

California transparency in supply chains act



GE requires its suppliers to adhere to the GE Integrity Guide for Suppliers, Contractors, Consortium Partners and Consultants (“Integrity Guide”), which governs all facets of the Company’s relationships with suppliers. The Integrity Guide requires suppliers to adhere to the same level of responsible business conduct in the areas of Environment, Health and Safety (EHS), Labor, and Human Rights that it requires of its own operations. In the specific area of forced labor, the Guide prohibits any form of child, prison, forced or indentured labor as well as the subjection of workers to any form of compulsion, coercion or human trafficking. All business partners receive a copy of the Integrity Guide supplemented with a training video available in multiple languages.

GE’s supply chain is large and diverse. GE buys raw materials and components that are incorporated into the products and services that GE sells (direct materials). Every prospective supplier undergoes due diligence prior to signing an agreement with GE. We perform various levels of due diligence on suppliers based on detailed risk criteria, such as the supplier’s location, type and amount of work, and/or product being provided. With GE sourcing from all over the world, due diligence is critical in determining whether we pursue or continue a relationship with an entity.

Below we respond to the five areas listed under the California Transparency in Supply Chains Act.

Verification

GE’s Supply Chain monitoring program is multifaceted and risk-based. Suppliers are prioritized for detailed pre-engagement and subsequent periodic on-site assessments based on country risks, the supplier’s past performance and other factors, such as whether GE has become aware of any reason to believe that the supplier is not living up to our expectations. Through our Supplier Responsibility Governance (“SRG”) program, almost all on-site assessments are conducted in developing countries, as part of our overall supplier-management strategy, but we maintain an “eyes always open” policy to be alert to potential violations of our standards in interactions with our suppliers. For more information on our due diligence program, please see pages 11 - 13 of GE’s Human Rights Report.

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California transparency in supply chains act (cont'd)

Audits

When on-site audits are required by the GE SRG program, they are conducted by GE personnel using a global questionnaire and risk-weighted metrics. These audits seek to evaluate the supplier's compliance with local law and GE's policies on environment, health, safety, labor, security, and human rights. GE uses a combination of specially trained internal auditors, sourcing personnel, and a limited number of third-party firms specially instructed in GE standards to perform verification and auditing procedures. Audits are repeated on a one- to- five-year basis, depending on factors that include results of past audits. Audits are supplemented by periodic spot checks and anonymous desk-side reviews of GE audit records by inspectors from other business units or from our corporate EHS team. While audits are not unannounced, they are supplemented by "eyes always open" reviews when suppliers' facilities are visited by GE sourcing personnel.

Certification

GE suppliers agree to abide by our human rights principles by signing on to the [GE Integrity Guide](#) for Suppliers, Contractors, Consortium Partners and Consultants ("Integrity Guide"). The Integrity Guide explicitly prohibits suppliers from using child, prison, forced or indentured labor and subjecting workers to any form of compulsion, coercion or human trafficking. We further require that our first-tier suppliers cascade the requirements of the GE Integrity Guide to their sub-tier suppliers.

In 2022, the Integrity Guide was amended to be much more specific about the prohibitions that are indicators of human trafficking, and it specifically prohibits activities associated with trafficking, such as withholding passports, charging recruitment fees and misleading recruitment. Furthermore, the Integrity Guide imposes certain affirmative obligations on suppliers such as reimbursement of return transportation costs and providing workers with written contracts in a language they understand. The Integrity Guide encourages reports of violations of the policy through telephone, email and in-person channels and strictly forbids any form of retaliation against those who do so.

Accountability

We record, track, and monitor all SRG audit findings in our proprietary reporting tool, which is supplemented with information from regional databases. Suppliers are expected to address findings within 60 days, with GE auditors verifying the elimination of or appropriate mitigation of such risks. When issues are identified, our goal is to work with and coach the suppliers to bring their practices into compliance with our requirements as this is in the best interest of the workers. However, we will suspend or terminate

our relationship with a supplier if the supplier is uncooperative or findings are not properly addressed.

Finally, we are continually evaluating new methods to assess and manage risks in our supply chain to ensure we are effectively addressing evolving challenges and risks. For example, GE allows the option of desktop remote audits so that our program could continue. Applying the same scope and questionnaire used in the on-site audits, our remote audits rely on digital tools to allow suppliers to provide supporting documentation and to verify the closure of audit findings.

Training

For our Human Rights program to be successful, our employees, suppliers, and business partners need to understand the issues and our expectations. Therefore, we require: (i) all employees to review and acknowledge The S&L Code of Conduct annually, and complete The S&L refresher training bi-annually and (ii) employee groups in higher risk jobs to take advanced training. Our learning modules explain the core principles of human rights, describe our company-wide policies and programs, and, most importantly, set forth our employees' role in identifying and reporting possible signs of modern slavery when they are at our operations, supplier facilities, or customer sites. GE provides specialized training to auditors supporting the SRG program and delivers specific training on human rights issues and on-site due diligence requirements to employees who interact with and/or audit suppliers. We reinforce these lessons through a variety of communications, including leadership messages, newsletters, integrity campaigns, videos, infographics, and embedded messaging within various digital tools.

We provide direct material suppliers online compliance training that includes a module explaining our position on human rights, with an in-depth focus on forced labor – how to recognize it, how extensive the problem is globally, and what suppliers must do or avoid doing to comply with our forced labor policy. Suppliers view this video as part of their commitment to abide by GE's Integrity Guide. Depending on the business relationship, GE may conduct additional training or follow up discussions to ensure compliance expectations are understood and met.

