About BHGE

Baker Hughes, a GE company (NYSE:BHGE), is the world’s first and only fullstream provider of integrated oilfield products, services, and digital solutions. Drawing on a storied heritage of invention, BHGE harnesses the passion and experience of its people to enhance productivity across the oil and gas value chain. BHGE helps its customers acquire, transport, and refine hydrocarbons more efficiently, productively, and safely, with a smaller environmental footprint and at a lower cost per barrel. Backed by the digital industrial strength of GE, the company deploys minds, machines, and the cloud to break down silos and reduce waste and risk, applying breakthroughs from other industries to advance its own. With operations in over 120 countries, the company’s global scale, local know-how, and commitment to service infuse over a century of experience with the spirit of a startup—inventing smarter ways to bring energy to the world.

www.bhge.com

BHGE in the UK

BHGE employs close to 5,000 people in the United Kingdom. We have plants and offices dotted throughout England and Scotland. Locations include: Aberdeen, Bristol, Cramlington, Farnborough, Great Yarmouth, Leicester, Liverpool, London, Montrose, and Newcastle.

Our UK gender pay gap report

In line with the Equality Act 2010 (Gender Pay Gap information Regulations 2017), BHGE is reporting the three largest entities; GE Oil & Gas UK Ltd., Baker Hughes Ltd., and Druck Ltd., separately as well as voluntarily disclosing the results of the combined company, BHGE. Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees. It is important to note that this analysis will look at data up to 5 April 2018.

The pay gap in the UK is 17.1% mean and 17.9% median*

*BHS provisional report 2018 for all roles (including full time and part time)

BONUS

Average (mean) male bonus earning are 18.6% higher than female bonus earnings

Median male bonus earnings are 26.3% higher than female bonus earnings

89.1% of male employees received a bonus

82.0% of female employees received a bonus

GENDER BREAKDOWN PER PAY QUARTILE

<table>
<thead>
<tr>
<th>Quartile A</th>
<th>Quartile B</th>
<th>Quartile C</th>
<th>Quartile D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower paid</td>
<td>Lower middle</td>
<td>Upper middle</td>
<td>Upper paid</td>
</tr>
<tr>
<td>67% Male</td>
<td>33% Female</td>
<td>85% Male</td>
<td>90% Male</td>
</tr>
<tr>
<td>85% Female</td>
<td>16% Male</td>
<td>85% Female</td>
<td>10% Female</td>
</tr>
</tbody>
</table>

OUR GOAL

50% GENDER DIVERSITY

Balance our female representation in all our leadership programmes, including accelerated leadership (Impact), and ASPIRE, our new entry-level programme.

2019 BHGE TARGET

30% Overall improvement in diversity & inclusion
BHGE UK gender pay gap results versus 2017

In 2018 GE reported on the legal entities relating to GE Oil & Gas, whilst separately Baker Hughes reported its own gender pay gap results. This was due to the fact that the snapshot date was before the merger between the two companies took place. In order to facilitate more meaningful analysis, we have provided a year-on-year analysis by retrospectively combining the entities that make up BHGE as a whole.

**PAY:**

<table>
<thead>
<tr>
<th>RESULTS</th>
<th>GENDER PAY GAP</th>
<th>% OF FEMALE EMPLOYEES BY PAY QUARTILE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MEAN</td>
<td>MEDIAN</td>
</tr>
<tr>
<td>2018 reported</td>
<td>23.6%</td>
<td>20.8%</td>
</tr>
<tr>
<td>*2017 retrospective combined BHGE results</td>
<td>23.1%</td>
<td>21.7%</td>
</tr>
</tbody>
</table>

As can be seen from the table above, the results are very much in line with the results from the prior year. It is positive to see that there is an improvement in the top quartile compared to 2017.

BHGE continues to conduct regular reviews of its approach to pay equity and we are confident that we offer equal pay between our male and female populations undertaking comparable work. The main driver of the pay gap across BHGE is the lower representation of female employees in senior leadership and higher paid roles. We are taking steps to address this disparity.

**BONUS:**

<table>
<thead>
<tr>
<th>RESULTS</th>
<th>MEAN BONUS GAP</th>
<th>MEDIAN BONUS GAP</th>
<th>PROPORTION OF MALE EMPLOYEES RECEIVING BONUS</th>
<th>PROPORTION OF FEMALE EMPLOYEES RECEIVING BONUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 reported</td>
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<td>26.3%</td>
<td>89.1%</td>
<td>82.0%</td>
</tr>
<tr>
<td>*2017 retrospective combined BHGE results</td>
<td>30.3%</td>
<td>12.6%</td>
<td>79.9%</td>
<td>81.2%</td>
</tr>
</tbody>
</table>

In 2018, new bonus schemes were created to suit the needs of BHGE. More employees are now eligible to participate in the schemes than were in the past.
Our approach to driving greater inclusion in BHGE

We believe our company is stronger when the diversity of our employees reflects our customers and the people whose lives our technology impacts.

Our vision is to create a workplace atmosphere without bias. We work and live in an inclusive environment where all employees are visible, engaged, developed, and able to bring their whole authentic selves to work.

This is critical for our business to succeed. Lorenzo Simonelli, Chairman & CEO of BHGE said: “In this environment where disruptive change is the new normal, the ability to look at a situation from different perspectives can help us see around corners and anticipate outcomes—we serve customers in all parts of the world, on virtually every continent. To succeed with our customers, it helps if we look like our customers. It gives us a competitive advantage.”

Specifically, within BHGE, the leadership team are fully behind some pointed actions to allow the company to be more inclusive and there are key representatives who act as sponsors on the Diversity and Inclusion Council. This council convenes on a quarterly basis. Our approach is to:

**PROMOTE—CONSISTENTLY**
- Monitor and track leadership programmes’ diversity slate and development
- Review promotion slates to identify barriers to promotion
- Uncover hidden biases and track hiring managers’ trend for female vs. slate of applicants

**DEVELOP—LEAD IN ALL WAYS**
- Roll out training for People Leaders: leading without bias & leading inclusively
- Embed a culture of inclusion as a competitive advantage in BHGE leadership classes
- Review existing Affinity/Employee resource group strategy to drive inclusion and outcomes aligned to business KPIs—drive accountability

**ATTRACT—THE BEST TALENT**
- Leverage external talent mapping to cast a wider net for external talent
- Drive targeted recruitment campaigns in key growth markets—engage Affinity Networks/ERGs
- Foster STEM education by partnering with key universities and schools to condition environment and attract future talent

**RETAIN—CONNECT AND INVEST**
- Executive Leadership Team sponsors: diverse talent
- Culture survey results: assess and identify breakthrough areas
- Community engagement: continue to position BHGE as an inclusive employer through volunteering and Affinity Networks that contribute to local social fabric

For more information on BHGE’s commitment to and activities around Diversity and Inclusion, please visit: [https://www.bhge.com/our-company/diversity-inclusion](https://www.bhge.com/our-company/diversity-inclusion)
Our approach to driving greater inclusion in the UK

At BHGE, women can find resources to advance and grow, develop their skills, and empower each other across the entire span of their careers. Strategic partnerships with universities and other organizations attract more women to BHGE’s leadership development programmes. We foster new ways to mentor and coach women to fuel future technical career paths, building a leadership culture that addresses unconscious bias, and attracts and retains the best and brightest female talent.

We have added diversity related questions as part of the newly launched BHGE Culture & People Review to aid the process of careful consideration of a diverse management team when agreeing upon promotions at Executive levels and BHGE HR managers in the UK attended the Diversity Career Fair in London and Aberdeen to search for diverse talent.

In Scotland, in the second quarter of 2018, BHGE launched a new Diversity & Inclusion (D&I) Council with the aim of connecting, promoting, and supporting our Affinity Networks and enabling a diverse environment where our employees’ unique talents and perspectives are valued within an inclusive culture.

- BHGE D&I Council Scotland was nominated for the AFBE-UK Scotland Awards 2018, which encourages and recognizes an outstanding company in the area of diversity and inclusion
- The team in Scotland was also nominated for the Children and Young People Awards/Developing Us
- BHGE supported STEM-related project GirlsGetSet in Aberdeen

Throughout the UK, BHGE’s seven Affinity Networks, including the UK & Ireland Commercial Women’s Network, have hosted and participated in numerous events to support the career development of women, ethnic minorities, GLBTA individuals, and people with disabilities. These events included:

- Five professional development sessions for 600+ commercial employees and customers
- Five industry conference partnerships showcasing female experts as speakers, panellists or chairs of industry networking events
- Three Industrial Internet thought leadership events, including a flagship event in conjunction with Imperial College London
- Partnership with the Royal Academy of Dramatic Art (RADA) to provide professional training to top pre-exec talent
- Six virtual learning courses reaching 800+ employees in the UK and Ireland
- Personal branding workshop
- Go STEM events connecting local primary schools with schools located close to BHGE sites in Ghana and Nigeria
- Autism awareness
- Interview practice
## Gender pay gap results by legal entity

*As at 5 April 2018*

<table>
<thead>
<tr>
<th>Legal Entity</th>
<th>Mean hourly pay difference between M/F employees (%)</th>
<th>Median hourly pay difference between M/F employees (%)</th>
<th>Proportion of employees in lower pay quartile (A)</th>
<th>Proportion of employees in lower-mid pay quartile (B)</th>
<th>Proportion of employees in higher-mid pay quartile (C)</th>
<th>Proportion of employees in higher pay quartile (D)</th>
<th>Mean bonus payment difference between M/F employees (%)</th>
<th>Median bonus payment difference between M/F employees (%)</th>
<th>Proportion of employees receiving bonus pay (F/M%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baker Hughes Ltd.</td>
<td>25.2</td>
<td>20.2</td>
<td>22/78</td>
<td>18/82</td>
<td>15/85</td>
<td>8/92</td>
<td>14.0</td>
<td>-75.4</td>
<td>98.2/96.1</td>
</tr>
<tr>
<td>GE Oil &amp; Gas UK Ltd.</td>
<td>9.2</td>
<td>8.3</td>
<td>24/76</td>
<td>12/88</td>
<td>15/85</td>
<td>13/87</td>
<td>-24.0</td>
<td>1.3</td>
<td>71.5/73.4</td>
</tr>
<tr>
<td>Druck Ltd.</td>
<td>35.1</td>
<td>36.7</td>
<td>54/46</td>
<td>40/60</td>
<td>19/81</td>
<td>8/92</td>
<td>59.7</td>
<td>58.1</td>
<td>83.4/76.2</td>
</tr>
</tbody>
</table>

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

The calculation methods under the regulations have created some anomalies when applied to BHGE’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 different 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 very different levels.