



The Spirit & The Letter of Our Commitment

Supplier Relationships

Issued: February 2010
Supersedes October 2000

integrity.ge.com

What to know

GE bases its relationships with suppliers on lawful, efficient and fair practices. In turn, we expect our suppliers to adhere to applicable legal requirements in their business relationships, including their obligations to treat their workers fairly, to provide a safe and healthy working environment, and to protect and preserve environmental quality. There are specific guidelines you must follow to ensure that our supplier relationships won't damage GE's reputation.

What to do

- Comply with applicable laws and government regulations covering supplier relationships.
- Do business only with suppliers who comply with local and other applicable legal requirements as well as any additional GE expectations that may apply. Unacceptable practices include:
 - Employing workers younger than the required minimum age or the age of 16, whichever is higher
 - Using forced, prison or indentured labor, or workers subject to any form of compulsion or coercion
 - Failure to observe applicable environmental laws and regulations
 - Failure to observe applicable laws and regulations governing wage and hour, days of service and overtime payment
 - Failure to provide workers a workplace that meets applicable health and safety standards
 - Failure to maintain and enforce policies requiring adherence to lawful business practices, including a prohibition against bribery of government officials
 - Failure to allow workers to freely choose whether or not to organize or join associations for the purpose of collective bargaining as provided by local law
 - Failure to prohibit physical, sexual or psychological harassment or coercion
 - Failure to assure that workers are hired, paid and otherwise subject to terms and conditions of employment based on their ability to do the job, not on the basis of their personal characteristics such as race, national origin, sex, religion, ethnicity, disability, maternity, age, and other characteristics protected by local law (this does not bar compliance with affirmative preferences that may be required by local law)
 - Failure to maintain security measures consistent with international standards for the protection of their operations and facilities against exploitation by criminal or terrorist individuals and organizations.
 - Failure to require their suppliers to conform to similar standards
 - Failure to respect the intellectual property rights of others
 - Use of sub-suppliers to evade legal requirements
- Follow the procedures set out in GE's Supplier Responsibility Guidelines.

Contents

[What to know](#)

[What to do](#)

[Penalties for violation](#)

[What to watch out for](#)

[What leaders must do](#)

[Questions & Answers](#)

[Where to learn more](#)

[Related policies, procedures and guidelines](#)

- Provide a competitive opportunity for suppliers to earn a share of GE's purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities, women and disabled veterans.
- Follow government acquisition regulations when purchasing materials and services for use in fulfilling government contracts.
- Evaluate all supplier offerings on the basis of technical leadership, quality, reliability, price and service. Respect licensing agreements and copyright laws, including those covering computer software.
- Maintain open, honest dialogue with suppliers, consistent with good business practices.
- Do not participate for personal gain in any supplier's contest, game or promotion. Follow your business's guidelines concerning the acceptance of gifts.
- Safeguard GE's confidential information, and safeguard any supplier-provided information protected under the terms of a confidentiality agreement entered into with GE.
- Safeguard "Personally Identifiable Information" obtained from suppliers as provided in the GE "Privacy" S&L Policy and applicable laws and contracts.

Penalties for violation

Employees who violate the spirit or the letter of GE's policies are subject to disciplinary action up to and including termination of employment. In addition, if laws are violated, employees or the company may be subject to criminal penalties or civil sanctions (damage awards or fines). GE could also lose government contracting privileges.

What to watch out for

- Selection of suppliers on any basis other than open, competitive bidding.
- Potential conflicts of interest in supplier selection, including the acceptance of gifts or other items of value except in strict compliance with business guidelines.
- Directing business to a supplier owned or managed by a relative or close friend.
- Unsafe conditions in supplier facilities, or workers who appear to be underage or subject to coercion.
- Apparent disregard of environmental or labor standards in supplier facilities.
- Entrusting personal data or confidential information to suppliers without ensuring that they have appropriate technical, physical, and organizational measures to prevent unauthorized access.

What leaders must do

- Where practical, provide competitive opportunities to all suppliers – large and small; local, national and international; internal and external.
- General Managers must establish and document a purchase authorization and approval process for their business. It must establish criteria for such major purchases as the business deems appropriate, including limits based on broad classes or types of purchase. Documentation must also include authority for financial control in accordance with this and related company policies (see "Related policies, procedures and guidelines" below).
- Ensure that a process is in place to execute the Supplier Responsibility Guidelines (see "Related policies, procedures and guidelines" below).
- Provide sourcing employees with clear guidance on acceptable and unacceptable practices in accepting gifts and gratuities from suppliers.
- Ensure that relationships with suppliers support GE's compliance and integrity obligations in such areas as data privacy, Sarbanes-Oxley compliance, and protection of GE's intellectual property.
- Officers and managers reporting to an officer have full implementing authority for this policy.

QUESTIONS AND ANSWERS

Q. A supplier has asked me to play in a local charity golf tournament. Should I accept?

A. At a minimum, do not accept any gift or favor that might be viewed as obligating you to the supplier. Even though this is a charity event, the benefit of the golf game goes to you and should be considered a gift. Be sure that you learn and follow your business's policy on acceptance of gifts.

Q. While visiting a supplier to discuss product scheduling, I notice improper chemical storage and machine guarding. The supplier isn't scheduled for a reputational review until next year. What should I do?

A. GE employees must always be alert to any conditions that give rise to concern that a supplier is not in compliance with local EHS and employment laws and applicable GE standards, and take appropriate action immediately to resolve such issues. In effect, GE employees must adopt an "eyes always open" approach on all visits to supplier locations and by remaining alert to public reports or other indications of non-compliance. Specific tools to help you understand what to look for can be found at Supplier Relationships Support Central.

Where to learn more

- Sourcing Compliance Toolkit
- More information on matters covered by this policy is available from [Corporate Sourcing](#)

Related policies, procedures and guidelines

- Complying with the Competition Laws
- Conflicts of Interest
- Privacy
- Controllership
- Following International Trade Controls
- Improper Payments
- Intellectual Property
- Working with Governments
- Supplier Responsibility Guidelines and supporting materials at [Supplier Relationships Support Central](#)