



# Baker Hughes 2020 UK gender pay gap report

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A woman in a white lab coat and safety glasses is working in a laboratory setting. She is wearing a lanyard with the Baker Hughes logo and name. The background shows laboratory equipment and a metal rack.

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# About Baker Hughes

Baker Hughes is an energy technology company that provides solutions to energy and industrial customers worldwide. Built on a century of experience and with operations in more than 120 countries, our innovative technologies and services are taking energy forward—making it safer, cleaner, and more efficient for people and the planet. We have integrated offerings and a unique set of products and services across our four product companies: Oilfield Services, Oilfield Equipment, Turbomachinery and Process Solutions, and Digital Solutions. Together, these businesses make up the industry’s only fullstream technology portfolio that spans across oil and gas, alternative and renewable energy, as well as other industrial sectors, positioning us to take advantage of various market opportunities to improve outcomes for ourselves and our customers as we lead in new ways.

## Baker Hughes in the UK

Baker Hughes currently employs over 4,500 people in the United Kingdom. We have plants and offices throughout England and Scotland. Locations include; Aberdeen, Bristol, Cramlington, Farnborough, Great Yarmouth, Leicester, Liverpool, London, Montrose, and Newcastle.



# Our gender pay gap report

In line with the Equality Act 2010 (Gender Pay Gap information Regulations 2017), Baker Hughes reports the three of the largest entities; Baker Hughes Energy Technology UK Ltd, Baker Hughes Limited, and Druck Limited separately, as well as voluntarily disclosing the results of the combined company, Baker Hughes. This analysis is based on data up to 5 April 2020. This is referred to as the 'snapshot date'.

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

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

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

## Combined company statistics

### PAY GAP

Male employees earn on average (mean)

**16.2%**

more than female employees



Male employees earn on average (median)

**16.7%**

more than female employees



The pay gap in the UK is 14.6% mean and 15.5% median\*

### BONUS GAP

Average (mean) male bonus earnings are

**31.3%**

higher than female bonus earnings

Median male bonus earnings are

**38.2%**

higher than female bonus earnings

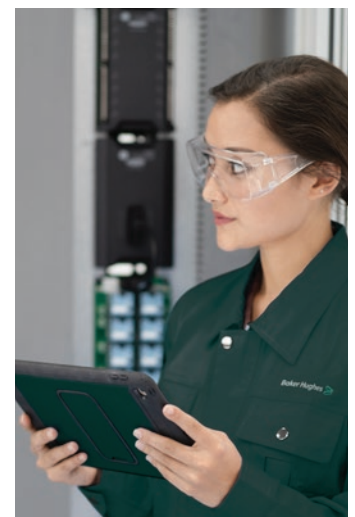
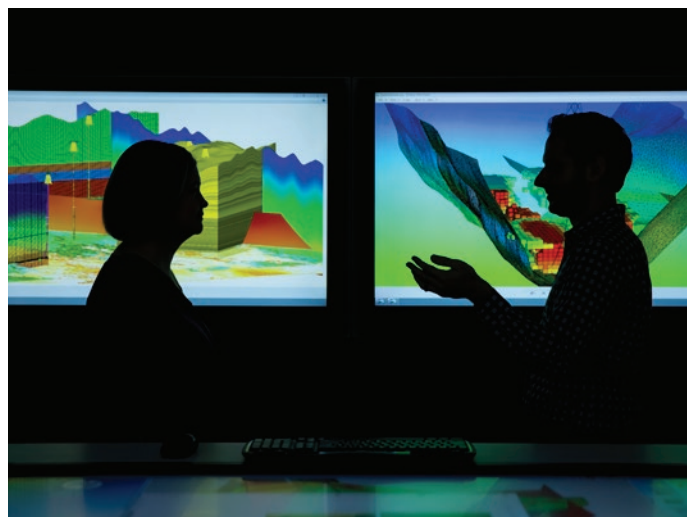
**85.6%**

of female employees received a bonus

**80.4%**

of male employees received a bonus

\* Office of National Statistics 2020 Report—all roles (including full time and part time)



Since 2017 Baker Hughes and GE Oil & Gas have gone through a merger, legal entity consolidation, and branding changes. The numbers reported here have been consolidated to provide meaningful year-over-year analysis. 2017 data was originally reported by Baker Hughes and GE Oil & Gas as separate legal entities. 2018 data was reported under the name "BHGE". 2019 and 2020 data are reported under the Baker Hughes legal name.

<b>Pay gap</b>		2020	2019	2018	*2017 Retrospective combined BHGE results
Gender pay gap	Mean %	16.2%	23.5%	23.6%	23.1%
	Median %	16.7%	24.3%	20.8%	21.7%
% of Female employees by pay quartiles	Lower quartile	29%	34%	33%	32%
	Lower middle quartile	18%	18%	16%	17%
	Upper middle quartile	16%	14%	15%	15%
	Top quartile	13%	11%	10%	8%

As can be seen from the table above, the results are improved from prior years. The mean and median pay gap were stable between 2018 and 2019 but have narrowed in 2020. The trend from 2017 has been towards more female representation in the top quartile year-on-year, along with the upper middle quartile.

Baker Hughes continues to conduct regular reviews of its approach to pay equity between our male and female populations undertaking comparable work. We believe the main driver of the pay gap across Baker Hughes is the lower representation of female employees in senior leadership and in higher paid roles.

<b>Bonus gap</b>		2020	2019	2018	*2017 Retrospective combined BHGE results
Mean bonus gap		31.3%	29.9%	18.6%	30.3%
Median bonus gap		38.2%	4.8%	26.3%	12.6%
Proportion of male employees receiving bonus		80.4%	81.3%	89.1%	79.9%
Proportion of female employees receiving bonus		85.6%	81.6%	82.0%	81.2%

The data shows a variation in bonus payments as the calculation includes both traditional annual bonus payments, and a wide variety of other types such as equity release, reward and recognition schemes, long services awards, etc., which can pay out at vastly different levels. In 2018 there were some large pay outs of retention bonuses and this accounted for a smaller mean gap than in 2017 and 2019. In 2020 there was a larger pay out of annual bonus than in 2019, which again can have a negative effect due to the larger bonus pay outs at the top end having the effect of widening the gap. It is positive to see that the percentage of females receiving a bonus has grown year on year.



## Our approach to driving greater inclusion in Baker Hughes

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

With approximately 54,000 employees and operations around the world, we are able to harness experiences, networks, and unique perspectives. We value the difference in gender, race, ethnicity, age, gender identity, sexual orientation, ability, cultural background, religion, veteran status, experience, thought, and more across the globe. We celebrate the diversity and uniqueness of each employee and believe that everyone has the right to be treated with fairness, dignity, and respect.

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

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

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

We have four strategic DEI goals to guide us as a company in our DEI work:



**Diverse workforce**—ensure we have access to and support diverse pipelines of talent and prioritize development and retention



**Inclusive culture**—cultivate a culture and environment where everyone feels they belong and can thrive and contribute



**Supplier diversity**—support and build strong partnerships with a diverse array of local and global suppliers that share our values



**Customer and community**—provide maximum value to our customers and be good stewards in our communities as we take energy forward

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

## Our approach to driving greater inclusion in the UK

We want all employees to feel included and safe to come to work. We build this culture by living our values of Grow, Collaborate, Lead, and Care, and hold our employees and leaders accountable for inclusion and diversity.

Our UK DEI council incorporates nine global Employee Resource Groups (ERGs) and Community Resource Groups (CRGs). Our ERGs and CRGs cover areas such as gender diversity, STEM, ethnicity, disability, LGBTQ+, veterans, and volunteerism. In December 2020, the UK business won the Diversity award at the 2020 Oil & Gas UK (OGUK) industry awards.

Examples of our ERG/CRG activities around gender diversity include:

- **GoSTEM**—Baker Hughes sites across the UK partner with local secondary schools to run annual STEM programmes, providing teaching, projects, and career mentoring. Our programmes drive progress and development through the six high school years and many children come back year after year. Our “Girls Get Set” programmes have been particularly successful in encouraging hundreds of girls to join project teams and consider STEM as a career
- The **Women’s Network ERG (Employee Resource Group)** focuses on driving internal conversations on issues like gender diversity, workplace culture, unconscious bias, micro-inequities, and labour and employment policies. The ERG partners with external industry diversity organisations such as AXIS to drive education, culture improvement, and increased opportunities for women in our industry and company

At a broader leadership level, Baker Hughes has recently introduced DEI metrics as part of our executive and people leader performance KPIs. HR leaders partner with senior leadership across all our ERGs to ensure that our global DEI programme goes beyond conversations and events and increasingly impacts our internal metrics and performance. Our DEI leadership report into the Chief HR Officer to drive accountability for the global programme.

In 2020, Baker Hughes leadership accelerator programs comprised the following:

- Our **ASPIRE** initiative is a two-year leadership programme for recent graduates. Globally in 2020, 48% of candidates hired on the ASPIRE program were females
- Our **IMPACT** programme is a three-year programme designed to fast-track top performing mid-career employees in preparation for executive leadership. In 2020, there was 50% gender diversity
- Our **CULTIVATE** programme focuses on developing high potential female leaders and included participants from across our technical functions who received mentoring and immersive leadership challenges

Baker Hughes aims to attract the best and most diverse talent to support our purpose and strategy as an energy technology company. In 2019, we utilized AI technology in our sourcing tools to help us reach, assess, and engage with a larger and more diverse talent pool. We also conducted training on unconscious bias and launched pilot projects on blind resumes and de-biasing job descriptions, interview templates, and assessments.

Baker Hughes is also improving diversity in our supply chain. In the last year, we integrated supplier diversity tracking to a common system, established supplier diversity champions in each of our four product companies, and launched pilot programs to increase diverse supply of commodities and materials.



## Gender pay gap results by legal entity

We are reporting gender pay gap and bonus information on the three legal entities which employ more than 250 people in the UK. Together these entities employed 4,880 employees at the snapshot date, accounting for circa 89% of the total UK salaried employees.

	Reportable pay gap				Reportable bonus gap				% receiving bonus				Women %	
	Mean		Median		Mean		Median		Men		Women		2020	2019
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Baker Hughes Ltd	12.9	22.2	13.4	22.2	21.8	27.4	-7.4	-35.2	78.7	85.9	90.5	91.9	16.6	15.8
Baker Hughes Energy Technology UK Ltd*	8.7	11.9	11.2	13.7	18.3	4.5	3.4	-106.6	69.6	80.2	80.0	79.4	17.5	17.4
Druck Ltd	28.8	34.8	33.9	35.0	62.1	74.5	46.8	59.9	88.7	78.7	96.6	77.0	29.7	31.5

A negative (-) figure indicates females on average had higher pay or bonus earnings.

The calculation methods under the Regulations has created some anomalies when applied to Baker Hughes's benefits structure. For example, a car allowance is considered to be pay whereas a company car is not—this results in those receiving the same total compensation being shown as having distinct levels of pay. Also, there is wide variation in bonus as the calculation includes both traditional annual bonus payments, and a wide variety of other types such as equity release, reward and recognition schemes, long services awards, etc., which can pay out at quite different levels.

\* Formerly known as GE Oil & Gas UK Ltd

## Proportion of men and women in each pay quartile

The below tables show the percentages of men and women in each pay quartile, from lowest paid, 'lower' quartile, to highest paid 'upper' quartile. Please note that the numbers in brackets are year-on-year movements from 2019 to 2020.

Baker Hughes Ltd		
	Women	Men
Upper	10% (+1%)	90% (-1%)
Upper mid	16% (+2%)	84% (-2%)
Lower mid	21% (+2%)	79% (-2%)
Lower	18% (-4%)	82% (+4%)

Baker Hughes Energy Technology UK Ltd		
	Women	Men
Upper	14% (+1%)	86% (-1%)
Upper mid	15% (+3%)	85% (-3%)
Lower mid	16% (-1%)	84% (+1%)
Lower	25% (-2%)	75% (+2%)

Druck Ltd		
	Women	Men
Upper	15% (+4%)	85% (-4%)
Upper mid	21% (-1%)	79% (+1%)
Lower mid	36% (-3%)	64% (+3%)
Lower	47% (+1%)	53% (-1%)

The directors listed below have confirmed that this report is accurate for the respective entities.



**Anastasiya Lyashchenko**  
Director, Baker Hughes Ltd.



**Alasdair Sloan**  
Director, Baker Hughes Energy Technology Ltd.



**Gordon Docherty**  
Director, Druck Ltd.



