



Baker Hughes 

# 2021 UK gender pay gap report



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## About Baker Hughes

Baker Hughes is an energy technology company that provides solutions for energy and industrial customers worldwide.

Conducting business in over 120 countries and with approximately 54,000 employees, we design, manufacture, and deliver leading technology solutions for our customers. Powered by the industry's only fullstream technology portfolio, and enabled by our people and scale, we drive productivity and improve outcomes for ourselves and our customers.

From the first rotary drill bit to the world's most extensive portfolio of compressors and gas turbines, and from digital solutions that predict outcomes to modular deepwater technology, for more than a century our inventions have been revolutionizing the industry.

We are reducing the carbon intensity of our operations, applying proven low-carbon technology to help our customers meet their environmental goals, and innovating for the future of energy.

At Baker Hughes, we are taking energy forward – making it safer, cleaner, and more efficient for people and the planet.

### Baker Hughes in the UK

Baker Hughes currently employs around 4,500 people in the United Kingdom. We have manufacturing sites and offices throughout England and Scotland. Locations include Aberdeen, Bristol, Cramlington, Farnborough, Great Yarmouth, Leicester, Liverpool, London, Montrose, and Newcastle. Our global headquarters is in London, UK, as well as Houston, Texas, USA.





## Our gender pay gap report

In line with the Equality Act 2010 (Gender Pay Gap information Regulations 2017), Baker Hughes reports on 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 2021. 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 the past number of years. We experienced stronger hiring rates for women, moving from 22% in 2019 to 27% in 2021 across all UK entities, contributing to our overall increase of employees who identify as female from 18% in 2020 to 19% in 2021. We understand that continued progress will require an ongoing commitment from our organization. Starting in 2020, we adopted a new 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.

By leveraging RoleMapper, we were able to remove language that could be considered biased from our job adverts, create standardized and consistent job ads, promote our key DEI messaging around culture and job flexibility, have consistent branding, and use automation during the job ad creation process. In the UK the business was able to increase the diverse slate from 23.4% in 2020 to 24.3% in 2021 and the interview slate from 24.8% in 2020 to 26.1% in 2021.

## Combined company statistics

### PAY GAP

Male employees earn on average (mean)

**14.8%**

more

than female employees (improvement from 16.2% in 2020)

Male employees earn on average (median)

**17.5%**

more

than female employees (slight decline from 16.7% in 2020)

According to the Office of National Statistics, the pay gap in the UK is \*15.4% mean as of 2021.

### BONUS GAP

Average (mean) male bonus earnings are

**15.5%**

higher

than female bonus earnings (improvement from 31.3% in 2020)

Median male bonus earnings are

**22%**

lower

than median female bonus earnings (improvement from 2020, where female bonus earnings were 38.2% lower)

**96.1%**

of female employees received a bonus (Improvement from 85.6% in 2020)

**94%**

of male employees received a bonus (Improvement from 80.4% in 2020)



In 2017 Baker Hughes and GE Oil & Gas went 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". Data for 2019, 2020, and 2021 is reported under the Baker Hughes legal name.

#### PAY GAP

		2021	2020	2019	2018	*2017
<b>Gender pay gap</b>	Mean %	14.8%	16.2%	23.5%	23.6%	23.1%
	Median %	17.5%	16.7%	24.3%	20.8%	21.7%
<b>% of Female employees by pay quartiles</b>	Lower quartile	29%	29%	34%	33%	32%
	Lower middle quartile	19%	18%	18%	16%	17%
	Upper middle quartile	14%	16%	14%	15%	15%
	Top quartile	14%	13%	11%	10%	8%

\* Retrospective combined BHGE results

The results are generally improving year over year. The mean and median pay gap were stable between 2018 and 2019 but narrowed in 2020 and again narrowed further in 2021. 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.

Whilst there is clearly more to do, the company believes it is making some progress towards improving representation of female employees in the top paid positions, as demonstrated by the increase in the % of female employees in the Top Quartile from 8% in 2017 to 14% in 2021.

#### BONUS GAP

	2021	2020	2019	2018	*2017
<b>Mean %</b>	15.5%	31.3%	29.9%	18.6%	30.3%
<b>Median %</b>	-22.0%	38.2%	4.8%	26.3%	12.6%
<b>Proportion of male employees receiving bonus</b>	94.0%	80.4%	81.3%	89.1%	79.9%
<b>Proportion of female employees receiving bonus</b>	96.1%	85.6%	81.6%	82.0%	81.2%

\* Retrospective combined BHGE results

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 service 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 bonuses 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. In 2021 the mean and median bonus gap trended

in the right direction as regards closing the gap between males and females and having more females in the higher paying roles will have partly contributed to this. It is positive to see that the percentage of females receiving a bonus has generally been increasing and the average bonus for female employees has been increasing year over 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 differences 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 as we accelerated our energy transition strategy and executed for customers in 2021. We recognize 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.

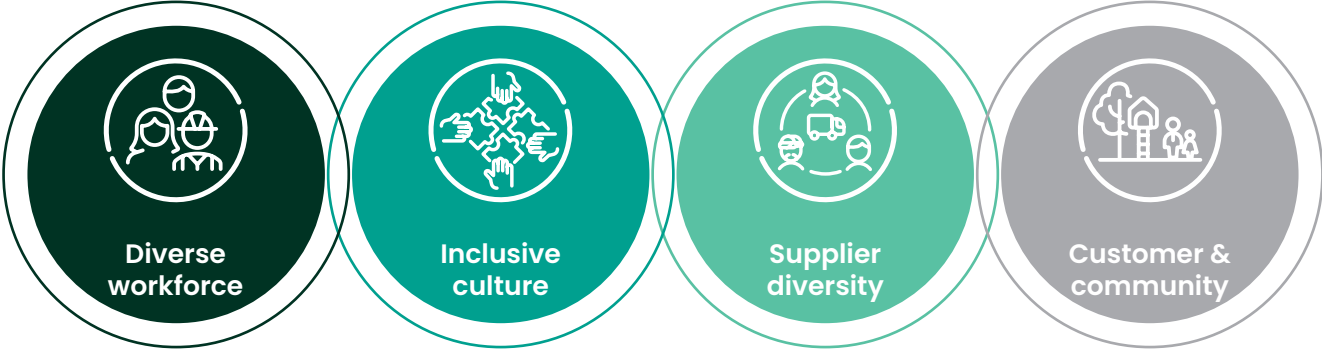
Our Employee Resource Groups (ERGs) continue to provide spaces to have safe and supportive conversations, to acknowledge diverse perspectives, and process emotions during these challenging times. Further, we continue to develop our culture through

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:



Ensure we have access to and support diverse pipelines of talent and prioritize development and retention

Cultivate a culture and environment where everyone feels they belong and can thrive and contribute

Support and build strong partnerships with a diverse array of local and global suppliers that share our values

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. 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 2021, Baker Hughes leadership accelerator programs comprised the following:

### ASPIRE

Baker Hughes Development Program

Our ASPIRE initiative is a two-year leadership programme for recent graduates. Globally in 2021, 54% of candidates hired on the ASPIRE program were females, up from 48% in 2020.

### IMPACT

Baker Hughes Development Program

Our IMPACT programme is a three-year programme designed to fast-track top performing mid-career employees in preparation for executive leadership. In 2021 the gender diversity was close to 50%.

### CULTIVATE

Baker Hughes Development Program

Our CULTIVATE programme focuses on developing high potential female leaders and included participants from across the business. Employees received mentoring and immersive leadership challenges. In 2021 we increased the number of participants to over 130, by expanding the program to include employees from Legal and Finance. Baker Hughes aims to attract the best and most diverse talent to support our purpose and strategy as an energy technology company. We utilize AI technology in our sourcing tools to help us reach, assess, and engage with a larger and more diverse talent pool. We also conduct training on unconscious bias and run projects on blind resumes and de-biasing job descriptions, interview templates, and assessments.

Baker Hughes is also improving diversity in our supply chain. We have 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 4,060 employees at

the snapshot date, accounting for approximately 87% of the total UK salaried employees.

	Reportable pay gap				Reportable bonus gap				% receiving bonus				Women %	
	Mean		Median		Mean		Median		Men		Women		2021	2020
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Baker Hughes Ltd</b>	9.4%	12.9%	12.2%	13.4%	14.4%	21.8%	-56.2%	-7.4%	94.8%	78.7%	98.5%	90.5%	17.5%	16.6%
<b>Baker Hughes Energy Technology UK Ltd*</b>	6.6%	8.7%	13.0%	11.2%	-4.0%	18.3%	-56.0%	3.4%	93.7%	69.6%	94.7%	80.0%	17.1%	17.5%
<b>Druck Ltd</b>	25.8%	28.8%	32.5%	33.9%	47.5%	62.1%	43.2%	46.8%	95.2%	88.7%	97.8%	96.6%	28.0%	29.7%

\* Formerly known as GE Oil & Gas UK Ltd

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

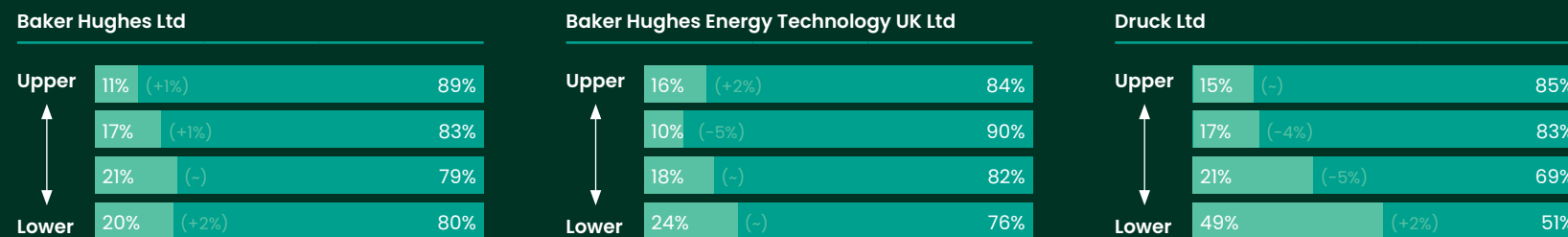
shown as having distinct levels of pay. Also, there is wide variation in bonus as the calculation includes both traditional annual bonus payments, and a wide variety of other types such as equity release, reward and recognition schemes, long service awards, etc., which can pay out at quite different levels.

## 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 2020 to 2021.

● Women ● Men



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



**Alex Makram**  
Director, Baker Hughes Ltd.



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



**Gordon Docherty**  
Director, Druck Ltd.



