Payback period

<1 year

Estimated lifetime of the initiative

6-10 years

Comment

In 2019, Baker Hughes announced a significant new advancement supporting its commitment to achieve net-zero carbon equivalent emissions by 2050 by entering into an agreement to purchase 100 percent of its Texas electricity from renewable sources. The agreement, signed in November of 2019, was designed to eliminate a significant amount of the company's global carbon equivalent emissions over the 10-year term of the agreement for our largest global region for energy consumption. Designed in collaboration with Energy Edge Consulting and EDF Energy, the agreement combines renewable energy from the Texas-based White Mesa Wind project, owned and developed by Apex Clean Energy and the Talitha solar project, owned and developed by 7X Energy. The combination of wind and solar assets creates an energy production profile that aligns with Baker Hughes' electricity use patterns around the clock and is more beneficial than purchasing all of the company's Texas energy needs from a single renewable asset. This project builds on prior efforts which include We employ wind power at our sites in the United Kingdom; hydroelectric power in Celle, Germany; and on-site solar power at sites in Billerica, Massachusetts; Minden, Nevada; and Vibo, Italy among others.

Initiative category & Initiative type

Energy efficiency in buildings	Lighting
--------------------------------	----------

Estimated annual CO2e savings (metric tonnes CO2e)

2459

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

399094

Investment required (unit currency – as specified in C0.4)

645999

Payback period

1-3 years

Estimated lifetime of the initiative

11-15 years

Comment

Baker Hughes has a long history of implementing energy efficiency projects over the last decade, and LED lighting retrofits are top among these because of the certainty of carbon emissions reduction and energy cost savings that they provide. In 2019, we established a master service agreement with a large vendor to provide these retrofits in a portfolio approach going forward. This is available in North America, Europe and other areas and is a service model requiring no upfront capital expenditures. Instead, the vendor is paid from the energy savings achieved through the project over a set duration and is cash flow neutral or positive. In regions and countries where this business model is not available, projects require a more traditional capital investment upfront.

Initiative category & Initiative type

Energy efficiency in buildings	Heating, Ventilation and Air Conditioning (HVAC)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

2773

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

570874

Investment required (unit currency – as specified in C0.4)

112733

Payback period

4-10 years

Estimated lifetime of the initiative

11-15 years

Comment

For Baker Hughes, replacement of Heating and Air Conditioning equipment to more energy efficient models is an important tactic to improve energy efficiency, decrease energy costs, and reduce maintenance expenditures and equipment downtime. In 2019, we established a master service agreement with a large vendor to provide these retrofits in a portfolio approach going forward. This is available in North America, Europe and other areas and is a service model requiring no upfront capital expenditures. Instead, the vendor is paid from the energy savings achieved through the project over a set duration and is cash flow neutral or positive. In regions and countries where this business model is not available, projects require a more traditional capital investment upfront.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Employee engagement	Conservation efforts and steps to mitigate greenhouse gas emissions and climate change align with our company purpose: to take energy forward—making it safer, cleaner, and more efficient for people and the planet. Our environmental commitments support the company’s business and sustainability objectives by conserving natural resources (environment) and reducing greenhouse gas emissions (environment and community). It also reduces operating cost (economic) and drives the corporate motivation for investing in energy-efficient equipment and alternative clean energy sources. To enhance employee engagement in 2019, we incorporated podcasts and videos in our four-part Energy Horizons series. These podcasts and videos give us a more impactful way to explain the “why” behind our commitment, from the perspective of key leaders and describe the overall value proposition for the company. Social media such as Yammer (internally) and LinkedIn (externally) help promote our emissions reduction commitment. Standing internal meetings, such as our monthly Leadership Forum, also integrate our low carbon strategy into routine business discussions that reach more than 10,000 leaders globally. We expect leaders to engage with their employees one-on-one or in small groups on at least a monthly basis to include conversations around HSE topics and challenges. With our weekend walkthrough process, leaders can incorporate energy conservation into their leader visits and engagements. The process involves a brief checklist to guide leaders, so they can easily identify emissions reductions and cost savings related to equipment, which is unnecessarily left on after hours, over the weekend, or between shifts. Our Carbon Reduction Toolkit ensures easy access to resources in a “one-stop” webpage. This page provides resources such as awareness presentations, energy treasure hunt materials, weekend walkthrough checklists, environmental moments, and other useful materials. Energy treasure hunts are designed to identify energy efficiency improvements which can then be submitted with a business case for capital investment decisions.
Compliance with regulatory requirements/standards	Baker Hughes locations that hold air emissions permits or are covered by carbon emissions related regulatory requirement e.g. European Union Energy Efficiency Directive, UK Energy Savings Opportunity Scheme (ESOS) must comply, and this may require investment in control equipment or enhanced reporting systems. In addition, compliance with engine emission standards and associated regulations may drive investment in more energy efficient equipment.
Internal finance mechanisms	Financial metrics are established for each business unit including a 50% operating cost reduction as outlined in our 50/50/50 business strategy effective for 2019. The reduction in energy consumption and costs is one established pathway to achieve the desired cost savings contributing to a healthy bottom line. An example is through prudent investment in projects such as onsite solar power generation.
Internal incentives/recognition programs	Annual company HSE awards program recognize facility teams that have demonstrated sustained and superior HSE performance including actions to support our carbon reduction commitment. Environmental improvement projects focused on energy conservation or energy efficiency are included in the application and scoring criteria. This encourages energy efficiency projects and related investment. Increasingly, teams are documenting environmental achievements including significant reductions in energy consumption and fuel usage in ways that are often innovative. Winning teams receive a trophy and also win \$10,000 to spend on a prize of their choice.
Other (Policies and Procedures)	Baker Hughes has established policies and internal company standards that guide investment in emissions-reduction technologies. These include the Baker Hughes Climate Policy, the Energy Management operational control procedure, and the Sustainable Building Standards. Refer to the Climate Policy here: https://www.bakerhughes.com/download-center
Other (External Financial Drivers)	External financial drivers. Tax incentives contribute significantly to our decision to invest in alternative energy sources such as a natural gas fuel cell project at our facility in Shafter, California. Other projects with potential tax incentives include solar installations, energy efficient lighting retrofits, combined heat and power technologies, commuter solutions (i.e. vanpools), and others.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Company-wide

Description of product/Group of products

A core pillar of Baker Hughes' energy transition strategy is to reduce our customers' carbon footprints through emissions-reducing products and services. In 2019 we commercially deployed a portfolio of low carbon solutions, and we will continue to develop new technology to help our customers meet their emissions reduction goals. Our low carbon products and services are organized into four categories: Methane monitoring and detection - Methane is one the greatest emissions reduction opportunities. Our technologies include methane detection and monitoring, flare optimization, and no-bleed valve technology to reduce process venting. Low to zero emissions solutions - We design products and services to operate with lower emissions, simpler logistics, and fuel flexibility. Some examples include the LM9000 gas turbine, the Integrated Compressor Line, and the Aptara Subsea System. We are enabling remote operations, monitoring and services to reduce footprint, HSE risk, and cost. Quantification and verification - We provide services and technology to help our customers measure and verify their emissions, conduct lifecycle assessments, and develop reduction plans through our Gaffney Cline carbon management practice and BHC3. Alternative energy services - We provide reliability services for the renewables and alternative energy industries. Our condition monitoring services are deployed on more than 30,000 wind turbines and hydroelectric dams around the world. We offer services for geothermal energy systems, and X-ray inspection of lithium ion batteries.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify (We are in the process of assessing the impact of our portfolio and have developed methodologies that follow the ISO standard 14067 (carbon footprint of products) to quantify emissions over the product life cycle.)

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

We do not have a method to quantify, audit and publicly disclose the % revenue from low carbon products within our product portfolio today. We are working to provide this detail in the future, as we view the financial opportunity as potentially significant over the mid- to long-term as oil and gas operators and other industrial sector companies continue to seek methods to decarbonize their operations. Our products and services in this area encompass both emissions that are avoided through the use of our products and services by our customers ("avoided emissions") as well as emissions embedded in the products themselves ("low-carbon product"). Both types of emissions reductions are valued by our customers who have made public carbon reduction commitments. The absolute and relative magnitudes of avoided and embedded emissions will vary by product. We have applied our own internal methodology and the ISO standard 14067 to quantify both types of emissions over the product life cycle. Life cycle assessment results in conformance with ISO 14067 will be certified by a third-party critical reviewer. Examples of quantified emissions reductions include: the LM9000 gas turbine delivers a 50 percent longer maintenance interval, 20 percent more power and 40 percent lower NOx emissions, resulting in 20 percent lower cost of ownership for LNG customers; the Integrated (offshore) Compressor Line operates with zero emissions; flare.iQ allows refineries and petrochemical plants to reduce flaring-related emissions by up to 12,100 metric tons of carbon dioxide equivalent per flare annually. If deployed globally, flare.iQ could reduce annual emissions by 190 million metric tons of CO2e. Our Lumen Sky and Terrain technologies comprise a suite of ground and drone-based methane monitoring solutions to help detect, reduce and prevent fugitive emissions. LUMEN solutions can detect a leak, quantify the leakage rate and identify the location by streaming real-time data, so operators can take immediate action.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2012

Base year end

December 31 2012

Base year emissions (metric tons CO2e)

516000

Comment

In 2019 Baker Hughes verified that the 2012 baseline year remains appropriate based on revenue, number of employees, real estate portfolio, and number of vehicles.

Scope 2 (location-based)

Base year start

January 1 2012

Base year end

December 31 2012

Base year emissions (metric tons CO2e)

445000

Comment

In 2019 Baker Hughes verified that the 2012 baseline year remains appropriate based on revenue, number of employees, real estate portfolio, and number of vehicles.

Scope 2 (market-based)

Base year start

January 1 2012

Base year end

December 31 2012

Base year emissions (metric tons CO2e)

445000

Comment

Market based and Location based emissions are identical for our 2012 baseline year. The 24 facilities in the UK covered under the internal Baker Hughes renewable energy initiative began in 2014.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

383104

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The company includes Scope 1 emissions from the combustion of natural gas at our global portfolio of more than 950 facilities, where natural gas is used for manufacturing operations and heating. Combustion of other fuels at our facilities including "off-road" diesel for generators and other equipment, heating oil, fuel oil, and propane for forklifts and other activities is included. The company excludes facilities associated with non-operated Joint Ventures where these financials are not consolidated into Baker Hughes financial statements, and locations subleased to third parties.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

The market based figure includes the purchase of renewably sourced electricity (wind power) for 25 facilities in the UK. We used a zero-emission factor since we received Renewable Energy Guarantees of Origin (REGO) for the electricity purchased in the UK for these facilities. Also included is hydroelectric power for our campus in Celle Germany and wind power for Texas facilities.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

322492

Scope 2, market-based (if applicable)

280077

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

The company includes Scope 2 emissions from purchased electricity at our global portfolio of more than 950 facilities, where purchased electricity is used for manufacturing operations, lighting, air conditioning, computing and electronics work, and for other purposes and work activities. The company excludes facilities associated with non-operated Joint Ventures where these financials are not consolidated into Baker Hughes financial statements, and locations subleased to third parties. Renewable electricity procured through utility providers is not included in market-based Scope 2 emissions, in accordance with GHG reporting protocols. For 2019, this included hydroelectric power for operations in Celle Germany, and wind power for operations in the United Kingdom and Texas. The electricity use associated with those renewables is included in Scope 2 location-based emissions figures. We continue to pursue additional opportunities to procure renewable energy sources. We also have several locations with onsite solar including two large sites in the United States and several locations in Italy. The emissions from onsite solar is considered to be zero. Specific details for our renewables are provided below. Baker Hughes has 25 locations in the United Kingdom that consumed 17,956 MWh of purchased renewable electricity and avoided 4,435 metric tonnes of CO2e emissions for the reporting year. An additional European location in Celle, Germany consumed 5,650 MWh of purchased renewable electricity and avoided 2,367 metric tonnes CO2e emissions for the reporting period. In the United States, our Texas locations consumed 77,403 MWh of purchased renewable electricity and avoided 35,613 metric tonnes of CO2e emissions. In total, Baker Hughes consumed 101,009 MWh of renewable electricity or 42,415 metric tonnes CO2e emissions avoided. The scope 2 market-based figure of 280,077 metric tonnes CO2e represents the total 42,415 metric tonnes of CO2e emissions avoided, subtracted from the scope 2 location-based figure of 322,492 metric tonnes of CO2e.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.

Source

Refrigerant Leakage

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Leakage of HFC refrigerants from Baker Hughes owned and operated air conditioning, refrigeration and chilling systems are excluded because this leakage is regulated in the US and other countries and the emissions are considered to be insignificant. The use of these types of gases for testing purposes had occurred in isolated instances at a few of our Turbomachinery manufacturing sites and was subject to stringent controls. Baker Hughes had a project over several years that leveraged the latest technology and we substituted a new refrigerant type with a vastly lower global warming potential.

Source

Remedial Operations

Relevance of Scope 1 emissions from this source

Emissions are not relevant

Relevance of location-based Scope 2 emissions from this source

Emissions are not relevant

Relevance of market-based Scope 2 emissions from this source (if applicable)

Emissions are not relevant

Explain why this source is excluded

Remedial operations operationally controlled by Baker Hughes are excluded because emissions are considered to be insignificant.

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

10925

Emissions calculation methodology

Hotel stays based on the sum of nights stayed (311,338) globally provided by a 3rd party travel company and multiplied by a country specific emission factor for CO2e per day resulting in 10,925 metric tonnes CO2e. Emissions were based on GHG Protocol for Scope 3 calculations, Category 1 for purchased goods and services.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

General Scope 3 Disclosure: Currently, our Scope 3 emissions include business travel including air, rail and hotel stays, rental cars, business use of personal cars, employee commuting, , and a limited subset of international and railroad shipping. We estimate that Scope 3 emissions are calculated for a subset of our value chain, believed to be less than 20% of the total possible emissions. CDP has reported that Scope 3 emissions are about 5 times the combined Scope 1 and 2 emissions. The primary challenges for us are our vast, complex supply chain, and with obtaining accurate, consistent data. We are working to expand our Scope 3 emissions data collection, compilation, calculation and reporting systems, and have already made significant advancements in 2020.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

This year we received no relevant data from our suppliers pertaining to their work with Baker Hughes. In most instances, we were informed that these companies calculate their emissions as a whole and to refer to their CDP submittal. In the past, we requested our top suppliers of metals and chemicals to provide us with their Scope 1 and Scope 2 emissions that pertain to their work with our company. Total metric tonnes provided were based on a very small percentage of suppliers who responded to our request for data and we have recognized that there are significant challenges in obtaining this data. The request for emissions from our top suppliers will be re-evaluated and we will strive to develop a plan to improve our view of the emissions in this category.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, not yet calculated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes will be establishing a process for collecting data and compiling emissions for the combustion of diesel in engines in field activities including international pressure pumping for future emissions reporting.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

168579

Emissions calculation methodology

Freight shipping emissions are based 3rd party data reported directly to Baker Hughes. This figure includes international shipments for the following Oilfield Service Company (OFS) product lines: artificial lift, completions and wellbore intervention, drill bits, drilling services, drilling and completion fluids, pressure pumping and wireline, among others. This covers 23.88% of the total OFS freight spend and includes airfreight as well as ocean going shipments. The increased emissions result from higher activities that corresponds with increased revenue and shipment volumes. The kilograms of freight increased 13.8% year on year, while carbon dioxide equivalent emissions increased only 4.4% from 161,488 metric tons in 2018 to 168,579 metric tons in 2019. This demonstrates a 9.4% efficiency improvement compared to the prior year.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

General Scope 3 Disclosure: Currently, our Scope 3 emissions include business travel including air, rail and hotel stays, rental cars, business use of personal cars, employee commuting, , and a limited subset of international and railroad shipping. We estimate that Scope 3 emissions are calculated for a subset of our value chain, believed to be less than 20% of the total possible emissions. CDP has reported that Scope 3 emissions are about 5 times the combined Scope 1 and 2 emissions. The primary challenges for us are our vast, complex supply chain, and with obtaining accurate, consistent data. We are working to expand our Scope 3 emissions data collection, compilation, calculation and reporting systems, and have already made significant advancements in 2020.

Waste generated in operations

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes no longer analyses nor calculates emissions from waste generated in operations because these emissions were deemed to be immaterial. We have evaluated these in the past using the EPA's Warm v(14) tool to estimate waste materials generated that would have been sent a landfill and not recycled. These materials are mostly plant trash, construction debris, mixed plastic, and other non-hazardous material that was neither recycled nor disposed of by a waste management specialist. This number was deemed to be immaterial (<1,000 metric tonnes CO₂e) to our overall emission footprint, however we will reassess all operations and manufacturing wastes in the future inclusive of electronic waste, rubber, scrap metal, batteries, etc.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

75634

Emissions calculation methodology

Travel mileage is tabulated for air travel, rail travel, rental car, and personal car for business use from internal and external sources. Data is reported in CO₂e and mileage. Where only mileage data is available, it has been converted to tonnes CO₂e using fuel efficiency and emission factors. Country specific emission factors are used where available.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

91

Please explain

Only personal car for business use does not rely on third-party data.

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

161158

Emissions calculation methodology

Emissions from employee commuting are based on an annual average of 68,000 employees and average commute distance (25.2 miles) and fuel efficiency (22.7 mpg) from the U.S. Federal Highway Administration.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

General Scope 3 Disclosure: Currently, our Scope 3 emissions include business travel including air, rail and hotel stays, rental cars, business use of personal cars, employee commuting, , and a limited subset of international and railroad shipping. We estimate that Scope 3 emissions are calculated for a subset of our value chain, believed to be less than 20% of the total possible emissions. CDP has reported that Scope 3 emissions are about 5 times the combined Scope 1 and 2 emissions. The primary challenges for us are our vast, complex supply chain, and with obtaining accurate, consistent data. We are working to expand our Scope 3 emissions data collection, compilation, calculation and reporting systems, and have already made significant advancements in 2020.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes does not own any upstream assets.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

330

Emissions calculation methodology

Rail shipping is currently the only type of downstream transportation and distribution for which Baker Hughes tracks emissions. Emissions from rail shipments are provided directly from a third-party.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

General Scope 3 Disclosure: Currently, our Scope 3 emissions include business travel including air, rail and hotel stays, rental cars, business use of personal cars, employee commuting, , and a limited subset of international and railroad shipping. We estimate that Scope 3 emissions are calculated for a subset of our value chain, believed to be less than 20% of the total possible emissions. CDP has reported that Scope 3 emissions are about 5 times the combined Scope 1 and 2 emissions. The primary challenges for us are our vast, complex supply chain, and with obtaining accurate, consistent data. We are working to expand our Scope 3 emissions data collection, compilation, calculation and reporting systems, and have already made significant advancements in 2020.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Materials from third parties represent less than 5% of products sold.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes is in the process of evaluating appropriate life cycle analysis to determine emissions from our products and services. We do believe that key product and service offerings can contribute to lower emissions for our customers. Therefore, we plan to evaluate these key products and services to quantify emissions and determine level of relevance in the future. This work began in 2018.

End of life treatment of sold products

Evaluation status

Relevant, not yet calculated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

The end of life treatment of our sold products will be evaluated in the future

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes does not operate any downstream leased assets.

Franchises

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes does not operate any franchises as defined in the GHG Scope 3 Accounting and Reporting Standard.

Investments

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Baker Hughes does not currently invest in the external supply chain.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other upstream categories have been identified as being relevant.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

No other downstream categories have been identified as being relevant. General Scope 3 Disclosure: Currently, our Scope 3 emissions include business travel including air, rail and hotel stays, rental cars, business use of personal cars, employee commuting, , and a limited subset of international and railroad shipping. We estimate that Scope 3 emissions are calculated for a subset of our value chain, believed to be less than 20% of the total possible emissions. CDP has reported that Scope 3 emissions are about 5 times the combined Scope 1 and 2 emissions. The primary challenges for us are our vast, complex supply chain, and the challenges with obtaining accurate, consistent data. We are working to expand our Scope 3 emissions data collection, compilation, calculation and reporting systems, and have already made significant advancements in 2020.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.0000278

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

663181

Metric denominator

unit total revenue

Metric denominator: Unit total

2384000000

Scope 2 figure used

Market-based

% change from previous year

1

Direction of change

Increased

Reason for change

See section 7.9a for a complete analysis.

Intensity figure

9.75

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

663181

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

68000

Scope 2 figure used

Market-based

% change from previous year

2.6

Direction of change

Increased

Reason for change

See section 7.9a for a complete analysis.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	382173	IPCC Fourth Assessment Report (AR4 - 100 year)
CH4	301	IPCC Fourth Assessment Report (AR4 - 100 year)
N2O	630	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	0	IPCC Fourth Assessment Report (AR4 - 100 year)
SF6	0	IPCC Fourth Assessment Report (AR4 - 100 year)
NF3	0	IPCC Fourth Assessment Report (AR4 - 100 year)
PFCs	0	IPCC Fourth Assessment Report (AR4 - 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
North America	237350
Latin America (LATAM)	44669
Europe	49582
Asia Pacific (or JAPA)	12915
Other, please specify (rest of the world)	38588

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c

(C7.3c) Break down your total gross global Scope 1 emissions by business activity.

Activity	Scope 1 emissions (metric tons CO2e)
Mobile Combustion (Transport)	160852
Stationary Combustion	222252

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
North America	191443	155830	391112	77403
Europe	45685	38883	171271	23606
Asia Pacific (or JAPA)	23680	23680	40062	0
Latin America (LATAM)	8851	8851	28859	0
Other, please specify (Rest of the World)	52833	52833	84787	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By activity

C7.6c

(C7.6c) Break down your total gross global Scope 2 emissions by business activity.

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Light Industrial	124718	94609
Manufacturing	155045	146158
Offices	42432	39075
Warehouse	297	235

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	35029	Decreased	5.6	The value shown is the reduction in emissions from the use of purchased renewable electricity as compared to the prior year. We continue to pursue additional opportunities to procure renewable electricity sources. For 2019, this included hydroelectric power for operations in Celle, Germany and wind power for Texas. We have several locations with onsite solar including two large sites in the United States and several locations in Italy.
Other emissions reduction activities	56923	Decreased	9.1	The increase in each of the three categories outlined in this section (expanded reporting boundary, fleet data improvements, and company activity growth) is counterbalanced in part by the increased use of renewables (35,029 metric tons) as detailed above, and the success of energy efficiency improvements across our organization. The total impact of those energy efficiency improvements can often be somewhat difficult to quantify. However, we can calculate the total of the increases for each category reported in this section (126,895) and subtract the year over year increase in emissions (34,943 metric tons). This result (91,952 metric tons) is the amount of emissions that have been counterbalanced by the increased use of renewables (35,029 metric tons) and energy efficiency improvements (56,923 metric tons). We provide details on important examples of energy efficiency improvements and their successful results in section C4.3(b), including the real estate portfolio consolidation project.
Divestment		<Not Applicable >		
Acquisitions		<Not Applicable >		
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary	64000	Increased	10.2	In line with our carbon reduction emphasis, company executive leadership decided to expand the reporting boundary for facilities under our direct operational control. Previously, our threshold for reporting had a size limitation, with smaller sites being excluded. We also previously excluded sites for which the energy costs were included in the lease payment, as we had limited or no visibility to the utility invoices and quantity of energy consumed. We now include all facilities regardless of size and lease details, and only exclude locations that are sub-leased to third parties. This has increased the number of facilities included in our disclosure from 750 in 2018 to about 950 in 2019 and is the basis for this calculation.
Change in physical operating conditions		<Not Applicable >		
Unidentified	26386	Increased	4.2	Activity increased during 2019, in some areas which is reflected in our combined Scope 1 and 2 emissions. We delivered strong orders and revenue growth, led by double-digit, year-over-year orders growth in Turbomachinery & Process Solutions (TPS) and Oilfield Equipment (OFE) companies. For Baker Hughes, revenue reached \$23.8 billion dollars, up 4.2% year on year. The exact increase in emissions related to company growth is difficult to quantify because of the complex network of contributing factors, data sources for emissions reporting, and our multi-layer emission compilation system. This value is calculated as 4.2% multiplied by the prior year Scope 1 and 2 emissions total (628,238 metric tons)
Other	36509	Increased	5.8	Each year, we strive to make improvements in our data collection and carbon emissions reporting process. For 2019, this included obtaining additional details for our company vehicle fleet, including both light duty cars and pickup trucks as well as heavy duty vehicles. We will work towards further improvements in 2020 to ensure an accurate inventory and to obtain additional fuel use or mileage data, where possible. This will decrease the degree of estimation included in our mobile combustion source calculations. For the first time in 2019, we have also included marine vessel emissions in our Scope 1 totals. An assessment of our prior 2012 emissions indicated that no restatement was necessary, as the difference is less than our 5% threshold for restatement of base year emissions. This value is calculated from the difference in number of vehicles year on year (2765) multiplied by the 2019 emission rate average per vehicle of 13.204 metric tons.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	1143273	1143273
Consumption of purchased or acquired electricity	<Not Applicable>	101009	615082	716091
Consumption of purchased or acquired heat	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	3448	<Not Applicable>	3448
Total energy consumption	<Not Applicable>	104457	1758355	1862812

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

922746

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.181

Unit

metric tons CO2e per MWh

Emissions factor source

USA EPA Emission Factors for Greenhouse Gas Inventories, April 2014

Comment

n/a

Fuels (excluding feedstocks)

Distillate Oil

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

188038

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.253

Unit

metric tons CO2e per MWh

Emissions factor source

USA EPA Emission Factors for Greenhouse Gas Inventories, April 2014

Comment

n/a

Fuels (excluding feedstocks)

Fuel Gas

Heating value

Please select

Total fuel MWh consumed by the organization

30242

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.24

Unit

metric tons CO2e per MWh

Emissions factor source

USA EPA Emission Factors for Greenhouse Gas Inventories, April 2014

Comment

n/a

Fuels (excluding feedstocks)

Propane Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

2247

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

0

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.215

Unit

metric tons CO2e per MWh

Emissions factor source

USA EPA Emission Factors for Greenhouse Gas Inventories, April 2014

Comment

n/a

C8.2d

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	3448	3448	3448	3448
Heat	0	0	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Unbundled energy attribute certificates, Renewable Energy Certificates (RECs)

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

77403

Comment

This is associated with our new agreement with EDF for 100% renewable electricity across all of our facilities in Texas.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Wind

Country/region of consumption of low-carbon electricity, heat, steam or cooling

United Kingdom of Great Britain and Northern Ireland

MWh consumed accounted for at a zero emission factor

17956

Comment

For electricity use in the United Kingdom; these facilities receive electricity generated from wind farms.

Sourcing method

Unbundled energy attribute certificates, Guarantees of Origin

Low-carbon technology type

Hydropower

Country/region of consumption of low-carbon electricity, heat, steam or cooling

Germany

MWh consumed accounted for at a zero emission factor

5650

Comment

For electricity use at one location in Celle, Germany.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Baker Hughes Verification Statement for Scope 1 and 2 dated 8-25-2020.pdf

Baker Hughes Verification Statement for Scope 3 dated 8-25-2020.pdf

Page/ section reference

See attached verification statements for full details.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

95

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Baker Hughes Verification Statement for Scope 1 and 2 dated 8-25-2020.pdf

Page/ section reference

Please see the attached verification statement for full details.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

95

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Baker Hughes Verification Statement for Scope 3 dated 8-25-2020.pdf

Page/section reference

Please see the attached verification statement for full details.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

95

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Baker Hughes Verification Statement for Scope 3 dated 8-25-2020.pdf

Page/section reference

Please see the attached verification statement for full details.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

95

Scope 3 category

Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

Baker Hughes Verification Statement for Scope 3 dated 8-25-2020.pdf

Page/section reference

Please see the attached verification statement for full details.

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

95

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Please select

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS

5

% of Scope 2 emissions covered by the ETS

0

Period start date

January 1 2019

Period end date

December 31 2019

Allowances allocated

7179

Allowances purchased

26000

Verified Scope 1 emissions in metric tons CO₂e

20124

Verified Scope 2 emissions in metric tons CO₂e

0

Details of ownership

Facilities we own and operate

Comment

The European Union Emission Trading System (EU ETS) applies to our Florence facility in Italy, within the Turbomachinery and Process Solutions product company. Each year, the company purchases allowances as required to cover its emissions and maintain compliance with these regulations. Any spare allowances are either retained for future needs or sold to another company that is short of allowances. For the EU ETS, Scope 2 emissions are not subject to any regulatory verification and declaration and therefore the purchase of carbon credits is not required. Of course, Scope 2 emissions are included in our inventory for this location. The UK CRC requirements ended in March 2019. The UK carbon tax for this scheme paid for the period April 2018 through March 2019 were disclosed in Baker Hughes' 2018 CDP report.

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

Baker Hughes operates in approximately 120 countries globally and is subject to a wide variety of laws, regulations and government policies that may change in significant ways. We work with the highest integrity and commitment to compliance everywhere we work. Baker Hughes has identified certain operations and activities that are regulated by carbon pricing regimes, and we will work to comply with any applicable systems now and in the future.

For example, in 2011, we registered our facilities in the UK and evaluated the requirements of the UK Carbon Reduction Commitment (CRC) scheme in great detail. Processes were developed for monitoring and reporting energy use at relevant facilities in compliance with regulatory requirements. 2018 was our eighth year to participate in CRC. Energy reduction efforts in the UK are ongoing with significant improvements achieved to date. Proactive efforts have included the continuation of energy awareness campaigns and implementation of energy improvement projects, as well as purchased electricity in the UK being 100% wind powered. Executive management is supportive of energy improvement projects where business value is identified.

For the EU ETS, each year the company surrenders enough allowances to cover its emissions. Any spare allowances are either kept to cover any future needs or sold to another company that is short of allowances.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Other, please specify (Collecting carbon emission, detailed backup and information related to improvement efforts, where feasible)

% of suppliers by number

1

% total procurement spend (direct and indirect)

2.5

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

Engagement Process: Baker Hughes engages governments, customers, suppliers, employees, communities, and nongovernmental organizations on issues material to our investments around the world. Specifically, we engage trade and business associations, customers, suppliers, employees, communities, and nongovernmental organizations on issues of mutual concern. Our Suppliers: Baker Hughes evaluates the policies and practices of suppliers with regard to environmental performance. For 2019, we requested specific emissions data from our top suppliers of rail transportation services, and global travel providers (air, car rental and hotel data). Emissions data received from our suppliers was allocated based on shipments and revenue earned from Baker Hughes.

Impact of engagement, including measures of success

Baker Hughes evaluates the policies and practices of suppliers with regard to environmental performance in addition to collected data from several of our top suppliers as indicated in our rationale for engagement. Measurement is based on the number of requests received on allocated emissions, which in 2019 was 100% of key Scope 3 suppliers requested.

Comment

The percent of spend is based on details available from our travel provider, rental car services, some international shipping including via ocean and air modes plus some domestic rail shipments. We are working to expand our Scope 3 emissions reporting for 2020 and beyond.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Other, please specify (We engage at least 75% of our key accounts on the topic of carbon emissions reduction including a discussion of collaboration opportunities.)

% of customers by number

50

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Rationale: We have focused collaboration and innovation efforts on our largest customers, which are the so-called international oil companies (IOCs), national oil companies (NOCs), and large independents. Many of these customers have a climate strategy and have set carbon reduction targets spanning their Scope 1 and 2 emissions and in some cases their Scope 3 emissions. They have therefore shown interest in how we, as their supplier, can help them reach these targets. Scope of Engagement: We have begun joint collaboration and innovation initiatives with several large customers in which we have identified and quantified emissions reductions opportunities across our joint value chains and have chosen specific geographies and assets on which to pilot solutions. Once implemented, we will track emissions reductions. In addition, we regularly discuss opportunities with our large customers to jointly engage in research and development of technologies that will reduce joint emissions. Additional Comments: In addition, we have provided emissions data to customers via the CDP supply chain program, when requested.

Impact of engagement, including measures of success

Improved understanding of current state emissions across our joint value chains as well as opportunities, and challenges to reduce these.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

50

% of customer - related Scope 3 emissions as reported in C6.5

0

Portfolio coverage (total or outstanding)

<Not Applicable>

Please explain the rationale for selecting this group of customers and scope of engagement

Rationale: We have focused education and information sharing efforts on our largest customers, which are the so-called international oil companies (IOCs), national oil companies (NOCs), and large independents. Many of these customers have a climate strategy and have set carbon reduction targets spanning their Scope 1 and 2 emissions and in some cases their Scope 3 emissions. They have therefore shown interest in how we, as their supplier, can help them reach these targets. Scope of Engagement: We have shared general data on global emissions, emissions across the oil and gas value chain and specific activities therein, and emissions from different types of production. In addition, we have shared Baker Hughes' climate strategy and Scope 1 and Scope 2 carbon reduction targets. Finally, we have shared our strategy to help reduce our customers' carbon footprints. This includes sharing data on both the emissions reductions and associated financial benefits of Baker Hughes products and services that can help our customers reduce their Scope 1 and 2 emissions. In future, we will also share data on their Scope 3 emissions as it relates to our portion of their supply chain. We also engage with customers through various forums such as IOGP, IPIECA, American Petroleum Institute, Environmental Partnership and Methane Guiding Principles.

Impact of engagement, including measures of success

Agreed short-term, medium-term, and longer-term actions to reduce footprint, including using Baker Hughes products and services to reduce use-phase emissions

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

Baker Hughes has partnered with Soltage, a renewable energy provider, in recent years to develop a solar farm as part of its commitment to create sustainable energy development and its goal of reducing greenhouse gases. The solar farm uses approximately 25 of the 134 acres owned by Baker Hughes. Soltage's installation consists of a 4.75-megawatt (MW) system "Bird Machine Solar Farm" on a brownfield located on the former Bird Machine Company industrial site at 100 Neponset St. in Walpole, MA. "Turning brownfields into brightfields is an ideal solution for many municipalities like Walpole across Massachusetts and across the country," said Soltage CEO Jesse Grossman. "Walpole has shown real environmental and economic leadership by enabling this project which will help spur local economic development and create strong environmental benefits. By installing solar on brownfields we're lowering costs for local communities, creating jobs and contributing to the local economy." The solar farm is made up of 14,600 panels that can produce 6 million kWh of energy per year, enough to power 623 homes per year and offset almost 9.3 million pounds of CO2, according to Grossman. "In addition to increased revenue obtained from siting the solar farm on otherwise unused land within its borders, the town of Walpole benefits from significant reductions in its annual electricity expenditure. Through increased revenue and decreased costs, more money is available for programs that directly benefit local residents," Gregory said. An article detailing the project can be found at the following link: <https://www.solarpowerworldonline.com/2017/09/soltage-completes-4-75-mw-solar-farm-brownfield-massachusetts/>

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers
Trade associations

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Trade associations)	Support	Baker Hughes participates in industry associations that engage with policy makers on legislation intended to reduce greenhouse gas emissions. This includes participation in technical roundtables, submittal of technical publications; peer review of publications and disclosures to customers, investors and the general public through our website (www.bakerhughes.com).	Through industry associations, we advocate for effective controls that do not add undue burden to the business.
Regulation of methane emissions	Neutral	In 2019, Baker Hughes became a signatory to the Methane Guiding Principles which focuses on areas of action to reduce methane emissions. These five principles, established in 2017 were developed collaboratively by a coalition of industry, international institutions, non-governmental organizations and academics. Principle four is to advocate for sound policy and regulations on methane emissions. Various regulatory developments are ongoing related to methane regulation, internationally and in the United States at the federal and state level. Baker Hughes believes that reducing methane emissions is a priority for our industry, and that we can contribute to these reductions through our advanced technologies such as Lumen Sky and Terrain, and other product and service offerings. Baker Hughes is working with IOGP in a joint working relationship with IPIECA to discuss the concerns over methane emissions and engage regulators on potential regulatory developments. See link to IPIECA Methane Factsheet: – www.ipeca.org/publication/exploring-methane-emissions	We have been engaged with policymakers and industry for many years to reduce methane emissions through mandatory and voluntary programs, including the Natural Gas STAR Program, the Environmental Partnership, and the Global Methane Initiative. However, we have not taken a public position in support of or in opposition to regulations aimed at reducing methane emissions. As an energy technology company, we contribute our expertise to inform and strengthen the development of mandatory and voluntary programs alike.
Mandatory carbon reporting	Neutral	Representatives of Baker Hughes participate in public meetings and conferences at which regulators interact with industry and also through direct comment on rule-making. This includes rule-making on mandatory carbon reporting.	By providing comment on proposed rule-making and engaging directly with our regulatory stakeholders, we seek to provide accurate information on our industry's commitments, efforts, and progress related to carbon footprint reporting. We advocate for effective controls that do not add undue burden to the business.
Other, please specify (Carbon Capture, Utilization and Storage (CCUS))	Support	Baker Hughes supports the development and implementation of policies to support CCUS research, development and demonstration as well as facilitating the realization of this carbon mitigation option through technology advancements.	Directly and through membership in groups such as the Carbon Capture Coalition, Baker Hughes supports policies that fund CCUS research and development and that provide financial incentives to support widespread CCUS deployment.
Other, please specify (Hydrogen)	Support	In order to further our commitment to a low-carbon future, we have a significant interest in hydrogen as both a fuel for power generation and perhaps transportation as well as a potential seasonal scale energy storage medium to support renewable generation. Baker Hughes has already introduced a line of hydrogen burning gas turbines and continue our development work in this space. We seek to influence the development policies that support hydrogen research, development and deployment. Our policy engagement has been largely through European trade groups such Hydrogen Europe and the International Oil & Gas Producers Association.	We support policy frameworks which include all clean hydrogen production pathways, including from renewable electricity, natural gas reforming with CCUS and methane pyrolysis. We also recognize that different technologies might play different roles depending on the timeline, with natural gas reforming to lead in the near term, allowing other emerging technologies to develop and scale up. What matters is the ability to cost-effectively reduce GHG (greenhouse gas) emissions at scale and contribute to reaching the EU 2050 climate-neutrality objective.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

IPIECA is the global oil and gas industry association for environmental and social issues. IPIECA is governed by an Executive Committee comprised of senior representatives from IPIECA member companies and associations. Baker Hughes' Global Leader, Environmental & Sustainability (Vice President) is the company representative for IPIECA's Executive Committee and is also a member of the Environmental Group that provides direction to the various working groups. The Global Leader, Environment and Sustainability also participates in the Climate Change Working Group, and several other company representatives participate in the Social Responsibility, Reporting and Communications work groups, among others.

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

IPIECA acts as a catalyst to bring experts together to work on issues such as greenhouse gas (GHG) emissions, energy efficiency and reducing the impact of fuel emissions. By doing this, we help the oil and gas industry manage its environmental impact and address climate risks while it works to meet the increasing demand for energy. IPIECA acts as a catalyst to bring experts together to work on issues such as greenhouse gas (GHG) emissions, energy efficiency and reducing the impact of fuel emissions. Doing this helps the oil and gas industry manage its environmental impact and address climate risks while it works to meet the increasing demand for energy. IPIECA is helping the industry be part of the climate change solution by developing industry guidelines on GHG reporting, a series of good practices on energy efficiency and greenhouse gas management, and an ongoing record of convening expert workshops to explore key climate-related issues, informing the industry and stakeholders. Conserving the energy and greenhouse gases (GHGs) used to produce oil and gas can make a major contribution to moving the world onto a more sustainable energy path. Often, the most economical method of reducing GHG emissions is to reduce energy consumed. This is because the easiest emissions to control are the ones never produced. For this reason, IPIECA works with the industry to help reduce emissions with sharing of good practices, tools and through providing opportunities for sharing knowledge. IPIECA develops industry best practice and the promotion of technological and management solutions to reduce GHGs (for oil and gas this is mainly CO2 and methane) across the production, refining and transportation of oil and gas. For emissions from our operations, management largely means energy conservation or efficiency measures, reducing gas flaring and managing the emissions of methane.

How have you influenced, or are you attempting to influence their position?

Baker Hughes' Global Leader, Environmental & Sustainability is the company representative for IPIECA's Executive Committee and Environmental Group and is also an active member of the Climate Change Working Group. Baker Hughes also has had several company representatives that are part of the following additional working groups / task forces: Social Responsibility, Reporting and Communications. Baker Hughes regularly participates and reviews key position statements with internal leadership.

Trade association

International Association of Oil & Gas Producers (IOGP) IOGP's Management Committee is responsible for the Association's overall strategy and direction. It provides guidance on policy, work plans, finance and communications and it ensures that the organization keep to their Articles of Association.

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

IOGP is dedicated to identifying and spreading good environmental practice wherever the upstream industry operates. Their work includes: • Ensuring continued access to new and known hydrocarbon sources • Environmental management and reporting • Gaseous emissions management • Monitoring regulatory developments and developing advocacy positions IOGP recognizes the risks of climate change due to rising greenhouse gas emissions and has welcomed the Paris Agreement. The Association supports the international community's commitment to address the global challenge of climate change and also believes that the oil and gas industry is very much a part of the solution to this challenge, which can be addressed while meeting society's future energy needs. The long-term objective of climate change policy should be to reduce the risk of serious impacts on society and ecosystems, while recognizing the importance of reliable and affordable energy to society. IOGP is a leading force behind GasNaturally, a partnership of six organizations that extend the length of the natural gas value chain. GasNaturally represents more than 130 companies. GasNaturally aims to showcase the potential that natural gas can play in building a cost-effective and sustainable energy mix. It seeks to help policy makers formulate a clear vision on how to face the challenges ahead, relying on natural gas as a safe, secure and reliable energy source. Natural gas can: • Help achieve the transition to a low-carbon energy system cost-effectively • Provide the cheapest and fastest way to achieve significant CO2 emission reductions • Complement renewables by providing essential back-up capacity to balance out the variability of some renewable sources For these reasons, gas will be a key player in the long term. Without it, the shift to a low-carbon energy system could seriously compromise quality of life by limiting access to affordable heat, light and mobility for households and businesses alike.

How have you influenced, or are you attempting to influence their position?

Baker Hughes's Global Environmental and Sustainability Director co-chaired the Environmental Committee during 2019, whose remit includes climate change as a key area. Baker Hughes regularly participates and reviews key position statements with internal leadership.

Trade association

American Petroleum Institute (API) API is a national trade association headquartered in Washington, D.C. representing all facets of the natural gas and oil industry. API's more than 600 members include large integrated companies, as well as exploration and production, refining, marketing, pipeline, and marine businesses, and service and supply firms. API advocates on behalf of the oil and natural gas industry to the public, Congress and the Executive Branch, state governments and the media. API negotiates with regulatory agencies, represent the industry in legal proceedings, participate in coalitions and work in partnership with other associations to achieve its members' public policy goals. API is governed by a Board of Directors, which chooses API's officers. The board carries out API's mission by designating segment committees, resource committees, and strategic committees. API members participate in any committees where they have assets and interests.

Is your position on climate change consistent with theirs?

Inconsistent

Please explain the trade association's position

In 2015 API highlighted that climate change was a serious issue that needed to be addressed. In addition, API supports the ambitions of the Paris agreement, including global actions that reduces emissions and alleviates poverty around the world. However, API has a history of opposing federal and state efforts to regulate GHG emissions. For example, API has argued in favor of repealing the U.S. Federal Renewable Fuel Standard, opposed the Federal Clean Power Plan and the New Source Performance Standards (NSPS OOOOa) for methane emissions were announced in 2016.

How have you influenced, or are you attempting to influence their position?

Baker Hughes' CEO is a member of the API Board of Directors and the company also has a seat on the API Upstream committee. In these roles Baker Hughes voiced support for API's revision to its climate change policy principles that were announced in 2020 and that in general set a more constructive course for API engagement in climate policy development. In addition, in 2019 Baker Hughes sought to influence API climate and related policy engagement through participation in a range of technical, policy, advocacy and standards committees. also provided the following feedback to API leadership: Our CEO provided the following feedback to API leadership: "API's core areas of focus and strategic priorities rightly focus in part on reframing the industry's position on climate change and strengthening the industry's social license to operate. Industry innovations in a number of areas—CCUS, energy storage, electrification of the oilfield, and greater efficiency through digitalization and AI, for example—offer solutions but will also pose new policy and regulatory challenges. API should establish a constructive dialogue in these areas with policymakers to identify emerging challenges quickly, to ensure adequate early stage R&D funding, and to generate thought leadership providing a clear vision for oil and natural gas as primary sources of energy in the decades to come."

Trade association

The Independent Petroleum Association of America (IPAA) IPAA is a national trade association headquartered in Washington, D.C. representing the thousands of independent oil and natural gas producers and service companies across the United States. IPAA serves as an informed voice for the exploration and production segment of the industry and advocates its members' views before the United States Congress, The White House, and federal agencies. The IPAA Environment and Safety Committee studies and reports on safety, health and environmental problems and the activities of the Occupational Safety and Health Administration and the Environmental Protection Agency and recommends Association policy related to such activities.

Is your position on climate change consistent with theirs?

Inconsistent

Please explain the trade association's position

IPAA has no publicly available statements regarding climate change, the contribution of human activities on climate, the Paris agreement or the role of policy to address the issue. IPAA recognizes methane as a greenhouse gas, emitted both by natural sources and from human activity. However, IPAA believes the United States success in lowering carbon emissions is not because of additional regulations, but because of the increased use of clean-burning natural gas. IPAA opposed the 2016 EPA New Source Performance Standards for oil and gas production regulating methane emissions.

How have you influenced, or are you attempting to influence their position?

In 2019 Baker Hughes' participation in IPAA focused monitoring the groups advocacy efforts to understand customer positions and potential policy implications for market development. Baker Hughes did not participate in any IPAA policy-making committees.

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Baker Hughes' climate change strategy is set and approved at the executive level, directs our activities related to policy positions, and is part of our overall performance goals and objectives. Baker Hughes supports policies that promote both lower carbon emissions and sustainable economic growth. Policies and regulations to help reduce carbon emissions are essential to drive technology development and deployment. Fairness to consumers, environmental integrity, cost-effectiveness, sound science and technology neutrality should be the guiding principles for arriving at any national strategy. Baker Hughes has published a Climate Position Statement and related information related to climate change and reduced GHG emissions (see Corporate Responsibility Report at www.bakerhughes.com/corporate-responsibility and the environmental webpage at www.bakerhughes.com/planet) internally and externally to the organization. The report and website describe our commitment to managing climate change risks and the ways in which we do that. This document is used to inform members of the organization that interact with policymakers on Baker Hughes' position on climate change. In January 2019, we committed to reaching net zero by 2050, and established an interim goal of reducing our carbon emissions 50% by 2030. This commitment is operationalized through energy transition strategies, which include technology advancements related to less emissive products and services, established pathways to reduce the scope 1 and 2 emissions of our operations and enhance the reporting of Scope 3 value chain emissions. These strategies are further supported by tactics and requirements outlined in our global procedure on energy management and conservation aligned with the requirements of the energy management standard, ISO 50001, which is contained within the Health, Safety and Environment Management System.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary sustainability report

Status

Complete

Attach the document

Baker Hughes 2019 Corporate Responsibility Report.pdf

Page/Section reference

See attached Corporate Responsibility Report for full details.

Content elements

Strategy
Emissions figures
Emission targets
Other metrics

Comment

see Corporate Responsibility Report at www.bakerhughes.com/corporate-responsibility

Publication

In other regulatory filings

Status

Complete

Attach the document

2019 10K 72351100-66a1-4f06-a9f7-c44e352ede76.pdf
2019 Proxy statement 2a2a9e67-8a12-48a0-8eb4-98b76e1df27b.pdf

Page/Section reference

10 K pages 14-18 for risks and opportunities, Chairman's letter (page 1), and proxy statement (page3)

Content elements

Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

https://investors.bakerhughes.com/financial-information/sec-filings?field_nir_sec_cik_target_id=0001701605&items_per_page=10&order=field_nir_sec_form&sort=asc (BH Internal Review Note: Can update with vanity link if available)

Publication

Other, please specify (Corporate Responsibility Website)

Status

Complete

Attach the document

Page/Section reference

Please refer to: www.bakerhughes.com/corporate-responsibility and the environmental section at: www.bakerhughes.com/planet.

Content elements

Strategy
Emissions figures
Emission targets

Comment

see Corporate Responsibility Report at www.bakerhughes.com/corporate-responsibility and the environmental webpage at www.bakerhughes.com/planet

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	The Vice President- Energy Transition, Strategy and Business Development for Baker Hughes and the Chief Health, Safety Environment, Security and Quality Governance Officer	Other, please specify (The Vice President- Energy Transition, Strategy and Business Development and the Chief Health, Safety Environment, Security and Quality Governance Officer)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors Customers	Public

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