

October 27, 2020

AA-SOU-048/20

RE: GE Supplier Responsibility Update

Dear Valued Supplier,

Your relationship as a GE supplier requires compliance with GE's *Integrity Guide for Suppliers, Contractors, and Consultants*, *Avio Aero Supplier Code of Conduct* as well with all relevant law. I am writing on behalf of GE Aviation to remind you of several specific elements of this integrity obligation, as well as to make clear our company's expectations regarding supplier worker safety in this COVID pandemic.

1. **Recruitment Fees:** The *GE Integrity Guide for Suppliers, Contractors, and Consultants* (the "Integrity Guide" or "Guide") prohibits our suppliers from charging their workers recruitment fees or costs of any type and amount, regardless of what those fees are for or how they are to be paid back by the worker. Furthermore, GE has made a commitment to the "**Employee Pays Principle**" requiring that recruitment fees be borne by the employer, not the supply chain worker. This prohibition applies not only to you directly as a supplier but also to any labor brokers or recruiters that you use to locate workers for your operations. **This means that you are responsible for requiring that your brokers and recruiters do not charge any fees to workers recruited for you.** If there are legal, reasonable fees associated with the recruitment of your workers, either you or your recruiters must pay those as a cost of doing business. In furtherance of this commitment, we require that at a minimum you (i) have in place a management system to insure compliance with the "Employer Pays Principle" by your own operations and those of your labor suppliers/recruitment agencies; (ii) include the "Employer Pays Principle" commitment in your contracts with labor suppliers/recruitment agencies, and (iii) work to have any labor suppliers/recruitment agencies certified as ethical recruiters (honest, transparent, and no charging of fees) through a reliable program or agency.
2. **Sub-Suppliers** - The *Integrity Guide* and *Avio Aero Supplier Code of Conduct* require you as a GE Supplier to take all necessary steps to ensure that your suppliers and subcontractors also comply with the standards of conduct set out in the *Guide*. To comply with this requirement, GE expects that its suppliers will provide copies of the *Integrity Guide* to their suppliers or incorporate its provisions into contracts with those suppliers, in either case requiring strict compliance with its terms (in particular its prohibitions on the use of any type of forced or child labor). You must also have a reliable process to verify compliance with the *Guide* by your suppliers, including through regular audits. **Failure to require and verify compliance by your suppliers/subcontractors with GE's *Integrity Guide* will be considered a failure by you to comply with the *Guide* itself.** We will be inquiring into your supplier integrity compliance efforts as part of our verification program.



3. **Forced Labor** – GE has a longstanding, absolute prohibition on the use or trafficking of forced labor by its suppliers (and their suppliers) anywhere in the world. Workers must be recruited ethically and without charging of fees or expenses for their jobs, they must be treated fairly, honestly and without discrimination in the workplace; they must be provided a safe workplace and, if living in supplier-provided housing, housed in safe, humane living arrangements; they must be at least 16 years of age (18 years for strenuous work) or the legal age of the site's country or state, whichever is higher; they must be free to leave their jobs when and if they choose to do so without penalty; and they must be compensated fully and properly per local law for all time worked. Any actions that would prevent workers from having the ability to leave their jobs if they wished to do so – such as the withholding of passports or compensation, or the charging of penalties for resigning – are strictly prohibited. Finally, the workers must accept their job offers and continue to work in those jobs of their own free will, and not at the direction, pressure or force of an outside party. **It is important to note that certain worker populations, such as migrant workers and underrepresented ethnic minority populations, can be especially vulnerable to forced labor, so special attention should be placed on members of these groups when conducting due diligence.** This due diligence in all cases must involve direct conversations with workers to ensure they accepted the job freely, with no fees attached, and under no pressure or threats from others. GE expects its suppliers to be extremely diligent in this area, and it will conduct its own audits and reviews of supplier efforts to ensure compliance with its requirements.
4. **COVID Worker Safety** – GE's *Integrity Guide* and *Avio Aero Supplier Code of Conduct* require its suppliers to provide a safe workplace for their workers. During this COVID pandemic, this obligation is especially relevant and important. While health workplace regulations and operating rules may vary from country to country, there are certain universally accepted principles that all GE suppliers should be abiding by to protect their workforces. Those principles include proper and regular sanitation of the workplace, ensuring social distancing during operations, providing proper PPE equipment where social distancing cannot be adhered to, and allowing employees who feel ill or have COVID symptoms or infection to stay home from work without fear of losing their jobs. Suppliers must also avoid any exploitative actions during these challenging economic times, such as requiring work for no pay or preventing workers from returning home to be with their families. **We expect our suppliers to put the health and safety of their workforce first when restarting or continuing business operations.** Furthermore, we ask to supplier to promptly advice GE of any COVID case that may impact GE and provide necessary support for contact tracing execution.

We appreciate your continued compliance with GE's ethical supplier requirements. If you have any questions, please work with your GE Avio Sourcing point of contact.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Margherita Bertinotti'.

Margherita Bertinotti
GE Avio Sourcing Leader