

Canadian Fighting Against Forced and Child Labour in Supply Chains Act Report

Introduction

This diligence account is jointly made by: Baker Hughes Canada Company, Baker Hughes Energy Services Canada Inc. and PII Canada Company (collectively, “the reporting entities” pursuant to the Fighting Against Forced and Child Labour in Supply Chains Act (the “Act”) and covers the period of January 1, 2023 to December 31, 2023.

Entities’ Structure, Activities and Supply Chain

Baker Hughes Company is an energy technology company that has a diverse portfolio of equipment and service capabilities that span the energy and industrial value chain. Baker Hughes conducts business in more than 120 countries in regions across the globe including North America, Europe, Middle East, Asia, North Africa, South America, and Sub-Saharan Africa. The headquarters of Baker Hughes is located in Houston, Texas and London, United Kingdom.

Each of the reporting entities is a wholly owned indirect subsidiary of Baker Hughes Company with a business presence in Canada. Baker Hughes Canada Company, a Nova Scotia corporation, provides products and services for on and offshore oil and gas operations across the life cycle of a well, ranging from drilling, evaluation, completion, production and intervention. Baker Hughes Energy Services Canada, an Alberta corporation, specializes in industrial and energy technology solutions. PII Canada Company, a direct subsidiary of Baker Hughes Canada Company and a Nova Scotia corporation, specializes in pipeline and process solutions services and related analytics.

Baker Hughes’ Canadian operations engage approximately 924 suppliers into the Canadian market. Those suppliers are located in Western Europe, North America, Asia, and the Middle East, with the greatest number of suppliers located in Canada, the United States of America, and Great Britain. The suppliers provide fabrication and machinery parts, raw materials and professional services.

Human Rights Policies

Baker Hughes operates and is managed as an integrated group with overarching policies, systems and processes that are designed to be applied and implemented consistently across business segments and geographic regions. Examples of relevant global Baker Hughes policies that govern the protection of human rights in all jurisdictions, including Canada, are:

- Code of Conduct
- Human Rights Policy
- Supplier Integrity Guide
- Fair Employment Practices Policy & Trafficking Addendum
- HSE Policy Statement & implementing policies
- Digital Trust Compliance Policy
- Data Privacy Policy
- Record and Information Management Policy
- Know Your Customer Due Diligence Policy

The Baker Hughes Code of Conduct reaffirms Baker Hughes' commitment to promote human rights within the supply chain and to report concerns regarding suspected human rights violations. The Baker Hughes Human Rights Policy recognizes the protection of human rights as a universal obligation which all Baker Hughes employees, business partners, vendors, suppliers and contractors are expected to uphold.

The Baker Hughes Supplier Integrity Guide governs all aspects of Baker Hughes' relationships with suppliers. Baker Hughes requires that suppliers adhere to the standards of conduct set out in the Supplier Integrity Guide and all applicable laws and regulations, including labour laws. The Supplier Integrity Guide places a clear obligation on suppliers not to (i) use forced, prison, or indentured labour, (ii) use workers subject to any form of physical, sexual or psychological compulsion, exploitation, or coercion, or to engage in or abet trafficking in persons; and (iii) employ workers younger than sixteen (16) years of age or below the applicable minimum age, whichever is higher. The Supplier Integrity Guide also specifically prohibits activities associated with human trafficking, such as withholding passports, charging recruitment fees, and misleading recruitment. The guide imposes certain affirmative obligations on suppliers, such as a requirement to reimburse workers for transportation costs and to provide workers with written contracts in a language they understand. Further, the guide encourages suppliers, and in some cases imposes an affirmative duty, to raise concerns about any actual or potential compliance violation and identifies the mechanisms to do so.

Due Diligence Practices

Baker Hughes Canada Company, Baker Hughes Energy Services Canada Inc. and PII Canada Company collaborate with global Baker Hughes functions that support local resources to identify, assess and mitigate human rights risks. Such functions include Sourcing Compliance, Legal Sustainability, Legal Operations, Compliance, Labor & Employment, Security, Commercial Risk, and Diversity Equity & Inclusion.

The Baker Hughes Supplier Social Responsibility Program ("SSRP") sets high standards of HSE performance, ethics, compliance, and respect for human rights, and to monitor suppliers' compliance with those standards. In alignment with the OECD Guidelines for Multinational Enterprises, Baker Hughes employs a risk-based approach to diligence of its direct material suppliers through the supplier onboarding process. These suppliers complete a questionnaire and are then scored against metrics such as country risks, the supplier's past performance, supplier's activity risk, human trafficking risks and other factors. A supplier that scores above a certain number is identified as high-risk and automatically placed into the SSRP.

Suppliers placed into the SSRP are subject to on-site audits by trained auditors using a global questionnaire and risk-weighting metrics. On-site audit assessment findings are recorded and monitored until all noted findings have been corrected. Baker Hughes works with its suppliers to remediate any actual identified human rights impacts within a specified timeframe. If a supplier does not engage with Baker Hughes in that remediation process or cannot appropriately remediate the impact within the specified timeframe, Baker Hughes will suspend or terminate the business relationship.

The Supplier Integrity Guide, the SSRP and related diligence and audit procedures all apply to the suppliers that provide goods and services to Baker Hughes Canada Company, Baker Hughes Energy Services Canada Inc. and PII Canada Company in Canada.

Baker Hughes also complies with the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018, as evidenced by its Modern Slavery Statement, and with the Norwegian Transparency Act, as evidenced by its Transparency Act Due Diligence Account.

Aspects of Business and Supply Chain that Carry Risk of Forced or Child Labour and Steps Taken to Assess and Manage Risk

Of the approximately 924 suppliers into Canada, those providing fabrication and machinery parts were identified to potentially present a human rights risk. After conducting a risk assessment of that supplier population, the 11 high-risk suppliers were sent through the SSRP audit process described above. Those audits did not uncover any actual adverse human rights impacts or significant risks of adverse human rights impacts.

Measures Taken to Remediate Forced or Child Labour Abuses

Baker Hughes has not identified any actual forced or child labour in its operations or supply chain.

Measures Taken to Remediate Loss of Income to Vulnerable Families

Baker Hughes has not identified any actual forced or child labour in its operations or supply chain and therefore has not caused loss of income by preventing the use of forced or child labour.

Training Provided to Employees Regarding Forced or Child Labour

All Baker Hughes employees receive mandatory annual training on the Code of Conduct, which covers forced and child labour.

Sourcing personnel, including the audit teams, receive “Eyes Always Open” training to be alert to potential violations and concerns during any supplier visit. Baker Hughes also makes human rights training available to direct suppliers.

Assessing Effectiveness

Baker Hughes employs several complaint mechanisms to assess its effectiveness of ensuring that forced or child labour are not being used in its operations or supply chain. All employees, suppliers and stakeholders are encouraged to speak up, without retribution, about any concerns regarding human rights in our operations or supply chain. As detailed in the Baker Hughes Supplier Integrity Guide and on the Baker Hughes website, anyone can submit a report through:

- the hotline at reportconcerns.bakerhughes.com; OR
- by emailing bakerhughes.Ombuds@bakerhughes.com; OR
- by calling 1.800.288.8475 (toll-free) or outside the U.S. +1.713.626.0521.

Baker Hughes can track human rights grievances raised through the various reporting channels. Trends of reporting can be identified and shared with relevant business functions to implement mitigating solutions. No substantiated allegations related to human rights or decent working conditions issues arose out of the respective operations or supply chains of the reporting entities during the reporting period.

Approval and Attestation

By affixing my signature below, in accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Baker Hughes Canada Company



May 31, 2024

Benjamin Leibman, Director

Date Signed

I have authority to bind Baker Hughes Canada Company.

Baker Hughes Energy Services Canada Inc.

Christopher Duhamel, Director

Date Signed

I have authority to bind Baker Hughes Energy Services Canada Inc.

PII Canada Company

Philippe Brejon, Director

Date Signed

I have authority to bind PII Canada Company.

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PII Canada Company



_Philippe Brejon_____
Philippe Brejon, Director

_05/31/2024_____
Date Signed

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