

GE Citizenship Report 2007-2008

Investing and Delivering in Citizenship



CONTENTS

- 4 About This Report
- 5 Strategic Priorities & Engagement
- 8 GE Businesses
- 10 A Letter from Jeff Immelt
- 11 A Letter from Brackett Denniston & Bob Corcoran
- 12 A Letter from the Stakeholder Report Review Panel
- 14 Overview
- 18 Business Themes & Citizenship Priorities
- 20 Operational Excellence**
 - 21 Compliance & Governance
 - 24 Environment, Health & Safety
 - 32 Public Policy
- 36 Global Themes**
 - 38 Energy & Climate Change
 - 44 Demographics
 - 52 Growth Markets
 - 60 Financial Markets
- 66 Performance**
 - 68 Employees
 - 72 Suppliers
 - 75 Customers
 - 76 Products & Services
 - 83 Human Rights
 - 86 Communities & Philanthropy
 - 88 At-a-Glance Metrics
 - 92 GE by the Numbers
 - 92 GE Recognitions

SCOPE

This report, published in June 2008, covers GE's worldwide operations for the 2007 fiscal year, which ends December 2007, except where otherwise stated. This is GE's fourth citizenship report. Reports for previous years are available at www.ge.com/citizenship.



Markets big and small around the world are becoming more dynamic and interconnected than ever before. As the global economy grows, so does GE's reach. With operations in more than 100 countries, GE and its products and services touch a growing number of people as we strive to meet many of the world's needs in a responsible manner.

Global growth at an unprecedented scale also creates challenges for societies in both developing and developed countries alike. The world faces massive needs for infrastructure, clean water, clean and affordable energy and better healthcare.

GE is developing solutions for many of these challenges by applying the investments we have made in leadership businesses and developing people who are great builders. GE is exploring new markets and focusing on new solutions while at the same time committing to a new level of engagement with stakeholders.

White indicates GE locations
Revenues in \$ billions

United States \$86.2B revenues
155,000 employees

Canada &
the Americas \$12.6B revenues
28,000 employees

GE Around the World

GE's presence around the world mirrors global growth opportunities. With operations in more than 100 countries, we are positioned to invest and deliver in big themes to build big businesses. As the Company moves forward in 2008 and beyond, we will continue to focus on capitalizing on global infrastructure investment, emerging market growth, environmental technology, expanding and aging demographics, accelerating digital connections, and creating value from origination.

Our focus and investments in leadership businesses and in developing great people and teams are paying off. Today, GE is a great-executing, high-performance growth company.

The foundation for future growth lies in the strength and diversity of our businesses, our company-to-country approach (adapting our products and services to fit the specific needs of each market), our technical and management skills, and our ability to be a good partner. To capitalize on opportunities around the world, GE will continue to invest in leadership businesses that address some of the world's most pressing needs, such as providing clean water, environmental products and services, efficient rail and aircraft, and healthcare solutions.



Europe

\$39.9B revenues
92,000 employees

Asia Pacific

\$22.0B revenues
49,000 employees

Middle East,
Africa & Others

\$8.0B revenues
3,000 employees

GE World Totals

\$173B* revenues
327,000 employees

*includes ~\$4B from "other Global" areas

GE's approach to citizenship is a **full-time commitment** with the same goals, strategies, and accountabilities that drive business.

REPORTING PRINCIPLES



To take on tough challenges in our communities, GE applies its long-standing spirit of innovation and unique set of capabilities in tandem with our responsible leadership and system of operational excellence.

GE believes the future will be shaped by six essential business themes as set out in our 2007 Annual Report: a massive investment in infrastructure technology, the rise of emerging markets, a demand for environmental solutions, expanding aging demographics, the transforming power of digital connections, and opportunities in origination. Changing demographics over the coming years, for example, will drive the need for new healthcare solutions along with the need for reliable infrastructure, from roads to clean water. At the same time, the pace of technical innovation, government regulation and digital connections will accelerate, especially in emerging markets.

Given our outlook on the future, this year's citizenship report reviews GE's citizenship from the perspective of four key themes—Energy and Climate Change, Demographics, Growth Markets, and Financial Markets. These themes correlate with five of the six business themes/trends discussed in the 2007 GE Annual Report: Environmental Solutions, Demographics, Emerging Markets, and

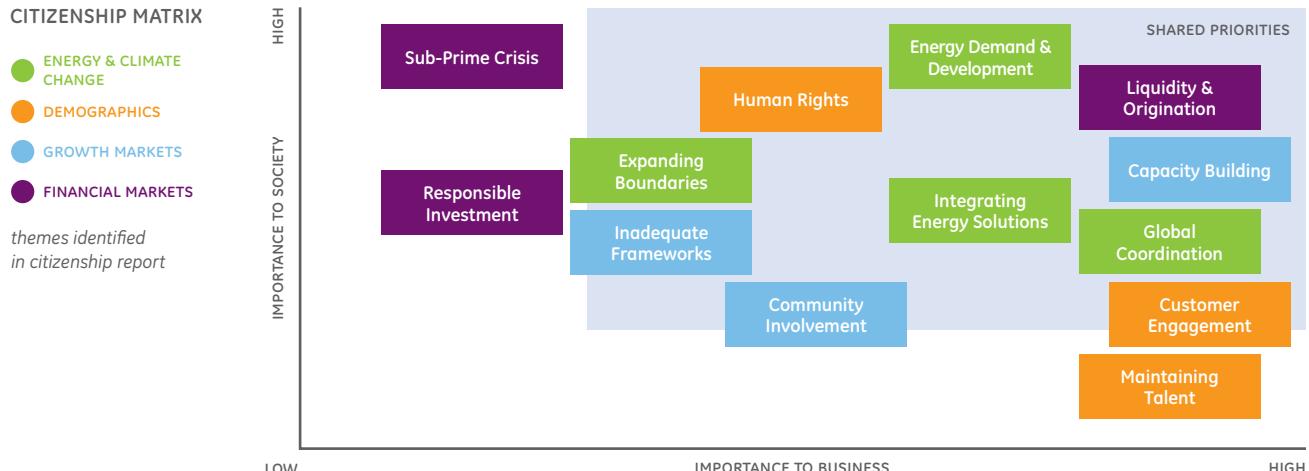
Origination, as well as discussions related to another business theme identified in the Annual Report—Infrastructure Technology. These thematic discussions are preceded by a section on GE's Operational Excellence.

The Performance section that completes this report presents data points, activities, and progress made on issues that support GE's commitment to the themes that drive our business strategy.

The themes and issues we highlight have an impact on GE's overall business and on our citizenship priorities. Our report is for the benefit of all stakeholders, but most importantly, for our employees, because it is our people who make a difference through what they do every day. It is our hope, also, that this report continues to spark the increasing dialogue about citizenship issues. For what is responsible citizenship if not a dialogue on the most complex issues?

In the process, we look for having constructive discussions, and will adapt as necessary based on what we learn. Through collaboration on developing solutions, GE can work toward improving the quality of life for citizens, our employees and our investors.

To contact GE, please see the "Contact Information" section on the inside back cover of this report.



Strategic Priorities & Engagement

Determining scope for corporate citizenship reporting

Today it is increasingly acknowledged that businesses affect the world through not only what they avoid doing, but also through what they choose to do when it comes to environmental and social issues, actions that in turn can influence business performance.

Our approach to identifying and discussing citizenship priorities is based on three components. More information on these components can be found online at www.ge.com/citizenship/priorities.

Business strategy: Investing in trends (Six business themes)

• Infrastructure Technology	• Demographics
• Emerging Markets	• Digital Connections
• Environmental Solutions	• Origination

Citizenship Leadership (Four citizenship areas of leadership)

• Ecomagination	• Compliance and Governance
• Emerging Markets	• Environment Health and Safety

Elements of GE's citizenship framework

• Make money	• Make a difference
• Make it ethically	

By integrating our citizenship framework, areas of leadership, and our business themes, we have the ability to better identify citizenship opportunities and challenges embedded in our business strategy (see opposite page).

New in this year's report is the graphic on the facing page, which features issues—current and potential opportunities and challenges—embedded in our business strategy. Most important to us and society for the coming years, these citizenship aspects guided our discussion on opportunities and challenges and our performance reporting for this year's report.

The new reporting format

This year's report represents a significant evolution from previous reports. The rationale is to structure the report in a manner that best aligns with the business strategy of the Company and also shifts much of the performance discussion to www.ge.com/citizenship. Based on feedback from internal and external stakeholders, this new structure now enables the Company to present its challenges and opportunities in a manner that is more accessible to the reader and more relevant to employees.

Highlights

Reporting

Released new citizenship report focused on key themes, context, and relevance to GE. The report development included inviting a range of experts to provide their opinions on key issues, dilemmas, and challenges GE and multinationals face in the area of corporate citizenship.

Water reduction goal

In May 2008, GE announced a global water reduction goal for our manufacturing operations—a 20% reduction by 2012 from our 2006 baseline.

Product innovation in emerging markets

Developed a summary of solutions to address needs in emerging markets, including healthcare, water, and energy.

Ecomagination

Ecomagination product revenues increased from \$12 billion in 2006 to \$14 billion in 2007, which as a percent of overall company-wide revenue is 23% in 2007.

Greenhouse gases and energy reductions

In 2007, the Company reduced greenhouse gas emissions by 8% compared to 2004 levels. GHG and energy intensity have been reduced by 34% and 33%, respectively, compared to 2004.

Human rights

Began a program to operationalize human rights considerations that included drafting and testing implementation guidelines. Expanded supplier due diligence program to cover freedom of association, discrimination, and harassment in line with GE's Statement of Principles on Human Rights.

Public policy

In part as a result of USCAP's efforts, climate change became the priority environmental issue before the U.S. Congress in 2007, with numerous hearings, the first-ever reporting of a bipartisan bill by the Senate Environment Committee and the commitment of leaders in both houses to enact legislation.

Globalization

GE's business outside the United States has grown from 35% in 2002 to more than 50% in 2007. GE operations in 22 countries now generate revenues that exceed \$1 billion.

Company performance

Revenues in 2007 grew 14% to \$173 billion and earnings from continuing operations grew 16% to \$22.5 billion.

Supporting processes and report elements

Key citizenship priorities by business units

In 2007, the Company completed its citizenship assessment process pilot with GE Healthcare and subsequently with GE Money. In 2008, GE plans to continue its formal assessment process throughout our remaining four businesses (GE Commercial Finance, NBC Universal, GE Infrastructure and GE Industrial). This process was designed and managed in partnership with Business for Social Responsibility, with all final content decisions being made by GE.

For the coming year, GE plans to consider how the output from the assessment process is managed and how the process can be most effectively replicated in future years so that it supports the Company's continued efforts in both reporting and citizenship strategy.

Our 2007–2008 Commitments

- Continue multi-stakeholder dialogue sessions.
- Encourage stakeholder feedback as part of citizenship assessment process.

Stakeholder engagement

GE values and recognizes the importance of engaging its stakeholders to learn about and understand their concerns and issues. The dialogue developed between GE and our numerous stakeholders allows us to appreciate new perspectives and better understand how our business goals can be aligned with commonly held social societal goals. Hence, strengthening our business performance, our engagements are clearly linked to GE's learning, policy formation, and decision-making processes.

In 2007, GE continued to commit to undertaking open, ongoing dialogue with a diverse set of global stakeholders, including government representatives, non-governmental organizations (NGOs), industry and financial analysts, environmental advocacy groups, the media, customers, community leaders, and employees. Some of our key engagements are provided below:

- **Employees**—Anonymous all-employee surveys, Crotonville focus groups, town hall-type meetings with the chairman and other senior officers, and roundtable discussions with various segments of GE's diverse employee population.
- **Customers**—Dreaming Sessions, CEO "City Swings," Net Promoter Scorecards and "At the Customer" quality initiatives.
- **Investors**—GE has long had a systematic communications process to meet the information needs of our investors. GE conducts more than 350 analyst and investor meetings every year and disseminates monthly e-mail updates and quarterly brochures covering all business segments, citizenship highlights, and key events.
- **Suppliers**—Supplier training programs, assessments, "train-the-trainer" sessions on key issues, best practice sharing sessions, and supplier conferences.
- **Multi-stakeholder dialogues**—Includes investors, non-governmental organizations, community organizations,

and other important external stakeholders. For this report, GE held multi-stakeholder dialogues in Geneva, Switzerland; Washington, D.C.; and Delhi, India.

GE Citizenship Executive Advisory (CEA) Council

Senior GE officers, including the Citizenship Executive Advisory (CEA) council, are regularly involved in reviewing stakeholder feedback. This group meets at least quarterly and reviews summary stakeholder feedback and issues important to the Company's citizenship efforts to ensure that the appropriate actions and resources are in place. The CEA is comprised of five senior GE executives: Brackett Denniston, SVP and General Counsel; Bob Corcoran, VP of Corporate Citizenship; Gary Sheffer, Executive Director of Corporate Communications & Public Affairs; Ann Klee, VP of Environmental Programs; and Lorraine Bolsinger, VP of ecomagination.

Employee perspectives

Employees are the ambassadors of our Company, reflecting our commitment to responsible citizenship across the world. This report provides perspectives from a variety of employees to provide further context to our reporting.

Expert perspectives

Responding to feedback on last year's report, GE invited a range of experts for the first time to provide their opinions on key issues and challenges GE and multinationals face in the area of corporate citizenship. Some of these opinions are included in this report and have not been edited by GE. Experts' contributions to this report do not imply an endorsement by the individual or organization of this report or of GE's policies and practices more generally. Moreover, their inclusion does not constitute an endorsement by GE of the individual or organization's opinion or position.

Reporting and assurance standards

GE utilized a Stakeholder Review Panel to assess and comment on report quality (see page 12 for the Panel's letter). Ongoing stakeholder engagements have enabled the Company to determine the impact and influence of its corporate citizenship efforts. The Panel's commentary is intended to inform and guide report readers, as well as GE. Use was made of the AA1000 Assurance Standard. GE is committed to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, which have informed the development of this report. For this 2007–2008 report, we have used the GRI "G3" Guidelines and compiled the report according to GRI Application Level A. To learn more about the GRI guidelines, please visit www.ge.com/citizenship/reporting.

A full GRI Index for the report can be found at www.ge.com/citizenship/GRI.

This report, published in June 2008, covers GE's worldwide operations for the 2007 fiscal year except where otherwise stated. This is GE's fourth citizenship report. Reports for previous years are available at www.ge.com/citizenship/reporting.

Insights from GE 2008 Stakeholder Convenings

GE has learned to value and recognize the dialogue held at our regional convenings as delivering a very real potential to address challenges collaboratively and encourage innovation through mutual learning and guidance. Regional convenings have become a proven pathway for GE executives to engage on and inform the Company's corporate citizenship policies and approaches on strategic issues as well as to strengthen, effectively engage, and grow our stakeholder network.

A brief history

In late 2006 and early 2007, we hosted our second series of regional convenings in Brussels, New York, and Hong Kong to seek counsel and advice from key stakeholders, thought leaders, and experts during the development process of our Statement of Principles on Human Rights, which we published in the summer of 2007. The development of the Statement was, in turn, a direct response to the stakeholder feedback obtained during our first series of convenings in early 2007.

Background to the 2008 Convenings

This year we sought to reflect on our progress concerning the implementation of our Statement of Principles on Human Rights as well as our broader ecomagination and development efforts, and further explore the links between GE's operations and the broader human rights agenda. In particular, we convened experts and stakeholders in three regions to discuss:

- How can GE further advance the implementation of the Company's global Human Rights Policy, and in particular in relation to our role as a global Olympics sponsor at the 2008 Beijing Olympic Games; in other words, "What does it mean to be a good global citizen?" (Geneva)
- How can GE further embed its environmental stewardship work within the core of its strategy and practice, expanding its efforts outside the United States and also connecting its efforts to the broader development agenda? (Washington, D.C.)
- How can GE advance an effective approach to serving communities in the developing world in light of the Company's unique position in providing infrastructure solutions to the private and public sectors? (Delhi)

To learn more about GE and stakeholder participants for these convenings, please visit www.ge.com/citizenship/processes.

Insights from the 2008 convenings

GE greatly appreciated the honest and open discussions at the three convenings. Valuing the counsel and advice we received, we would like to share a summary of the key opportunities and challenges the convenings helped us identify and explore.

We discuss many of these opportunities and challenges within this year's report and are looking forward to further engagement over the coming year to help us inform and guide our citizenship approach and efforts. To provide the reader with a flavor of the discussions at the convenings, this report also features a number of (unedited) expert perspectives authored by participants of the convenings. Insights include:

Climate change public policy

Clear and consistent communication, including recommendation and clarification of effective and credible global policy frameworks, engaging in national and local debates on trade policies, and customer engagement on clean technology (Washington, D.C.).

Company-to-country investment

Leveraging innovation and product adaptation driven by local culture and context (Delhi).

Customer product-use issues

Clarification of GE's approach to client responsibility of GE products, including increased engagement with society on key concerns such as dual-use technology and post-sale management (Geneva, Delhi, Washington, D.C.).

Expanding boundaries

Engaging experts as GE continues to operationalize its Statement of Principles on Human Rights and consider a life-cycle approach for GE's products as GE applies its efforts to help reduce CO₂ emissions within its supply chain (Geneva, Washington, D.C.).

Human rights

Increased public positioning on business issues associated with the emerging and ongoing human rights discussions and proactive engagement as they arise, e.g., 2008 Beijing Olympic Games (Geneva).

Localizing engagement

Greater understanding of the implications arising from GE's unique position as a business-to-business company providing infrastructure solutions to countries (from technology development to local implementation) (Delhi, Washington, D.C.).

Strategic collaborations and partnerships

Leveraging of GE's core competencies and strengths (commitment to innovation and ability to scale projects and programs) in strategic collaborations and partnerships to ensure acceptance and sustainability (Delhi).

GE has invested in a portfolio of **six leadership businesses** that give us the scale and breadth of capabilities to deliver on the essential themes of tomorrow.



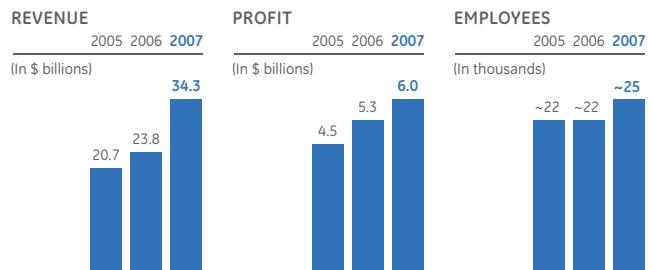
GE Infrastructure

GE Infrastructure is one of the world's leading providers of essential technologies to developed and emerging countries, including aviation, energy, oil and gas, transportation, and water-process technologies and services. GE Infrastructure also provides financing services to aviation, energy, and transportation companies.



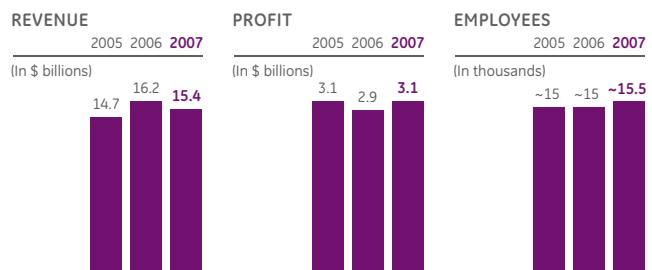
GE Commercial Finance

GE Commercial Finance offers an array of services and products aimed at enabling businesses worldwide to grow. GE Commercial Finance provides loans, operating leases, financing programs, and other services.



NBC Universal

NBC Universal is one of the world's leading media and entertainment companies in the development, production, and marketing of entertainment, news, and information for a global audience.



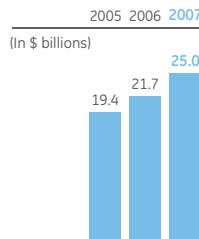
For a complete list of products and services, please visit www.ge.com/products_services.



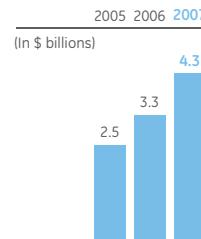
GE Money

GE Money is a leading provider of credit and banking services to consumers, retailers, and auto dealers in countries around the world, offering financial products such as private-label credit cards; personal loans; bank cards; auto loans and leases; mortgages; debt consolidation; home equity loans; credit insurance; deposits and other savings products.

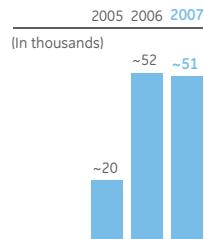
REVENUE



PROFIT



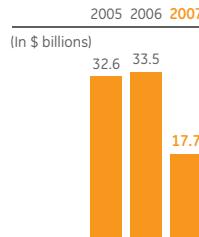
EMPLOYEES



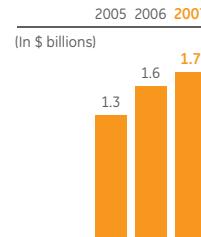
GE Industrial

GE Industrial provides a broad range of products and services throughout the world, including appliances, lighting, and industrial products; factory automation and embedded computer systems; sensor and non-destructive testing; electrical distribution and power control; and security and life-safety technologies.

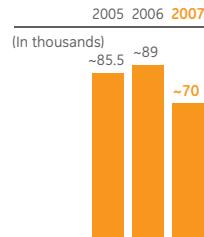
REVENUE



PROFIT



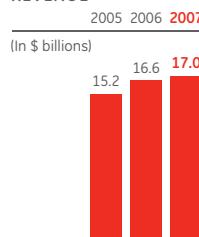
EMPLOYEES



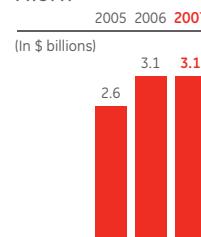
GE Healthcare

GE Healthcare provides transformational medical technologies and services that are shaping a new age of patient care. Our expertise in medical imaging and information technologies, medical diagnostics, patient monitoring systems, performance improvement, drug discovery, and biopharmaceutical manufacturing technologies is helping clinicians around the world re-imagine new ways to predict, diagnose, inform, treat, and monitor disease, so patients can live their lives to the fullest.

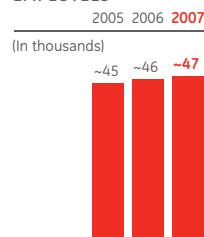
REVENUE



PROFIT



EMPLOYEES



Dear friends,

For 130 years, GE has demonstrated that we can nimbly adapt to our customers' needs — and those of the world. This ability to evolve and grow has strengthened the Company over time, and it defines GE today.

Progress in the global marketplace suggests potentially massive future growth for GE. Yet it also demands we play a changing role: shifts in demographics, growth in emerging markets, the emerging reality of climate change and other issues are business opportunities that must be joined with progressive societal policy changes. They are opportunities for GE to be great — as well as good.

This 2007 Citizenship Report illustrates how we actively expand our role in the world. We are broadening partnerships with governments — some which are major GE customers — and joining with suppliers, non-governmental organizations, academics and local concerns to jointly tackle some of the world's toughest problems. This activity is reflected in this report's introduction of GE's new water conservation goals, as well as information on our implementation of a Statement of Principles on Human Rights. We also continue to design new, leading-edge technology specifically for emerging markets like China and India. We deploy more than a century of experience and governance expertise

to encourage a more widespread recognition of the rule of law. And where GE and its employees can make a real, fundamental difference in those communities where we work and live, we don't just talk — we do.

We recognize that opportunities for growth bring real social responsibility challenges. When society changes, business must be proactive in changing along with it. We are doing so, moving beyond dialogue to action. This report details how.



Jeffrey R. Immelt
Chairman of the Board
and Chief Executive Officer
General Electric Company



Dear friends,

GE is a global company, serving customers wherever they are. We source products, services, and expertise worldwide to make sure that we tap into the best practice available anywhere.

Encouraging diversity of talent, cultures, and ideas is critical to our success. We are accelerating the transformation of our Company to become more agile and responsive to customer needs. Our reach is now in more than 100 countries and our growth is aligned with some of the most dynamic markets in the world. More than ever, our focus is around implementing new technologies, products, and practices that make a difference in society.

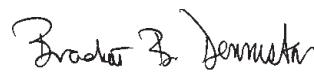
Citizenship is more than just doing good things for the community. It is about responsible investment and product development, support for human rights, and achieving a better understanding of a company's impact on society. In this case, society includes government, consumers, suppliers, and others within our sphere of influence. For a company such as GE, there is a tendency by many to expect GE to be all things to all stakeholders. There are challenges to how and where we conduct business today, and challenges vary by region, culture, and population. Our sphere of influence is complex and dynamic. We must be part of the

solution in solving some of the world's toughest problems, such as climate change, human rights, and shifts in global demographics. And, we need to manage our growth responsibly in sectors and regions that have few established or, at times, conflicting regulatory frameworks.

Global issues are affected in particular by the expanding complexity of regulatory environments. Responsible regulatory behavior is important, especially in the face of more stringent regulatory environments across the globe. We are collaborating with governments and other stakeholders to help establish regulations and build capacity to the mutual benefit of all players. More detail on these initiatives can be found within our Operational Excellence discussion, specifically our approach to regulatory excellence and public policy.

We feel that responsible, ethical business is part of the solution, and poor business practices and products can be part of the problem. This past year GE continued to advance its citizenship priorities and policies, a process we believe is enhanced through our engagement with a wide range of stakeholders. Through ongoing dialogue, we receive feedback that is helpful in identifying issues and topics relevant to our citizenship efforts. We believe that as society's concerns increasingly impact business, ongoing stakeholder involvement will continue to be critical.

In whatever way GE conducts itself, it does so from a common culture shaped by strong values, innovation, leadership, and integrity. As GE continues to address big issues around the world, we know we do so from a foundation of solid values. The challenges may be increasing, but so are the opportunities to make a difference.

The signature of Brackett B. Denniston III, written in black ink. It is a cursive script that reads "Brackett B. Denniston".

Brackett B. Denniston III
Senior Vice President & General Counsel

The signature of Robert L. Corcoran, written in black ink. It is a cursive script that reads "Robert L. Corcoran".

Robert L. Corcoran
Vice President, Corporate Citizenship

A Letter from the Stakeholder Report Review Panel

The Panel's task has been to help advance the quality of the 2007–2008 Corporate Citizenship Report through dialogue with GE, and provide this Commentary on its stage of development with recommended future directions for GE's sustainability reporting. The Commentary is not an audit or verification statement, but is designed to provide guidance to readers and GE.

Providing a one-year snapshot of a constantly moving business is a significant challenge for any company. A challenge that is even more difficult for GE, whose global business is extremely diverse and complex. It is in this context that we set out our Commentary, which covers the main report only, although we have also provided feedback on aspects of GE's online citizenship performance data.

The Panel expresses its views as a group of individuals, and not on behalf of these individuals' organizations. In recognition of our investment of time, an honorarium was made to us individually or to the organization of our choice, and GE reimbursed us for expenses. The Panel was designed, organized and facilitated by AccountAbility.

Citizenship Report highlights:

This year, GE has been remarkably responsive throughout the drafting process, and we commend it for substantially restructuring the Report to improve its quality. As a result, GE's Report has advanced in focus, clarity and coverage. Notable progress includes:

- Improving the report's strategic alignment—its structure now reflects GE's business themes for growth. It allows readers to judge better how embedded citizenship is within GE's strategic goals.
- Extending the consideration of the deep social and environmental challenges it faces.
- Exploring material areas more closely, including a franker assessment of where it faces dilemmas from technology gaps, market signals or the regulatory environment. It has wisely not attempted to cover every possible element of global citizenship.
- Transferring a considerable amount of data to the Web. This allows GE to present a clear, focused picture of the most material aspects of its performance in the Citizenship Report.

How complete is the Citizenship Report?

The Report provides better information about GE's citizenship approach and sustainability performance and impacts than past Reports. It demonstrates progress in the Company's commitment to more open, ongoing stakeholder engagement and growing understanding of its social and environmental impacts.

GE has provided a strong, improved focus on Energy and Climate Change, including clear progress made in 2007 as well as acknowledging broader dilemmas and considering GE's role in their solution. We applaud GE's efforts to develop products that help meet the climate challenge. However, in future reports GE needs to evaluate the carbon-intensive elements of its business portfolio, such as fossil fuel extraction products and services—notably oil sands—and coal-fired power generation, in the context of the need for deep cuts in global emissions. This would mean, for example,

showing how these business areas are aligned to the policy commitment GE has endorsed as a leading member of the U.S. Climate Action Partnership for 60–80% reduction in U.S. emissions by 2050.

The Panel was impressed with the Operational Excellence section, which illuminates how citizenship is integrally linked to GE's own culture and shows how it translates sustainability goals into practice across a diverse, global operation. One important theme is GE's commitment and efforts to promote the "rule of law." The Panel would like future reports to examine more deeply how this commitment translates into practice.

Does the Report cover what is material?

The Report does focus on material aspects of GE's citizenship, more effectively mapping the drivers of business performance. GE's decision to align this year's Report with its strategic business goals, its engagement with diverse business units to identify material issues, and the continual deepening of its engagement with stakeholders are all positive.

Specifically, the Panel commends improved transparency on the size of ecomagination relative to GE's overall product portfolio and revenue stream. GE's more open discussion about nuclear as a future energy source and its increased transparency and accountability on military products are important steps in improved disclosure on material issues. Next year's Report would benefit from more detailed discussions of challenging material impacts such as the treatment of nuclear waste and consideration of military products within its GE's ecomagination strategy.

The Panel also welcomes GE's policy clarification that it faces human rights issues that go beyond labor practices in its supply-chain, including product-use and customer responsibilities. The Panel, however, believes that the Report does not yet fully reflect GE's sophisticated understanding of these issues, nor its own leading role in shaping the global conversation on business and human rights. We encourage GE to deepen and enhance its reporting on the implications of its involvement in the Beijing Olympics, including possible implications of its engagement with key stakeholders, and its own efforts, including lobbying (also as it relates to expectations concerning GE's role in the context of the situation in Darfur).

Does the Report cover GE's responsiveness to material issues?

The Report communicates GE's commitment to improving its business and citizenship performance and transparency. It includes both longer-term commitments as well as specific targets in some areas. This year's Report also demonstrates visible progress on material, priority areas from last year's Report.

GE is to be congratulated for introducing a water reduction goal based on a 2006 baseline assessment of its water use. Further, the Panel welcomes GE's articulation of its goals throughout the sections and in the At-a-Glance table at the end of the Report, which shows performance data over time. However, the Panel continues to encourage GE to identify more specific, quantitative,

Stakeholder Report Review Panel

Our 2007–2008 Commitment

- Further engage the expertise of the Stakeholder Report Review Panel

Six people were invited by GE to join the Panel, identified in discussion with AccountAbility, the latter acting as the Panel Convener. Panel members were selected for their interests and concerns, their expertise and their knowledge of GE. Panel members were asked to participate as individuals, not as representatives of their organizations, which are shown below only for reference:

- Rachel Kyte, Director, Environment & Social Development Department at the International Finance Corporation
- Nick Robins, Head, HSBC Climate Change Centre of Excellence

- Elizabeth McGeveran, Senior Vice President, Governance & Sustainable Investment, F&C Management Ltd.
- Isabel Hilton, Founder, China Dialogue
- Elizabeth Cook, Vice President, Institutional Strategy & Development, WRI
- Salil Tripathi, Senior Policy Advisor, International Alert

The Panel provided feedback to GE based on a draft report, and the commentary based on its view of the final report. The Panel focused on the quality of the report, although members raised some performance issues in discussion with GE. The Panel's commentary, presented here, is intended to inform and guide the report readers, as well as GE. Use was made of the AA1000 Assurance Standard, but the Panel's work is not a formal assurance exercise.

performance metrics and targets to further increase the Report's robustness and credibility. More information concerning the global and/or local significance of specific performance to GE's business and operations would further strengthen the performance information.

We also appreciate GE's responsiveness to last year's Panel's recommendations, notably the provision of actual 2007 versus accumulative performance data against targets and the inclusion of external voices, which enhances the Report's discussion of challenges and opportunities the Company faces.

Recommendations for future reporting

The Panel encourages GE to continue innovating in its reporting, and we challenge it to strive for leadership in promoting meaningful transparency across the global business community.

- **Injecting sustainability into financial reporting:** This year's Citizenship Report has demonstrated the strategic relevance of GE's programs for its long-term business performance. These material aspects of sustainability management and innovation should be incorporated into regular investor disclosure, including quarterly and annual reports as well as in proxy statements.

- **Embedding citizenship within operations:** We would welcome transparency on how sustainability performance is brought to life for individual GE employees through performance evaluation and compensation.

- **Matching global reporting with national level data:** Utilize GE's Web site to provide country-level performance data and information for global stakeholders, including insights and outcomes from key stakeholder and business engagements, especially in high growth regions such as Asia.

- **Discussing public policy engagement:** Further strengthening of disclosure on GE's public policy activity and lobbying on key citizenship issues at the global and national level, including membership organizations that represent GE. Consider making all submissions to governments available on the Web site.

- **Exploring human rights:** Shine a brighter spotlight on GE's human rights approach and practice, and illustrate its thoughtfulness in approaching challenging dilemmas. As operationalizing GE's human rights policy around the globe is particularly complex, this area does not lend itself to quantitative goals, but to case studies and an active discussion of the dilemmas and nuances central to the human rights challenges the Company faces. For example, the illegal use of GE's ultrasound equipment for sex-selection by practitioners in India or application of GE's global labour rights standards within its supply chain in challenging environments like China. Further information on steps the Company has taken to align its performance with its human rights policies would enrich the Report.

- **Progressing the "Energy and Climate Change" Agenda:** Deepening of reporting on the Company's contribution to the U.S. Climate Action Partnership's commitment to 60-80% reduction in U.S. emissions by 2050 – how, on a practical level, GE plans to help achieve these goals via technology adaptation or expansion of ecomagination.

- **User-focused reporting:** Experiment and explore how best to reach and communicate with the company's diverse range of stakeholders, especially those with particular, set interests or those who may have limited access to the Web.

Operational Excellence

(page 20)

2007-2008 COMMITMENTS

Engagement

- Continue multi-stakeholder dialogue sessions.
- Encourage stakeholder feedback as part of assessment and prioritization process.
- Further engage the expertise of the Stakeholder Report Review Panel.

Compliance and Governance

- Continue to improve early warning and anticipation processes.
- Provide explanation/interpretation of increases to selected ombudsperson concerns.
- Present ombudsperson data by geography.

- Expand reach of compliance processes to encompass the five "R's" of risk, reward, regulation, relationships, and reputation.

EHS

- Sustain and improve GE's EHS metrics while supporting the Company's organic growth and integrating newly acquired operations.
- Use information gathered by new water and waste metrics to identify further opportunities for further reduction in addition to those already undertaken in past years.
- Add five more countries in 2007 to the Waste Site Qualification Program.
- Continue global focus on regulations.

- Continue to work cooperatively with government agencies on remedial issues and at remedial sites for which GE has responsibility.

Public Policy

- Play a leading role in educating members of the U.S. Congress on the benefits of trade—including maintaining and improving international tax policy—to U.S. businesses, workers and citizens.
- Continue to press for the enactment of legal reform in states with the largest potential liability for GE businesses.

Products & Services

- Continue focus on acquisition integration.

2007-2008 PROGRESS

Engagement

- Convened multi-stakeholder dialogues around the world (Geneva, Switzerland; Washington, D.C.; Delhi, India).
- Deepened discussion with Stakeholder Report Review Panel, as GE engaged the Panel prior to the report drafting process.
- Sought broader views from various stakeholders on operationalizing GE's Statement of Principles on Human Rights.
- Conducted more than 350 analyst and investor meetings.
- Named "Grand prix for best overall IR," "Best Communications with the Retail Market" and "Best Overall Investor Relations—Mega-Cap" in 2008 by *IR* magazine.
- Ranked "First Team" by *Institutional Investor* magazine.
- Invited and accepted unedited external perspectives for inclusion in citizenship report.

to come forward with their questions and concerns without fear of retribution.

- Reported timely investigation of concerns to ombudsperson, with 94% of 2007 investigations closed to date, averaging 45 days to close.
- Investigation results by geography: 56% U.S. & Canada; 15% Europe; 16% Asia; 13% Latin America.
- Established new policy area of Regulatory Excellence and defined six processes for GE leaders to execute.
- Refreshed ombudsperson training and held 19 training sessions and 11 regional workshops.

- GE is taking major steps forward with the Company's largest environmental cleanup project, the dredging of the Hudson River.

EHS

- GE's Global Total Recordable Rate decreased 12% and GE's Global Lost Time Rate decreased by 15%.
- Announced new goal to reduce water use by 20% by 2012 (from the 2006 baseline).
- Expanded Waste Site Qualification Program to now cover 38 countries.

Public Policy

- Released list of 2006 corporate expenditures (disclosed publicly) to U.S. political parties and candidate committees.
- GEPAC (GE Political Action Committee) disbursed \$733,540 to U.S. federal and state candidate campaign committees and party organizations, with receipts from 2705 eligible employees.
- Announcement by Jeff Immelt about the dual role of GE national and regional executives in the countries in which GE operates.
- Continued to participate in the Global Initiative to Combat Nuclear Terrorism.
- Continued involvement in the United States Climate Action Partnership (USCAP), which GE helped form in 2007.
- Hosted regional energy forum in Hungary.
- Undertook a number of educational water initiatives around the world.

2008-2009 MOVING FORWARD

Engagement

- Continue multi-stakeholder dialogue sessions with increased participation from GE business leaders.
- Expand engagement of Stakeholder Report Review Panel beyond reporting, providing ongoing feedback to citizenship program.
- Provide more context to customer engagement process.

- Update on regulatory compliance processes.
- Detailed review of ombudsperson process.

Public Policy

- Contribute to public policy dialogue, generating effective solutions to significant policy issues.
- Support efforts to identify next generation public policy issues, developing and proposing novel solutions to policy issues.
- Engage in a constructive dialogue among key stakeholders.
- Further enhance public policy dialogue to shape and support GE engagement.
- Engagement in rule-of-law leadership, including the 2008 ABA Vienna Forum and the Rule of Law Index.

EHS

- Continue to focus on sustaining and improving GE's EHS metrics.
- Take next steps on Company water use reduction.
- Continue to focus on regulatory change.
- Continue to focus on meeting GE's remedial responsibilities.
- In the spring of 2009, GE is scheduled to begin dredging the Hudson River.

Compliance and Governance

- Continue to provide ombudsperson data by region and issue.

Energy & Climate Change (page 38)

2007-2008 COMMITMENTS

Products & Services

- Continue progress on eco-related technologies to meet GE's ecomagination commitments.

EHS

- Continue focus on meeting greenhouse gas reduction and energy reduction goals.

Public Policy

- Work directly and through USCAP with administration and congressional leaders to develop legislation by the end of 2008 designed to reduce carbon emissions.

- Lead a series of water conservation seminars that will unite industry experts around the world to tackle industrial water reuse, recycle, and scarcity problems.

2007-2008 PROGRESS

EHS

- Reduced greenhouse gas emissions by 8% compared to 2004 levels.
- GHG and energy intensity have been reduced by 34% and 33%, respectively, compared to 2004 levels.
- A series of "second-round energy treasure hunts" conducted at key sites within GE's portfolio has identified significant GHG reductions.
- Under the eCO₂ program, which rewards teams that have achieved a 5% absolute GHG reduction (against the 2004 baseline), 46 sites during 2007 were recognized for their achievements.

Products & Services

- Cleaner R&D investment on track for 2010 target (\$1.5 billion), establishing "clean tech" fund that surpassed \$1 billion threshold.
- Increased ecomagination revenue to \$14 billion, which equals 23% of GE's overall Company-wide product revenue, showing significant progress towards the 2010 target (i.e., at least \$20 billion).
- Launched more than 60 ecomagination products since campaign started.
- For 2008 Olympics in Beijing, GE is making significant contributions to more than 335 infrastructure projects, including examples of GE's environmentally sound technology such as filtration systems for clean drinking water and rain water recycling at the national Stadium, solar-powered lighting at Fengtai Softball Field, etc.

- Made capital investments totaling more than \$250 million since 2001 to increase research capacity in the U.S. and expand our four global research centers.
- Explored energy opportunities and challenges such as with the development of oil sand reserves giving consideration to improved technology features concerning water use, natural gas reliance, etc.
- Recognized by *R&D Magazine* as first among 130 top global R&D companies for proactively addressing the world's high-tech challenges and for being the place where R&D professionals most want to work.
- Continue to convene the ecomagination Advisory Council, consisting of nine energy and environment thought leaders.

2008-2009 MOVING FORWARD

Products & Services

- Continue to expand ecomagination products and services.
- Continue to increase R&D spending for ecomagination.
- Continue progress towards meeting GE's ecomagination commitments.

EHS

- Continue focus on GHG reduction.
- Take next steps on new Company water use reduction goal.

Public Policy

- Continue to focus on regulatory change.
- Commitment to energy policy change.

Financial Markets (page 60)

2007-2008 COMMITMENTS

- N/A

2007-2008 PROGRESS

Products and Services

- Developed Responsible Lending Standards, a set of 30 guiding principles based on extensive stakeholder and customer reviews in 21 countries across Europe.

Public Policy

- GE Energy Financial Services finalized guidelines on the financing of energy projects.

2008-2009 MOVING FORWARD

Products and Services

- Share progress on responsible lending.

- Provide overview of partnerships with sovereign wealth funds and other strategic partners engaged in infrastructure projects in emerging markets.

Demographics (page 44)

2007-2008 COMMITMENTS

Employees

- Continue to anticipate external trends and influence HR public policy.
- Build culture and capability for global growth.
- Attract, retain, and engage the world's best people and teams.
- Encourage consumerism in healthcare choices.
- Use technology to drive leading-edge, simple, efficient HR processes.

- Provide discussion on gender diversity by region.

Customers

- Continue incorporating customer feedback into the development of innovative products.

Products & Services

- Develop new breakthroughs in molecular medicine to accelerate the vision of GE's Healthcare Re-imagined initiative.

- Update progress on Healthcare Re-imagined initiative and performance technologies in emerging markets.

- Refocus GE Money's global efforts on programs and initiatives that seek to empower women by providing financial education and supporting entrepreneurship.

2007-2008 PROGRESS

Employees

- Invested more than \$1 billion in training and development initiatives.
- Continued the new course titled Leadership, Innovation, and Growth for leadership teams.
- GE's global employee population now has 53% of employees working outside the United States.
- GE in 2007 significantly expanded its executive band personnel by about 4% (176 new executives). Reflecting the Company's continued growth outside of the United States and in emerging markets, an increase of 183 positions within this executive band was outside the U.S.
- Of the 1,000 student hires in 2007, 224 were from Asia, 148 from EMEA, and 681 from North and South America.
- More than 175,000 employees completed the 2008 GE Opinion Survey earlier this year, which was redesigned to be more specific and actionable, aligning to global norms.
- Continued to offer a well-conceived benefits package and innovative healthcare programs to employees.
- Continued commitment to increasing representation of globally diverse talent in leadership roles in the Company.
- Negotiated a four-year National Agreement with members of GE's two largest unions in the United States.

- Provided a global network of online learning, with nearly 3.4 million online courses completed in 2007.

- Ranked No. 1 for engineering internships by Universum, a global leader in employer branding.

- Recognized by Universum as having the No. 1 Rotational Program for Undergraduates; by *BusinessWeek* for being one of the Best Places to Launch a Career; and by NACE as a top Preferred Employer.

- Ranked the No. 1 Best Rotational Program for MBAs (Universum), a top MBA Employer (Universum) and an Employer of Choice for MBAs (*Fortune*).

- Since 1945, GE employees have contributed \$3.7 billion to the pension and received \$40 billion in return.

Customers

- Continued to develop customer-centric tools and processes, such as Dreaming Sessions, Net Promoter Score, customer summits, and GE Marketing Toolkit.

- Organized a Leading & Learning program that convenes women leaders from within and outside the Company to discuss current issues.

- Applied Lean manufacturing practices to business areas to streamline processes and increase customer satisfaction.

- GE Healthcare Financial Services reorganized its structure to get closer to customers and improve service.

Products & Services

- Made capital investments totaling more than \$250 million since 2001 to increase research capacity in the U.S. and expand GE's four global research centers.

- Continued driving forward Healthcare Re-imagined initiative.

- Developed Universal Pictures formal policy and procedures for identifying, evaluating, and, where appropriate and feasible, eliminating smoking incidents in youth-rated films.

- In the Philippines, GE Money partnered with the Let's Go Foundation, and is helping young women gain the skills they need to change from job seekers to job creators and entrepreneurs. In Thailand, the partner is the Goodwill Foundation, and is focused on providing disadvantaged Thai women with access to basic financial education.

- Globally, GE Money announced its partnership with FINCA, the Foundation for International Community Assistance, and will provide funding for the creation of village banks in a number of targeted rural communities in Latin America, Africa, Europe, and Asia.

Public Policy

- Contributed to drive improvements in healthcare policy and delivery in several countries; partnered with several patient advocacy groups.

2008-2009 MOVING FORWARD

Employees

- Update progress on GE Opinion Survey action items.
- Provide summary on training and development efforts outside the United States.

Customers

- Provide example of GE's influence and interaction in its value chain during commercial engagement.

Products & Services

- Continue to progress on and review commitments to ecomagination.

- Update progress on products and services developed for emerging markets—in country for country.

- Provide update on product use relating to 2008 Olympic Games.

- Provide Research & Development innovation updates, including renewable energy and product life cycle.

Growth Markets (page 52)

2007-2008 COMMITMENTS

EHS

- Continue focus on EHS compliance, meeting GE's global EHS expectations and developing resources to support capacity in emerging markets.

Suppliers

- Continue to focus on identifying effective labor auditing techniques.
- Expand auditor certification program to Latin America.
- Continue to identify ways GE can assist in EHS capacity building in places where GE has significant numbers of suppliers.

- Work with other companies to minimize repetitive audits and accelerate adoption of a management system approach by GE suppliers.

Human Rights

- Continue to apply the principles of our Human Rights Statement within the Company's operating mechanism.
- Participate within BLIHR in two work streams: 1. Developing accountability systems for human rights issues and actions; 2. Developing best practices for addressing human rights issues in emerging markets.

- Report on progress of two working groups formed to handle two of the biggest privacy challenges GE faces: security breaches and handling of customer data.

Communities and Philanthropy

- Further develop and enhance world-class education standards in math and science.
- Implement 13 newly initiated projects in five additional countries—Kenya, Malawi, Mali, Rwanda, and Senegal.
- Expand Developing Health Globally (formerly called Africa Project) to Latin America.

2007-2008 PROGRESS

EHS

- Held GE's third China EHS Forum in Shanghai with almost 200 attendees; a Customer EHS Forum in the Middle East; and three-day EHS training program for trade union leaders in Bangalore.
- GE Consumer & Industrial EDESA Saltillo was the first GE-controlled site in Mexico to receive the Excelencia Ambiental, the most prestigious environmental award given by the Mexican government.

- Identified more than 12,000 findings at approved suppliers in 2007 through GE's assessment process, with suppliers having closed 82% of all 2007 findings identified.
- As of year-end 2007, GE has a total of 295 certified auditors globally, including 111 in China, 33 in India, and 151 in Latin America, including 27 in our joint venture partners.

Suppliers

- Expanded supplier due diligence program to cover freedom of association, discrimination, and harassment in line with GE's Statement of Principles on Human Rights.
- Expanded auditor certification program to Latin America.
- Signed agreement with Mexico's environmental enforcement agency to encourage GE suppliers in Mexico to participate in the agency's voluntary "Clean Industries" (CI) program and use GE's supplier review process as part of the CI audit.
- Collaborating with the Institute for Sustainable Communities and other companies to develop a three-year project plan for a continuing education program called the "Guangdong EHS Academy" for EHS professionals in Guangdong, China.

Human Rights

- Began operationalizing human rights considerations, including drafting and testing implementation guidelines.
- Expanded supplier due diligence program to cover freedom of association, discrimination, and harassment in line with GE's Statement of Principles on Human Rights.
- Committed to evaluate human rights issues involving our direct business partners, particularly in emerging markets.
- Continued involvement with Business Leaders Initiative on Human Rights, including participation on two workstreams: Emerging Markets and Accountability.
- Revamped GE internal privacy and security policy and led Company-wide privacy and security awareness efforts.
- Began the process of updating Company-wide online privacy training materials and developed higher-level specialized training for data handlers.

- Led an encryption initiative for data on removable media (such as laptops).
- Participated in external dialogues about legitimate cross-border data transmission and conferences about data privacy.

Communities and Philanthropy

- GE Foundation expanded the Developing Futures in Education program (formerly called College Bound) with a grant of more than \$100 million across five U.S. schools.
- Implemented Developing Health Globally initiative (formerly called the Africa Project) in Kenya, Malawi, Mali, Rwanda, and Senegal and expanded program to Latin America.
- Total charitable giving by the GE family was \$210 million in contributions from the GE Foundation and GE businesses.
- GE employees and retirees contributed more than one million hours of service to local community initiatives in 2007.

Products and Services

- Developed Responsible Lending Standards, a set of 30 guiding principles based on extensive stakeholder and customer reviews in 21 countries across Europe.

Public Policy

- GE Energy Financial Services finalized guidelines on the financing of energy projects.

2008-2009 MOVING FORWARD

EHS

- Continue to focus on EHS capacity building in emerging markets.

- Gain experience in assessing GE's supplier base with respect to freedom of association, discrimination, and harassment.

Human Rights

- Develop communication materials for employees and business partners on GE's approach to human rights.

Suppliers

- Review program successes and challenges, evolving trends for supply chain review programs, and feedback from external stakeholders to identify potential program refinements.

- Continue to assist in EHS capacity building in places where GE has significant numbers of suppliers, including collaborating with other stakeholders to accelerate participation in Mexico's Clean Industries program and establish a continuing education program for EHS professionals in Guangdong, China.

Communities and Philanthropy

- Expand Developing Health Globally within Latin America and to Asia.
- Expand Developing Futures to other U.S. school systems.
- Provide summary of international education and public policy initiatives.

Our businesses are aligned with six strategic business themes that position us for opportunity.

FOUR CITIZENSHIP THEMES enable GE to strive for operational and strategic excellence across the world.

GE Infrastructure

GE Commercial Finance

NBC Universal

GE Money

GE Industrial

GE Healthcare

Our citizenship priorities are the issues integral to our success as a global company and good corporate citizen.

GE Infrastructure

- Additional attention to full compliance and integrity with sales to military
- Governance, ethics and anti-corruption efforts in emerging markets

GE Commercial Finance

- Compliance and governance in challenging operating environments
- Data privacy
- Anti-money laundering

NBC Universal

- Broadcast standards
- Distributing content through digital media (www.nbcuniversal.com)

GE Money

- Anti-money laundering
- Disclosure practices (e.g., transparency with customer)

GE Industrial

- Emerging markets, consumer spending and value products
- Product energy efficiency
- Privacy

GE Healthcare

- Access to healthcare in emerging markets
- Embryonic stem cell research
- Healthcare public policy and costs

Our businesses are aligned with six strategic business themes that position us for opportunity.

FOUR CITIZENSHIP THEMES enable GE to strive for operational and strategic excellence across the world.

- Security and human rights (including employee safety)
- Environmental management issues, including air quality, climate change (both in relation to the development of product solutions to address this topic and the energy efficiency of our operations), and releases of hazardous substances to the environment

- Environmental concerns (as they relate to all of the debt and equity financing activities of Commercial Finance in addition to Equipment Finance and Aviation Finance)

- Intellectual property protection and anti-piracy
- Effecting positive change to the environment by raising awareness and educating consumers

- Data privacy and security
- Risks and opportunities of emerging markets
- Consumer financial literacy

- Sales to governments
- Superior information management and automation solutions

- Privacy and product security
- Sales, marketing, billing and reimbursement
- Product quality and patient and operator safety

Environmental Solutions

ENERGY AND CLIMATE CHANGE



Reducing emissions and fuel use with revolutionary technologies such as hybrid locomotives and GEnx aircraft engines.

Using telematics to **save customers**
~\$400 million
in fuel and 1.2 metric tons of CO₂.

Going green inside and out through "Green is Universal."

Launching "Earth Rewards" – the first U.S. credit card that enables cardholders to purchase verifiable carbon offsets.

3X sales of ecomagination
lighting products since 2004.

Creating a "Green Hospitals" program to help newly constructed hospitals hit energy and conservation targets.

Demographics

DEMOGRAPHICS



Growing orders by 32% in 2007 to meet the demand of nearly one billion new air travelers by 2020.

Providing financial solutions to help address the demand for housing units for over 22 million U.S. seniors by 2015.

Through Telemundo, serving a Hispanic market that will be **20% of the U.S. population** by 2030.

Backing a global consumer finance market that has grown to \$40 trillion.

With India's middle class growing to 250 million people, Consumer & Industrial is winning big lighting and power segment orders.

Servicing China's healthcare market – projected to be **\$280 billion by 2013.**

Emerging Markets

GROWTH MARKETS



Generated revenues of **\$18 billion** in emerging markets in 2007 and increased 25% year over year.

Origination

FINANCIAL MARKETS



Partnering locally to help meet the demand from an expected **\$200 billion** new power investment in India.

Expecting to reach \$10 billion of assets in emerging markets by 2010.

Leveraging a **sales force of 8,000+** to originate deals globally.

Investing in India's NDTV — a broadcast leader in one of the world's fastest growing markets.

Financing tomorrow's entertainment through a new investment fund and a vertical with Commercial Finance with \$10 billion in assets.

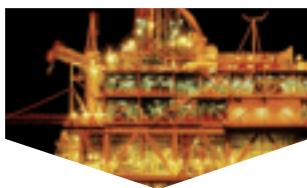
Serving **3 million customers** in India.

Partnering to service Korea's **\$600 billion** consumer finance market.

Strengthening safety by bringing advanced security solutions to airports around the world.

Infrastructure

Technology



Capitalizing on a projected \$10-\$15 trillion global infrastructure investment by 2015.

Creating digital platforms for a **\$100 billion** global marketplace.

Reaching out to a projected **\$60 billion healthcare** market in the Middle East and Africa, by 2025.

Investing to increase the quality and affordability of private healthcare services in the Middle East and North Africa.

Partnering in India to provide disadvantaged patients with lower-cost, advanced diagnostic imaging services.

Digital Connections



Using smart systems to help railroads run faster and be more fuel efficient.

Helping grow small businesses with digital connections that accelerate processing on almost one million credit applications.

Generated \$1 billion in digital revenues in 2007, with a 25% CAGR.

Projecting **\$20 billion in online volume** by 2010.

Working to enable utilities and consumers to "talk" over power lines to more efficiently manage power use.

Operational Excellence. Responsible citizenship means different things to different people. At GE, it is not merely a program or a set of good intentions, but a set of behaviors and actions that are integrated with the business strategy of our Company and reflected in our culture.

Being a responsible citizen is a full-time commitment with the same kind of goals, strategies, and accountabilities that drive any other part of our business.

For 130 years, GE has demonstrated an unwavering commitment to performance with integrity. At the same time we have expanded into new businesses and new regions and built a great record of sustained growth, we have built a worldwide reputation for lawful and ethical conduct. This reputation has never been stronger.

But none of that matters if each of us does not make the right decisions and take the right actions. At a time when many people are more cynical than ever about business, GE must seek to earn this high level of trust every day, employee by employee. Each employee in GE makes an annual personal commitment to follow our Code of Conduct, reflected in The Spirit & The Letter. This set of GE policies on key integrity issues guides us in upholding our ethical commitment. All GE employees must comply not only with the letter of these policies, but also their spirit. The Company's integrity policy is further reinforced by our ombudsperson process, which enables and encourages any employee to report integrity concerns without fear of reprisal.

We do not allow anything—not “making the numbers,” competitive instincts, or even a direct order from a superior—to compromise our commitment to integrity. GE leaders are also responsible not only for their own actions, but for fostering a culture in which compliance with GE policy and applicable law is at the core of business activities. We do not encourage our people to chase short-term trends or take excessive risks to create a single period of good results. That is why bonuses are linked to previous years, taking into account not just what an executive did in a single year, but also their performance and bonuses in prior years (see our 2007 Proxy Statement at www.ge.com/proxy08). Leaders must address employees' concerns about appropriate conduct promptly and with care and respect. Excellent financial performance and high standards of governance and compliance are not mutually exclusive—in fact, the two are mutually reinforcing.

We insist on performance with integrity and monitor compliance through rigorous business and company-wide processes, including a senior Policy Compliance Review Board and an annual compliance review process, Session D.

GE's commitment to full compliance is backed by an independent board, comprehensive processes, policies, communications, and training that strives to enable transparency and provide direction on how to make the shared commitment to integrity achievable.

To drive functional excellence, we have a variety of Company-wide councils to promote results, including an EHS Council, a Commercial Council, and an Operating Council. To learn more about these councils, please visit our 2007 GE Annual Report at www.ge.com/annual07. Each council has about 20 senior members from around the Company. Council members meet regularly to learn from each other, challenge each other, and root for each other.

Ultimately, we want to develop people who are guardians of GE's culture, champions of our legacy, and protectors of our reputation. They must be aggressive and able to solve problems with global ingenuity—and at the same time, be disciplined and perform with integrity. We have developed a system of disciplined oversight that has produced many successful leaders. We recruit hard-working, self-motivated people, and support their growth in an environment that allows them to reach their full potential. We do this by operating as a meritocracy, making significant investment in training, providing challenging assignments to develop breadth and depth, giving frequent feedback, and rigorously measuring performance from the very beginning of a career.

Our people must be experienced and motivated. They must understand their industries and GE's expectations for their performance. Our teams must be willing to learn and change. Personal growth is key to a successful career at GE. And we must always have a deep bench. GE is committed to institutional success, which means that everyone has a replacement ready to play. As we focus on becoming the preeminent growth company of the 21st century, we must recognize that only performance based on ethics will maintain our reputation, increase our customers' confidence in us and our products and services, and enable us to be successful. We have significantly increased our technical funding and have a rich pipeline of new products coming to the market. We have applied GE process skills, such as Lean Six Sigma, to improve our speed and responsiveness. We are using Net Promoter Scores to measure our progress with customers. We have built strong engineering and commercial teams around the world to tap into new growth markets.

Now, more than ever, we are uniquely positioned to enjoy the benefits of "boundaryless" culture, in which all levels of the Company participate in innovation and problem solving. What makes GE unique is innovation. We empower teams to venture and take risks within a described space before we take this learning and apply it to the Company in a meaningful way. It is about scalability and trust—

scaling to solve new problems through innovation and building trust among our employees, customers, communities, and investors. The challenges we are solving and the future dilemmas we have yet to face will be addressed with a combination of a world-class culture focused on integrity, innovation, processes, and internal structures that enable real results.

Compliance & Governance

Our 2007-2008 Commitment

- Continue to improve early warning and anticipation processes.

Regulatory Excellence

Today's fast-changing global world is becoming more challenging than ever before for both regulators and the corporations they oversee.

Acting in response to the scandals that have roiled financial markets in recent years, regulators worldwide are establishing rigorous new requirements for corporations and financial

institutions and are stepping up enforcement to protect financial markets and consumers. The trend is not limited to the financial world, but extends to virtually every sector of industry, from media to banking, from aircraft engines to medical devices.

To respond proactively to this new environment, in 2007, GE embarked on a Company-wide initiative that we have termed "Regulatory Excellence," an initiative designed to address this changing environment. GE's goal, now as always, is to ensure that we are operating to our own high standards and that we are consistently meeting our commitment to full compliance with global laws and regulations.

EXPERT PERSPECTIVES

Sean Ansett, *Founder, At Stake Advisors*

Companies with global supply chains face significant challenges in order to ensure that their suppliers make safe and quality products, and that they are produced on time and at competitive prices. In addition, stakeholders increasingly expect companies and their business partners to respect and implement national and international labor and environmental standards in their workplaces. This challenge becomes even greater when companies source suppliers from countries without adequate government enforcement.

While the policing model of the past has made some positive improvements, it has been relatively unsuccessful at identifying the core issues. This has created a duplication of efforts, contributed to a proliferation of codes of conduct that create confusion, and has largely been an ineffective use of resources.

Adding to the dilemmas are some unanswered questions, including: How will competing companies in the growing economies of Brazil, Russia, India, and China manage their supply chains in relation to international labor standards? Do consumers see the value of investing in supply chains and, if so, are they willing to potentially pay more?

Today's leading companies and multi-stakeholder initiatives are changing tack and beginning to focus their efforts on five areas:

- Improving management systems
- Developing effective complaint mechanisms and workplace remediation platforms
- Evaluating internal purchasing practices to determine how their own actions may negatively impact the workplace
- Increasing supply chain transparency
- Creating incentives for their buyers and suppliers based on social and environmental performance criteria

This shift in approach requires collaboration from a broad set of stakeholders because no one sector can effectively achieve this alone.

There are no silver bullets. Companies should learn from the hard lessons of the past, avoid the pitfalls that others have experienced, and consider targeting resources on building internal capacity to work in partnership with NGOs, trade unions, multilaterals, peer companies, and industry and trade associations to tackle these complex issues together. Moreover, companies and their stakeholders should collectively engage governments and encourage them to enforce their laws in order to make decent work a reality and to create a level playing field for multinational companies and for those suppliers competing for their business.



A Company initiative

The new Regulatory Excellence policy establishes six essential processes that GE leaders own and must execute to confirm that every GE employee is aware, knowledgeable, and committed to regulatory excellence. The six processes are:

- **Leading** — Business and functional leaders at all levels are proactively engaged in leading the effort.
- **Assessing** — Each business knows which regulations apply, has established owners, and has identified any gaps.
- **Resourcing** — Domain experts are in place for all critical regulatory areas.
- **Anticipating** — A process is in place that provides early warning of new or changing regulations and sociopolitical trends.
- **Relating** — Effective relationships with regulators are maintained at all levels.
- **Controlling** — The business knows how well it is doing as indicated by metrics, audit results, and other measures.

To review more information on this initiative, please visit www.ge.com/citizenship/regulatory.

Update on Leader's Guide to Integrity

In 2007, GE published *A Leader's Guide to Integrity*, a booklet that reinforces the responsibility of GE leaders to build a culture of integrity within their business operations. The guide begins with a message from Chief Executive Officer Jeff Immelt, which reinforces this expectation by stating that every GE leader has "no greater responsibility than to shape the culture of your business." The guide is designed to assist GE leaders meet this expectation by introducing six fundamental integrity processes, which when executed effectively, foster a world-class culture of integrity. This culture is one in which all employees know the rules, are aware of the risks that affect their work, and are committed to GE's Code of Conduct. The new booklet is based on the foundational principle that culture—more than policies or rules—has the most significant impact on employee behavior, and that leaders have the biggest influence on the business culture. To read more about this initiative, please visit www.ge.com/citizenship/leadersguide.

Board/senior executive accountability

GE's Board of Directors and GE's Risk Committee play vital roles in the oversight and management of the Company. From this senior leadership GE expects involvement, objectivity, and accountability.

The primary role of GE's Board of Directors is to oversee how management serves the interests of shareowners and other stakeholders. To do this, GE's Directors have adopted corporate governance principles aimed at ensuring that the Board is independent and fully informed on the key risks and strategic issues facing GE. GE has met its goal to have two-thirds of its Board be independent under a strict definition of independence. Today, 13 of GE's 16 Directors are independent.

The GE Board held 13 meetings in 2007 and outside Board members visited at least two GE businesses each in 2007 without senior management present in order to develop their own view of the Company. The Board also meets periodically without management. The Board and its Committees focus on the areas that are important to shareowners—strategy, risk management, and people—and in 2007 received briefings on a variety of issues, including: controllership and risk management, compliance and litigation trends, U.S. and global tax policy, environmental risk management, social cost trends, acquisitions and dispositions, intellectual property and copyright protection, global trends, the reshaping and broadening of GE's businesses, and productivity. At the end of the year, the Board and each of its committees conduct a thorough self-evaluation as part of their normal governance cycle.

For more information on compensation decisions and incentives, please refer to GE's 2008 Annual Meeting and Proxy Statement available at www.ge.com/proxy08.

Ombudsperson process

Our 2007–2008 Commitments

- Provide explanation/interpretation of increases to selected ombudsperson concerns.
- Present ombudsperson data by geography.
- Expand reach of compliance processes to encompass the five “R’s” of risk, reward, regulation, relationships, and reputation.

GE has an extensive ombudsperson process that serves as a mechanism for individuals to ask questions and report integrity concerns without fear of retaliation.

Employees and others with connections to the Company must have confidence that they can freely report concerns about legal or ethical violations, and that their concerns will be objectively investigated by subject matter experts such as Finance, Legal, and Human Resources (and outside specialists, if necessary) with appropriate individual and remedial action and without fear or favor.

Employees are subject to discipline if they fail to report a known or suspected concern. In addition, retaliation against those who raise integrity concerns is prohibited and is grounds for disciplinary action. GE has processes in place for objectively investigating and resolving integrity concerns, and ombudsperson system activity is reported to the Audit Committee of the Board of Directors.

With an extensive global ombuds network of more than 700 ombudspersons, coverage is provided for every business and country in which GE operates. As GE employment has increased through acquisitions, increased rigor around the ombudsperson appointment process has been added. The ombudsperson network is continually assessed and measured to ensure it is operating with peak efficiency while providing the most comprehensive global coverage. The global ombudsperson network averaged around 600 individuals for 2007.

All ombudspersons speak the local language and understand the culture and business environment of their location. GE ombudspersons are trained in procedures for receiving concerns, initiating investigations, monitoring case progress, and closure. Training in 2007 was refreshed and revitalized to be more closely aligned with the ombudsperson digitized case management process. Nineteen training sessions and 11 regional workshops were held in 2007, ensuring all ombudspersons receive prompt and regular refresher training.

Employees may raise their concerns anonymously if they choose. Investigations are conducted with the highest level of confidentiality when concerns about possible violations of GE policy or the law are raised.

Prompt corrective action and discipline demonstrate a strong integrity culture at GE. During 2007, 1,596 integrity concerns were reported through the ombudsperson process (36% anonymously) covering a variety of issues. The rising rate of reported concerns

is an indicator of a healthy integrity and compliance culture, and a growing company. It demonstrates that employees recognize their responsibilities to raise compliance questions and concerns that come to their attention. Increased usage of the ombudsperson process also demonstrates that leaders have set the right integrity culture, creating an environment that encourages employees to come forward with their questions and concerns without fear of retribution.

The results of these 1,596 investigations led directly to 343 disciplinary actions being taken, including 130 employee separations, 178 warnings, 10 job changes, and 25 financially impacted employees. Of the disciplinary actions, approximately 58% occurred outside the United States. Ombudspersons monitor investigations to ensure timely closure and prompt feedback to those who raise concerns. 94% of last year’s investigations are closed to date, averaging approximately 45 days to complete.

2007 RESULTS

- **Closed-to-Date Average 94%**
- **Average Days to Close ~45**

Confirmed violations of Company policies and procedures result in corrective actions such as training, strengthening routines, and simplifying/updating processes. Although many non-conformances violations result from unintended mistakes, disciplinary actions are taken in appropriate cases involving intentional wrongdoing.

It is critical that all GE employees worldwide understand how to raise their integrity questions and concerns and trust the system. Employees come to know their local business ombudsperson through postings, articles, various company intranet sites, and by ombudsperson introductions at business all-employee meetings including integrity events and training.

INVESTIGATION RESULTS

	2004	2005	2006	2007
Concerns Reported	1,338	1,497	1,514	1,596
Disciplinary Actions	368	293	395	343

2007 GEOGRAPHIC BREAKOUT OF INVESTIGATIONS CONDUCTED

	% OF INVESTIGATIONS
U.S. & Canada	56%
Europe	15%
Asia	16%
Latin America	13%

More data available in “At-a-Glance Metrics” on page 88

Environment, Health & Safety

The year 2007 was one of GE's best ever in terms of injury reduction, environmental compliance, greenhouse gas reduction, and external recognition. Highlights include:

- Greenhouse gas (GHG) emissions reduction by 8% compared to 2004 levels.
- GHG and energy intensity have been reduced by 34% and 33%, respectively, compared to 2004.
- GE continues to be the largest general industry participant in Voluntary Protection Program (VPP) sites in the United States, with 113 sites covering more than 55,500 employees (the next largest corporate participant has approximately 70 sites).
- Our Mexico EHS team negotiated an unprecedented cooperative agreement with PROFEPA, Mexico's environmental enforcement agency, aimed at encouraging companies to implement effective environmental management and compliance assurance systems (discussed more in the Supplier section of this report).
- GE Consumer & Industrial EDESA Saltillo was the first GE-controlled site in Mexico to receive the Excelencia Ambiental, the most prestigious environmental award given by the Mexican government. Also, GE Healthcare in Cork won the President's Prize in the 2007 National Irish Safety Organization (NISO) Awards.
- GE hosted its third GE China EHS Forum in Shanghai to discuss China EHS regulatory trends and share EHS best practices among companies, regulators and academics.
- EHS leaders from GE Energy, GE Global Research, and GE Corporate Environmental Programs worked with the Department of Factories and Boilers in Karnataka, India, and a local trade union to organize a three-day EHS training program for trade union leaders in Bangalore.

Our 2007–2008 Commitment

- Continue focus on meeting greenhouse gas reduction and energy reduction goals.

In 2007, GE continued to focus on meeting its greenhouse gas (GHG) and energy use reduction goals. In 2007, the Company reduced greenhouse gas emissions by 8% compared to 2004 levels.

GHG and energy intensity have been reduced by 34% and 33%, respectively, compared to 2004.

Energy treasure hunt process

GE has had significant success in identifying reduction opportunities through deploying "energy treasure hunts," a Lean manufacturing-based process originally developed by Toyota. An energy treasure hunt uses Lean manufacturing concepts to enable a team to identify and quantify opportunities to use the right amount of energy only when and where required. More than 200 treasure hunts have been conducted globally across GE to date. A focus on greenhouse gas reduction has driven emissions down by 250,000 metric tons.

More than 5,000 projects that focus specifically on energy efficiency and use have been identified since GE adopted the energy treasure hunt process in late 2005. A series of "second-round energy treasure hunts" conducted at key sites within GE's portfolio has identified significant GHG reductions. For more information on this initiative please visit www.ge.com/citizenship/ghg.

Solar projects, LEED buildings and innovative solutions

GE is undertaking additional energy saving projects at key locations. For more information on this initiative please visit www.ge.com/citizenship/ghg.

eCO₂ Awards and Certification

GE has implemented a program to recognize those locations contributing the most to our greenhouse gas reduction efforts. The eCO₂ Awards and Certification Program recognizes those teams that have achieved a 5% absolute GHG reduction versus the 2004 baseline year. GE recognized 46 sites during 2007 for their achievements in this area, and presented 10 eCO₂ Awards to sites that achieved the most dramatic results. This is out of more than 500 sites in our GHG inventory. To learn more about this initiative and outreach to business partners please visit www.ge.com/citizenship/ghg.

Water use and waste generation

Our 2007–2008 Commitment

- Use information gathered by new water and waste metrics to identify additional opportunities for further reduction in addition to those already undertaken in past years.

Since 2006, GE began collecting Company-wide data on water use and waste generation from all global operations above internally defined reporting thresholds. GE is adjusting this 2006 baseline annually to account for acquisitions and divestitures in the same manner as for our greenhouse gas inventory so that trends can be tracked.

In May 2008, we announced a global water reduction goal for our manufacturing operations—a 20% reduction by 2012 from our 2006 baseline.

To learn more about this initiative and other examples below, please visit www.ge.com/citizenship/wateruse.

- Using GE Water & Process Technologies systems to save water at GE sites.
- Water reuse at John F. Welch Technology Center.
- Office waste recycling at GE Appliance Park.

More information about the results of GE's water use and waste generation survey for 2006 and 2007 is presented in the section below on sustaining and improving GE's EHS metrics.

Pollution prevention

GE teams and operations as a matter of policy are continually working to implement pollution-prevention projects where reasonably practicable. GE is also partnering with Waste Management, the leading provider of comprehensive waste and environmental services in North America, to provide waste minimization support to GE sites in the United States. Finally, GE has integrated into its Operational Leader EHS training materials information on how to use Lean manufacturing techniques to identify waste-reduction opportunities.

Waste site qualification

Our 2007–2008 Commitment

- Add five more countries in 2007 to the Waste Site Qualification Program.

To ensure GE facilities use the best waste management vendors available, the Company operates a Waste Site Qualification Program that requires auditing and pre-approval of locally permitted facilities before operations can use them. Our standards

frequently require waste management sites to upgrade and improve their operations beyond local law requirements if they want to be approved for GE use. GE sites must use GE-approved facilities regardless of the amount of waste they generate. As of last year's report, GE had 35 countries in the program. As of year-end 2007, we expanded the program to cover 38 countries. GE plans to add two additional countries in 2008. For more information on this initiative please visit www.ge.com/citizenship/wateruse.

Global focus on regulations

Environment, Health & Safety (EHS) and product-oriented regulations are growing globally, and GE's EHS, Sourcing, Technology, and Research teams spend significant effort to manage this changing dynamic for GE's operations and products as well as taking the necessary steps to ensure compliance. To facilitate compliance with tens of thousands of EHS laws and regulations across the entire range of GE's operations throughout the world, the Company has developed and regularly updates online, Web-based modules containing EHS legal requirements in 30 jurisdictions in 18 languages. For more information about GE's EHS management system and our EHS compliance assurance programs, visit www.ge.com/citizenship/EHS. For more information on this initiative please visit www.ge.com/citizenship/globalregulations.

EHS in emerging markets

Our 2007–2008 Commitment

- Continue focus on EHS compliance, meeting GE's global EHS expectations, and developing resources to support capacity in emerging markets.

One of GE's biggest challenges is to support the Company's growth in emerging markets by ensuring EHS compliance, meeting GE's global EHS expectations, and developing resources to support capacity within those markets.

GE has one set of EHS goals, metrics, programs, and tools that apply globally. GE applies the same EHS due diligence and integration processes for transactions in the developing world as in established markets. We have translated our EHS management system frameworks into 11 languages that are most commonly spoken by GE employees. We have also developed more than 400 multi-lingual training courses translated into 16 languages. Last year, GE also conducted more than 30 sessions of our operations leader EHS training course with more than 900 participants globally, including our first session in Dubai. For more information on GE's EHS efforts in emerging markets, please visit www.ge.com/citizenship/EHSmarkets. More information is also available on our supplier program on page 72.

Sustaining and Improving GE's EHS Metrics

Our 2007–2008 Commitment

- Sustain and improve GE's EHS metrics while supporting the Company's organic growth and integrating newly acquired operations.

Sustaining and improving GE's EHS metrics requires efforts at all levels of the Company as GE's operations grow and change, especially in emerging markets such as the Middle East and Africa. GE's EHS performance is reviewed on a quarterly basis by top management, and GE Corporate Environmental Programs conducts an in-depth EHS operating review with each business on an annual basis.

For more information on GE's EHS metrics, please visit the At-a-Glance section of this report or visit www.ge.com/citizenship/metrics. GE uses a proprietary Web tool called GE PowerSuite® to manage EHS data throughout the Company. Recognized by Dow Jones Sustainability Index (DJSI) and OSHA as a best practice,

GE PowerSuite applications allow compliance process owners at every GE facility/operation to access a standardized platform to record, track and follow up on all EHS matters every day. GE PowerSuite has been a key enabler to allow Company operations to take complex EHS regulations and turn them into actionable items that GE's employees can execute every day.

GE's 2007 Global EHS Program Goals included the following:

- 0 work-related fatalities
- 20% reduction in recordable injuries and illnesses
- 20% reduction in lost time cases
- 33% reduction in wastewater exceedances
- 0 fines
- 0 notices of noncompliance
- 100% completion of regulatory required training
- 0 reportable spills and releases

EXPERT PERSPECTIVES

Maria Emilia Correa, *Director, Sustainability, Natura Cosmeticos, Brazil*

Companies confront many dilemmas when conducting business, in rich or poor countries alike, when defining their role in communities: understanding the proper role of governments and the "right" level and quality of influence from companies that are sometimes larger than governments themselves; the need to respect different cultures but still make sure that the same values are applied all around the world; the need to have an educated workforce that fits in the company's processes while trying not to change local cultures; expectations that companies will provide for all; and disappointment when companies need to close plants or leave communities.

Much has been written and discussed about the impact of multinationals on communities. Stakeholders have many different views and perceptions, and there is little agreement about how to measure impacts, both positive and negative.

I think, however, that there are two basic questions that companies need to answer:

1. Are we really listening to the stakeholders who are actually impacted at every step of the value chain of our business?
2. What are communities going to be like when our company leaves?

Many stakeholder dialogues are going on around the world, and it is certainly a remarkable and great step to have companies like GE—whose sheer size allows them to have significant positive impacts when defining their course of work—listening to diverse views and exchanging ideas with non-business partners. They are, however, mostly focused on stakeholders who speak English or belong to organized groups with some international affiliation. Maybe it could be good to actually exchange ideas with the impacted communities themselves to form a more complete picture.

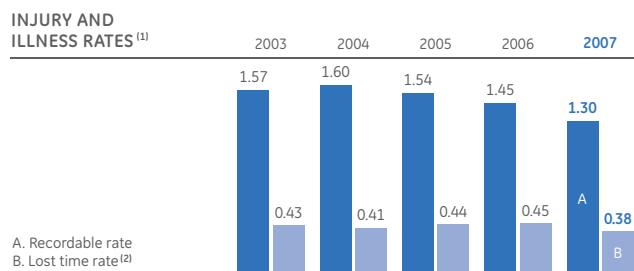
Companies should come into communities planning for the time when they leave, be it two years or 70. Hopefully, that way one can avoid creating dependency and promote ownership from day one. It is probably more complex to start and carry business with this view, but it is surely better to prevent risks than to manage crises.

Data for years 2003–2006 incorporates revisions and updates identified since publication of GE's 2007 Citizenship Report.

Workplace injury and illness

GE's goal is to continuously improve on injury reduction, and we set an annual stretch target to reduce recordable and lost time injuries by 20% compared to results in 2006. In 2007, GE's Global Total Recordable Rate decreased 12% to 1.32 injuries per 100 employees and the Company's Global Lost Time Rate decreased by 15% to 0.38 cases per 100 employees. Overall, since 1996, we have achieved a 77% reduction in workplace injuries and illnesses and a 72% reduction in lost-time cases.

GE was saddened to have three work-related employee fatalities in 2007: two from vehicle accidents and one arising from a confined-space entry. In each case, GE conducted a thorough analysis and has aggressively addressed any issues arising from that analysis.



1. Rates are based on 100 employees working 200,000 hours annually.

2. Lost time rate uses the OSHA calculation for days away from work cases (transfer or restricted cases are excluded).

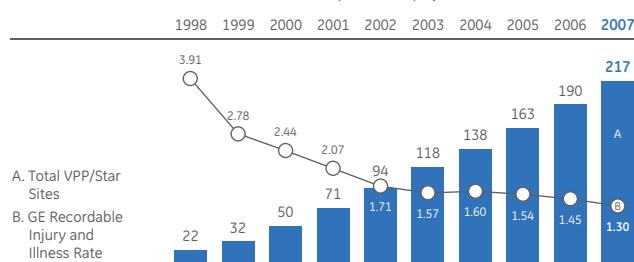
Excellence programs and external recognition

As of year-end 2007, GE had 217 facilities covering more than 106,250 employees in global excellence recognition programs, including:

- 111 U.S. OSHA VPP Star sites (GE has more sites than any other general industry participant in the program)
- 1 U.S. OSHA VPP Merit facility
- 1 OSHA SHARP facility
- 21 Mexico VPP sites
- 18 Mexico Clean Industries sites
- 3 Alberta PIR sites
- 79 GE Global Star sites

Although ISO 14001:2004 certification (the International Environmental Management Systems Standard) for environmental performance is not a requirement for GE facilities, many Company operations have been asked to obtain certification by their customers. Today, GE has 96 ISO 14001:2004 sites.

GE SAFETY EXCELLENCE PROGRAMS (Number of sites) VS. INJURIES AND ILLNESS (Incidence rate per 100 employees)

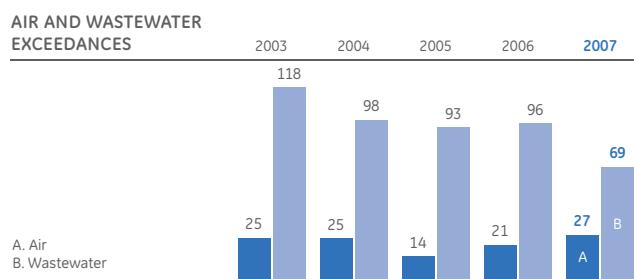


Air and wastewater exceedances

Wastewater exceedances were reduced by 28% in 2007 compared with 2006 (69 vs. 96). Overall, since 1996, wastewater exceedances across GE have been reduced by 89% (608 in 1996 vs. 69 in 2007).

Air exceedances increased in 2007 to 27, up from 21 in 2006. For the past seven years we have had between 11 and 27 air exceedances each year (1998 base year exceedances were 68).

For information on how GE tracks its air and wastewater exceedances, see www.ge.com/citizenship/airandwaste.

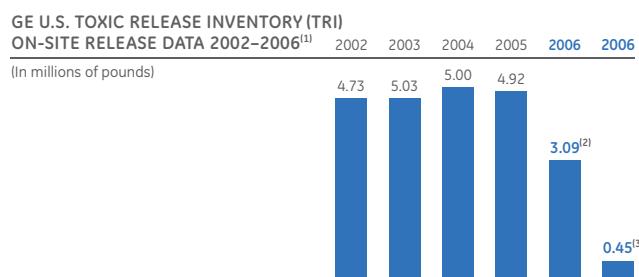


Environmental releases

Since the initial reporting year in 1987, GE has reported on-site chemical releases in the United States to the Environmental Protection Agency (EPA) and has achieved reductions resulting in approximately 90% despite the growth in facilities and production during that time period. GE's U.S. on-site Toxic Release Inventory (TRI) release totals for reporting year 2006 show roughly a 37% reduction compared to reporting year 2005, principally due to several current businesses implementing release-reduction activities as well as reflecting the divestiture of GE Advanced Materials. Over the past five years, GE has realized an approximate 35% reduction in all TRI on-site chemical releases.

GE Plastics constituted the majority of these emissions (approximately 85% in the United States for 2006). On-site releases associated with GE Plastics decreased 37% from 2005 to 2006 and more than 25% since 2002. GE divested its GE Plastics business in 2007.

With the divestiture of GE Plastics, reductions realized for the reporting year 2006 are approximately 85% in the absence of GE Plastics data.



1. This data will always lag by a year since U.S. TRI data for the prior year is not submitted until July 1 as a matter of law.

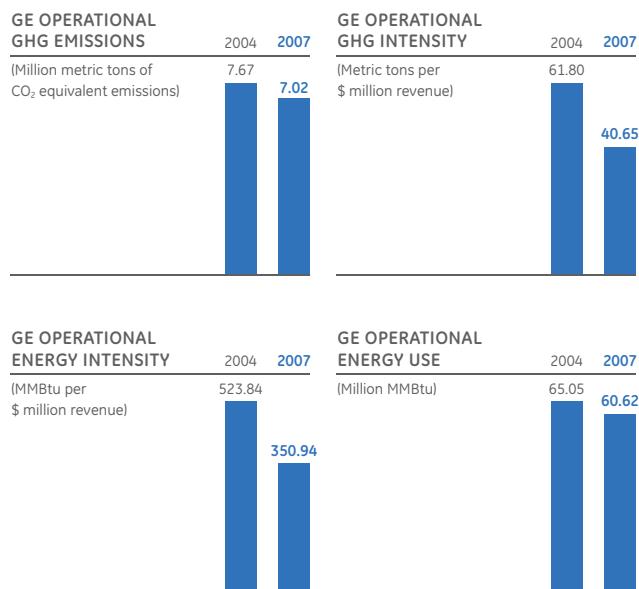
2. Does not include the former GE Advanced Materials business as it was divested in December 2006.

3. On-site TRI Releases not including GE Plastics.

Greenhouse gas emissions

More information on the details of GE's GHG inventory, including methodology, Quality Control/Quality Assurance process, verification of our baseline GHG inventory, and the extent to which GE follows the World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol can be found at www.ge.com/citizenship/EHS. To learn more about our ecomagination commitments, please turn to page 82 or visit www.ecomagination.com.

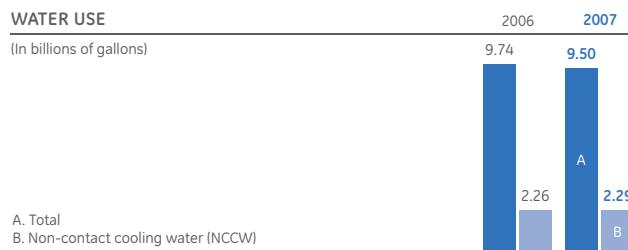
For GHG-related metrics, each year GE adjusts its 2004 baseline inventory to account for divestments and acquisitions. 2005 and 2006 fuel and electricity use and other GHG emission data were not collected for new acquisitions. As a result, adjusted results for 2005 and 2006 are not available.



Water use

Since 2006, we have collected water consumption data for those sites across our business meeting a criteria of more than 15 million gallons annually of water consumed. Water consumption data includes waters used for potable, process and sanitary purposes as well as non-contact cooling waters (NCCWs) from freshwater sources. GE adjusts the data each year to reflect acquisitions and divestments.

In 2007, total water consumption from these sources decreased by 2% from what was reported for 2006.



Waste generation

Data has been included for GE operations generating more than 100 metric tons of hazardous waste and/or more than 500 metric tons of non-hazardous industrial waste. Data has been collected on:

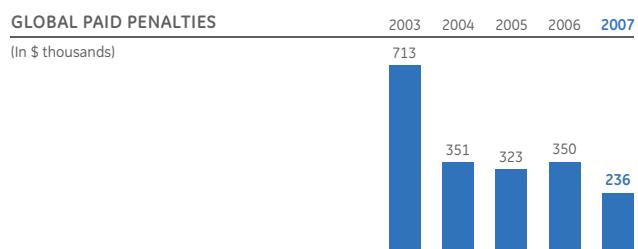
- Total hazardous waste generated and shipped off-site or managed on-site pursuant to a waste management permit or authorization.
- Total non-hazardous industrial waste generated and shipped off-site or managed on-site pursuant to a waste management permit or authorization.
- Waste management methods.

GE adjusts the data each year to reflect acquisitions and divestments. In setting our internal reporting requirements, we seek to balance the usefulness of information collected with the resource effort needed to gather and report on the data. Based on the analytical work performed in the development phase, the reported data represents approximately 90% of global GE waste generation.



Global paid penalties

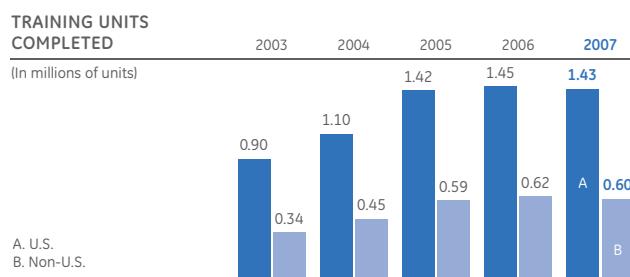
GE paid \$236,383 in penalties during 2007. This is the fourth consecutive year (and the 10th time in 11 years) that the Company paid less than \$400,000 in penalties. Many of the penalties were minor assessments (less than \$1,000) and just one (an air emissions matter in New Jersey) exceeded \$50,000.



EHS Training units completed

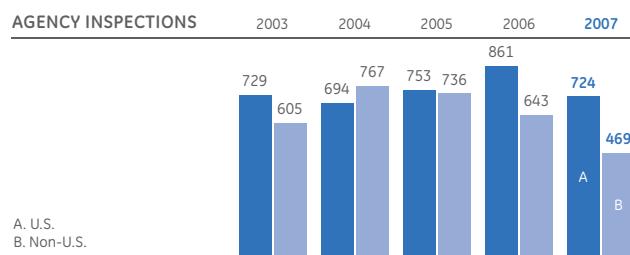
GE tracks completion of the number of regulatory-required training classes each employee will be required to attend for the calendar year (a unit is one course for one person). More than two million units of training were completed in 2007, with more than 600,000 units completed outside the United States.

GE's commitment to EHS training extends beyond regulatory-required course offerings. GE spends significant time each year training both operations leaders and EHS professionals on how they can be more effective in implementing GE's EHS programs. For example, in 2007 GE sponsored a continuing education conference for U.S.-based EHS professionals with more than 320 participants. Twenty-four courses covering all aspects of EHS management were offered at the three-day conference. GE will organize a similar event for our European EHS professionals in 2008.



Government agency inspections

GE had 1,193 inspections in 2007, down nearly 20% from 2006. This reduction is largely attributable to the sale of the Company's chemical businesses, which were subject to frequent visits from regulatory authorities.



GE reportable spills

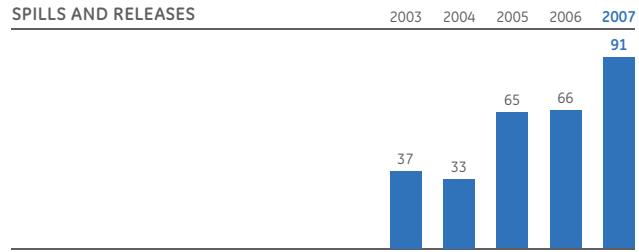
GE tracks any spill on or from a site that is reportable to regulatory authorities. A reportable spill or release is either:

- Spills (releases) to Water: A spill or release to a water body (e.g., stream, river, lake, pond, sea, ocean, etc.); or
- Spills (releases) Not to Water: Any other spill/release reportable to regulatory authorities (excludes spills/releases to a water body).

In 2005, spill/release reporting metrics were divided into two categories: Spills (releases) to Water and Spills (releases) Not to Water as defined above. Prior to having the two categories established in 2005, only spills/releases to water were reported.

Spills to Water have been reduced by 33% in 2007 compared with 2006 (14 vs. 21). Spills Not to Water have increased by 71% in 2007 compared with 2006 (77 vs. 45) due to a number of factors, including a combination of enhanced capture rates by businesses since the new metric was launched in 2005, zero-reporting thresholds, and GE service businesses recently implementing the metric for spills that occur on customer sites. In 2007, we launched a focus program for those facilities and businesses across GE

experiencing challenges with wastewater exceedance and spill/release performance. We continue to work with these sites and businesses closely to reduce and mitigate future potential occurrences.



Remedial Responsibilities

Our 2007–2008 Commitment

- Continue to work cooperatively with government agencies on remedial issues and at remedial sites for which GE has responsibility.

GE is a 130-year-old company with facilities across the globe. Many of those facilities began operating at a time when scientific understanding and regulatory requirements were far different from today. Changing standards and knowledge require that these "legacy" issues involving environmental contamination must be addressed. GE is involved in 87 active sites on the current U.S. Environmental Protection Agency's (EPA) Superfund National Priorities List.⁽¹⁾ At almost all of these sites, GE's involvement is very small—with sole responsibility at just three sites. GE has reached agreements with federal and/or state regulators at almost every site about the right way to proceed.

It is our approach to work cooperatively with government agencies to address remedial issues at sites where GE has responsibility. GE partakes in discussions and negotiations, where possible, to resolve historic liabilities in a proactive and collaborative fashion. The Company has a record of successfully meeting the commitments it makes.

GE's most significant sites are related to our historical use of PCBs. The 3 most significant of these are the Hudson River in New York, the Housatonic River in Massachusetts and Connecticut, and a former transformer facility in Rome, Georgia. These three sites represent approximately 82% of GE's PCB-related expenditures during the 1990–2007 period. GE's PCB expenditures during this period were more than \$1 billion. For more information on this initiative and the examples below, please visit www.ge.com/citizenship/remedial.

1. This figure includes active sites for which expenditures are being, or likely to be incurred

Hudson River remediation: Progress at-a-glance

GE has entered into a comprehensive agreement with the U.S. EPA for dredging PCB-containing sediments from the Hudson River. Dredging will begin in spring 2009. However, to support dredging GE is first converting an undeveloped 110-acre farm field in Fort Edward, New York, into an industrial processing, treatment, and transportation facility. When work began in April 2007, the site had no rail, road, or water access and no utilities. Since April 2007:

- A two-mile access road has been built and paved and bridges have been installed. Water, power, and sewer lines have been installed.
- Five miles of railroad track have been installed.
- Construction has begun on a 1,500-foot wharf on the Champlain Canal.
- Installation of more than 250,000 square yards of protective barriers to protect soils underneath the facilities is under way.
- Seven acres of storm water basins have been built.

EHS Perception Surveys

GE's EHS management system is built on engaged site leadership and active employee involvement. One tool that site managers use is an annual EHS Perception Survey where employees provide confidential feedback on EHS issues. The surveys act as an invitation for management and employees to discuss EHS in a candid manner. Feedback from the annual surveys helps managers understand where they can be more visible on promoting EHS and how to fine-tune communications to staff. Typically, managers will take survey data and sit down with small groups of employees to discuss results. There are no right or wrong answers; instead, the surveys provide management with an opportunity to listen to employees about what can be done better to improve site EHS programs.

Public Policy

Helping former VetcoGray operations implement GE's EHS Management System

In February 2007, GE acquired VetcoGray, a world leader in the design, manufacture, and installation of drilling and production systems for the oil and gas industry. VetcoGray has an international footprint with approximately 5,200 employees in 46 locations.

The challenge of integration from an EHS perspective is to retain domain knowledge and expertise while implementing GE's EHS expectations, policies and management programs—all while ensuring compliance with local requirements and continued growth. GE's approach to EHS integration focuses on people and programs resulting in positive impacts for employees and the environment.

For VetcoGray, GE's EHS integration process has included evaluating EHS resource adequacy and hiring additional EHS resources where needed, tracking EHS due diligence findings to closure using GE's digitized tracking system, training EHS and operations personnel regarding GE's EHS expectations, and implementation of GE's EHS Framework and other program tools.

EHS integration has had a positive impact across the business with:

- Lost time injuries reduced by 13% compared to the previous year.
- Improved machine guarding preventing accidents.
- 80 plant managers completing EHS Leadership training.
- Improved regulatory compliance with new or revised permits/authorizations.
- Implementation of digitized "Management of Change" process for capital plant and equipment.
- Continue to focus on acquisition integration.

Our 2007–2008 Commitments

- Play a leading role in educating members of the U.S. Congress on the benefits of trade—including maintaining and improving international tax policy—to U.S. businesses, workers and citizens.
- Continue to press for the enactment of legal reform in states with the largest potential liability for GE businesses.
- Working directly and through USCAP with administration and congressional leaders to develop legislation by the end of 2008 designed to reduce carbon emissions.
- Leading a series of water conservation seminars which will unite industry experts around the world to tackle industrial water reuse, recycle and scarcity problems.

GE has increasingly focused on deepening and improving its ability to work effectively with governments throughout the world. We firmly believe that a better understanding of GE's vision and business activities—and government's impact on those pursuits—will serve both parties well. Moreover, we have made a concerted effort to enhance our working relationships with government officials.

The rules governing governmental transactions and advocacy activities differ from country to country, and can be varied and complex. Our total commitment to integrity has led us to continuously educate GE leaders on changes in the rules and regulations governing interactions with government officials. The Public Responsibilities and Audit Committees of the Board are briefed regularly on our government relations and compliance activities.

EMPLOYEE PERSPECTIVES

Mark Elborne, *General Counsel, Europe & European Regulatory Affairs*

I spend much of my time travelling internationally and meeting people at every level within and outside GE. Our strong commitment to corporate citizenship makes GE a very attractive place for lawyers to work. My ability to attract the best lawyers and maintain the legal team's strong internal sense of community is greatly assisted by the fact that the Company is committed to promoting the Rule of Law and is actively working with governments and communities to promote ethical behaviour. GE lawyers are inspired and motivated knowing that such a strong commitment runs through the veins of the Company.



While the nature of GE's interactions with government may vary from country to country, the one constant is a total dedication to complying with the spirit and letter of the laws and regulations governing GE business activities.

GE Chief Executive Officer Jeff Immelt has clearly articulated the dual role played by our national and regional executives, in particular, as ambassadors of GE in the countries in which they operate, as well as ambassadors of each of those countries to the broader GE community. This includes our Washington D.C. based international Public Policy team and our national and regional policy leaders. Beyond these Company resources, GE also participates in business, trade and issue-specific associations that bring special expertise and the broader views of the business community to global public policy debates.

Energy Policy and Climate Change

Energy and the environment are among the world's most pressing issues. GE commits to working with governments and the private sector to develop policies to ensure the availability and efficient use of energy resources in environmentally sensitive ways.

Working with governments around the world

GE works with governments around the world to build relationships that positively serve the pursuits of both business and governments. Because of this global footprint and the interconnected nature of today's business world, it is important that GE participate in public policy debates globally. For more information on these initiatives please visit www.ge.com/citizenship/worldgov.

Global Initiative to Combat Nuclear Terrorism

In 2006, the U.S. and Russian governments launched the Global Initiative to Combat Nuclear Terrorism. As a global citizen, GE is deeply concerned that every safeguard be taken to ensure that legitimate commerce in nuclear materials is not exploited by terrorist organizations. As a global producer of nuclear power plants, nuclear fuels, radioactive isotopes for healthcare applications, and radiation detection equipment, GE has the experience and expertise to make a substantial contribution to this goal. In 2007, GE worked with the U.S. Department of State to express support for the Global Initiative, and in 2008, we will participate actively in several projects, including the development of a model national nuclear detection architecture document; international cooperation in developing technical approaches to remotely detect radiological materials; and minimizing the use of highly enriched uranium in the production of medical radioisotopes.

International trade

In 2007, GE took a leadership role in educating members of the U.S. Congress on the important link between the competitiveness of U.S. business in global markets and the vibrancy of the U.S. economy. That laid the groundwork for an extensive educational effort to increase awareness of the important roles that tax, trade, and other policies play in the competitiveness of U.S. companies.

With a growing share of GE and global revenue growth coming from overseas, expanding global markets for GE's products is increasingly important to GE businesses, workers, and suppliers. Demonstrating how new market access through the Doha round at the WTO and free trade agreements with Peru, Panama, Colombia, and Korea will increase business opportunities for GE workers in U.S. Members' states and congressional districts is key to sustaining local political support for continued trade liberalization. GE will continue to lead in this area by communicating these important principles to our workers as well as to public policy officials.

Countries of concern

GE devotes significant resources to ensuring that business activities are in compliance with all applicable laws, that they are conducted with integrity and achieve value for our shareholders worldwide. While our policy has always required that our businesses follow U.S. sanctions and other applicable laws, in 2008 we adopted a policy that goes beyond what current laws require. In light of reputational and business risks associated with doing business with countries designated as State Sponsors of Terrorism by the U.S. Department of State (Cuba, Iran, North Korea, Sudan, and Syria), the Company will not accept business in these countries except activity that is authorized by the U.S. Government for humanitarian or public policy purposes.

This approach augments a policy adopted in 2005, when GE and its board decided it would no longer do business in Iran because of developing conditions in that country. The exceptions were to run down existing commitments and humanitarian activity authorized by U.S. Government licenses. Since then, GE has done everything it said it would do in 2005. As of the end of June 2008, the preexisting commitments with Iran have been completed. At all times GE's policy was fully compliant with U.S. and all applicable laws. In fact, GE's policies have been more restrictive than U.S. law.

Recent sales to Syria have been very small, involving healthcare products as well as non-U.S. origin power, oil and gas, and lighting. In recent years, GE has had very little activity in the Sudan, almost all involving the sale of healthcare products. GE has not had any sales to North Korea in the past three years. Since 1996, GE has not accepted business in Myanmar (Burma).

Legal reform

Impartiality, balance, and predictability are hallmarks of a fair civil justice system. Protecting the integrity of the court system has long been a priority to GE. GE takes a comprehensive approach to legal reform, supporting legislation and public education efforts at state, federal, and international levels. Working with local, national, and international civil justice groups, GE advocates for laws that eliminate frivolous lawsuits, ban "junk science" from the courtroom, ensure that cases are filed in the proper forum, enforce legal ethics rules, and prevent abuses of class-action laws. The diversity of GE's businesses and the Company's significant presence across the United States and throughout the world afford GE a broad perspective and lend credibility to GE's support for common sense, civil justice reforms.

First Regional Energy Forum in Hungary

Six American Chambers of Commerce (AmCham), representing both the international and local business community, partnered to organize the First Regional Energy Forum in Budapest in October 2007. For more information, please visit www.ge.com/citizenship/energyforum.

GE in China

Intellectual property in China

In the late 1970s, China shifted from a planned economy to market economy system. The 30-year transition has transformed China into a powerful engine to boost the world's economy. However, a fledgling legal framework, unbalanced rural/urban job opportunities and the public's lack of intellectual property (IP) awareness have made rampant counterfeiting trademark and copyright piracy major concerns for companies doing business in China. Moreover, the need for better protection of trade secrets and patents has been significantly increased. The environment is a challenging one for every company, including GE. For more information on this initiative, please visit www.ge.com/citizenship/china.

Global educational water awareness initiatives

Increasing population, infrastructure needs, urbanization, industrialization, groundwater contamination, and climate change are contributing to world's growing water crisis. To address this challenge, GE Water & Process Technologies is working with communities, businesses, industries and governments around the world to help alleviate water shortages, reduce contamination, and educate and broaden awareness about the challenges the global water crisis presents.

In Shanghai, the business brought together senior Chinese government officials and water policy experts to discuss best practices and solutions designed to help China meet its growing water demands. GE Water & Process Technologies launched the World Water Tour, a global seminar series designed to educate industrial water users on ways to reduce water consumption while meeting business goals, shrinking environmental footprints, and increasing operational productivity. For more information on this initiative, please visit www.ge.com/citizenship/china.

Healthcare

Throughout 2007, GE Healthcare actively contributed to driving improvements in healthcare policy and delivery in several countries.

GE Healthcare CEO Joe Hogan spoke at the annual Pacific Health Summit that focused on the challenges of a possible pandemic flu, and also contributed to the Trans-Atlantic Business Dialogue's first healthcare congress held in Berlin, which concluded that healthcare technology is a key driver of wealth as well as health. It was agreed that this should be a topic for transatlantic cooperation between the governments of the European Union and the United States.

GE Healthcare also played a prominent role in the Access to Medical Imaging Coalition that worked to demonstrate the value of imaging in improving healthcare in the United States. In Japan, the Middle East, India, Europe, and the United States, GE Healthcare has continued to drive its vision of Early Health, where the delivery of healthcare involves more emphasis on the early detection, prediction and prevention of disease. The role of healthcare information technology (IT) in helping achieve this vision remains critical, and GE Healthcare continues to work individually and collectively to accelerate the adoption of healthcare IT systems such as Electronic Medical Records and hospital data and image management systems.

Healthcare IT adoption and GE Healthcare's commitment to work to improving the access to and equality of healthcare as well as using technology to improve patient outcomes are described in Joe Hogan's "Tipping Point" discussion paper at www.gehealthcare.com/promo/reimagine/healthcare/index_tippingpoint.html.

Healthcare Reform Policy

Comprehensive healthcare reform is essential for the long-term vitality of the U.S. economy. As a global leader in healthcare, GE has a unique vantage point, both as a company deeply engaged in medical diagnostics and information technology and as an innovative large purchaser of healthcare coverage. And while the U.S. healthcare system has yielded impressive benefits and innovation, reform is needed to make that system more accessible and equitable, less costly and reactive and more patient centric.

Partnering with patient advocacy groups

For many years, clinicians have been the primary source of information to patients about their healthcare. But with the rise of the Internet, more patients have been collaborating to find and distribute information about the diseases they face. This in turn has led to the development and expansion of patient advocacy groups. With its focus on diagnostics, GE Healthcare has created partnerships with several patient advocacy groups to help promote the need to diagnose disease earlier than is currently often the norm. Several of these strategic collaborations have provided opportunities to promote the message of Early Health. For more information on this initiative please visit www.ge.com/citizenship/healthcarepolicy.

U.S. political contributions, disclosure and trade associations

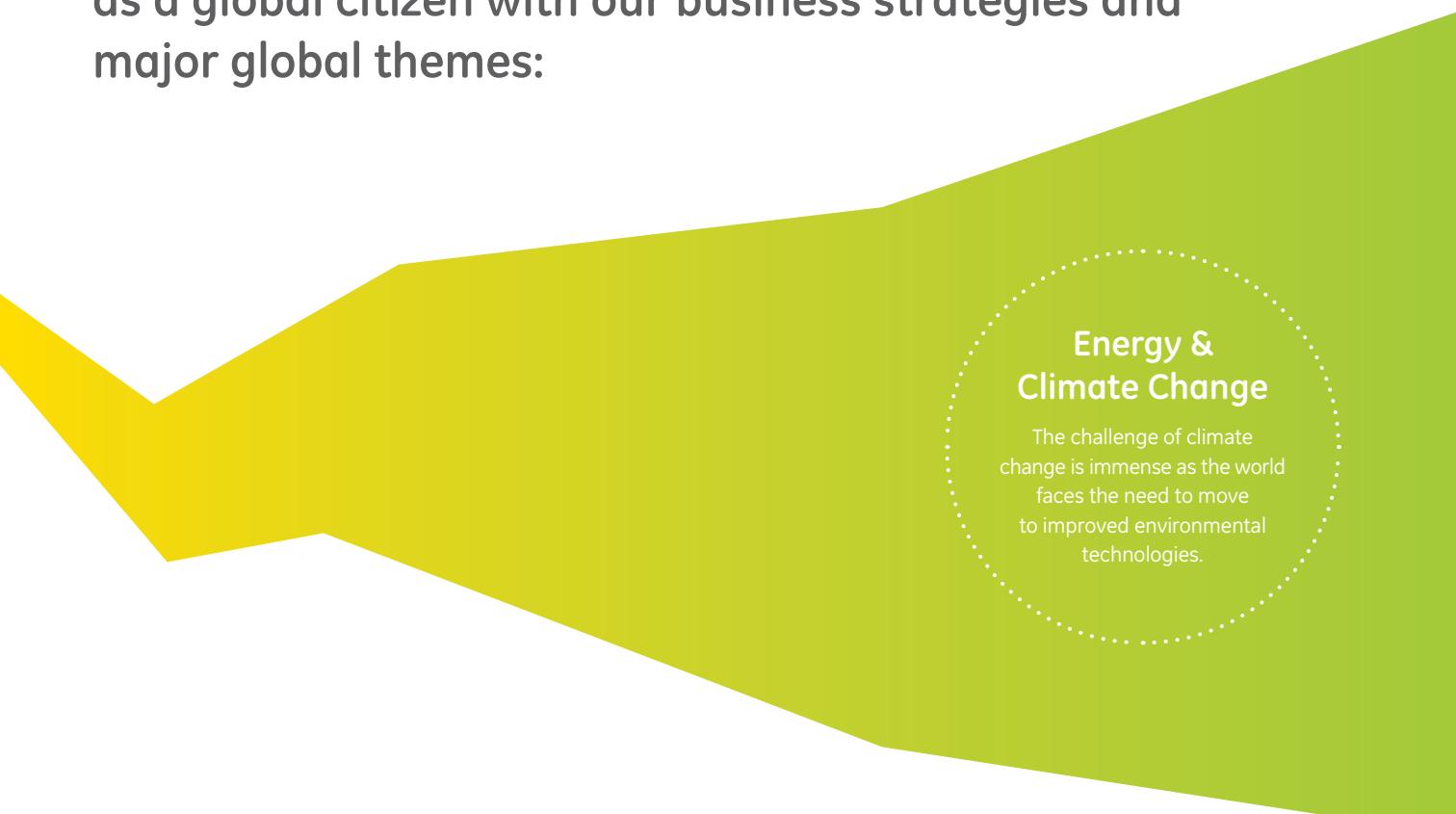
In 2006, GE contributed \$733,540 to political candidates and initiatives as listed at www.ge.com/citizenship/political. Per GE's commitment beginning in 2007, for each association from which GE receives a notice that the association has or will spend \$25,000 or more of GE's payments in a fiscal year on non-deductible lobbying and/or political expenditures under Internal Revenue Code ("Code") Section 162(e), we will ask the trade association to identify the portion of those payments used in connection with participation or intervention in a political campaign on behalf of (or in opposition to) any candidate for public office, as defined under Subsection 162(e)(1)(B) of the Code. We will include in our political contributions report any responses we receive to such requests. To review our Statement on Political Contributions and 2007 contributions, please visit www.ge.com/citizenship/political.

2008-2009 Operational Excellence Moving Forward

Engagement	<ul style="list-style-type: none">Continue multi-stakeholder dialogue sessions with increased participation from GE business leaders.Expand engagement of Stakeholder Report Review Panel beyond reporting, providing ongoing feedback to citizenship program.Provide more context to customer engagement process.	EHS	<ul style="list-style-type: none">Continue to focus on sustaining and improving GE's EHS metrics.Take next steps on Company water use reduction.Continue to focus on regulatory change.Continue to focus on meeting GE's remedial responsibilities.In the spring of 2009, GE is scheduled to begin dredging the Hudson River.
Compliance & Governance	<ul style="list-style-type: none">Continue to provide ombudsperson data by region and issue.Update on regulatory compliance processes.Detailed review of ombudsperson process.	Public Policy	<ul style="list-style-type: none">Contribute to public policy dialogue, generating effective solutions to significant policy issues.Support efforts to identify and learn about next generation public policy issues, developing and proposing novel solutions to policy dilemmas.Engage in a constructive dialogue among key stakeholders.Further enhance public policy dialogue to shape and support GE engagement.Engagement in rule of law leadership, including the 2008 ABA Vienna Forum and the Rule of Law Index.

As the dynamics of **global themes** unfold and society's concerns grow, citizenship plays an important role in shaping GE's citizenship priorities and driving the growth of our business around the world.

Citizenship is integral to our Company's success and to solving big needs in a challenging global environment. Our commitment to responsible citizenship is made real by the steps we are taking to integrate our actions as a global citizen with our business strategies and major global themes:



Energy & Climate Change

The challenge of climate change is immense as the world faces the need to move to improved environmental technologies.

Demographics

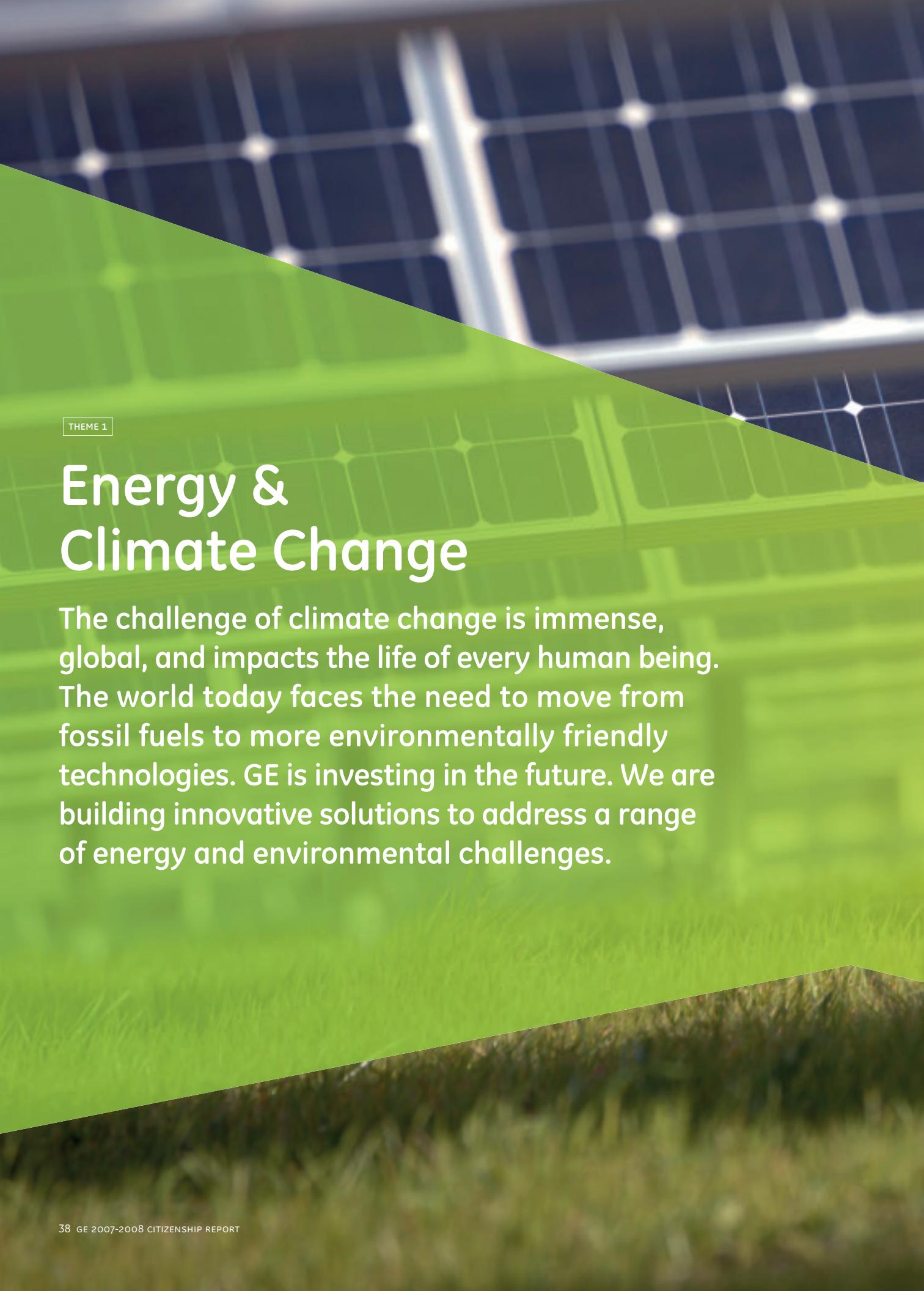
Our planet faces the enormous challenge of meeting the needs of approximately one billion new people in the next decade.

Growth Markets

Emerging markets are projected to surge in growth in the next five to ten years, creating new demands around the world.

Financial Markets

The world today is one, interdependent global economy generating new funding and investment opportunities everywhere.

A close-up, slightly blurred image of a solar panel array. The panels are dark blue with a grid of white lines. They are set against a background of green grass and foliage, suggesting a rural or semi-rural setting. The image is framed by a diagonal line that runs from the top left to the bottom right.

THEME 1

Energy & Climate Change

The challenge of climate change is immense, global, and impacts the life of every human being. The world today faces the need to move from fossil fuels to more environmentally friendly technologies. GE is investing in the future. We are building innovative solutions to address a range of energy and environmental challenges.



The most recent UN IPCC Report (2007) concludes that most of the increase in global warming since the mid-20th century is very likely caused by human activities and that “continued greenhouse gas emissions at or above current rates would cause further warming and induce many changes in the global climate system during the 21st century.”

GE's strategic response to this challenge is threefold:

Ecomagination:

Launched in 2005, this is a key business initiative focused on addressing the world's energy and environmental challenges. It reflects GE's commitment to invest in a future that creates innovative solutions in both products and services. Today, we have more than 60 ecomagination-certified products and are meeting or ahead of our commitments to increase revenues of these products and our R&D efforts for the next generation(s) of products.

Policy Engagement:

We are a founding member of the United States Climate Action Partnership (USCAP), a business and NGO initiative, which urges U.S. action on climate change legislation. In addition, we are engaged in ongoing energy and climate change dialogues in other countries and regions, including the EU and China.

Internal Action:

Through our own greenhouse gas and energy reduction commitment (1-30-30) and our newly announced water use reduction goal we are taking actions to demonstrate that these challenges can be successfully addressed.

EMPLOYEE PERSPECTIVES

Katherine Brass, GE Energy ecomagination Leader

At GE Energy, ecomagination is an important business strategy – it reflects the needs of our customers, the path forward for the growth of our business, and GE's commitment to reducing our environmental footprint wherever we do business. The issue of climate change is a reality. Our response to this challenge as individuals and as a company will help to define the quality of the world we leave for future generations. GE's commitment to accelerating the development and deployment of new technologies in concert with customers and governments will help us redefine the world of tomorrow. The results we have seen across the Company give me great hope. I am proud that employees all over the world are embracing this challenge and are making ecomagination not just part of how they do their jobs, but how they live their lives. Reducing our impact on the Earth as individuals, a company, and a supplier to industry around the world is a responsibility that has always been a part of our culture. Making this responsibility a part of GE's business strategy is indicative of our commitment and the significance of what needs to be accomplished.

The challenges posed by climate change include finding a long-term path for significant GHG reductions while bringing power and clean water to more than one billion people who do not have access to these essentials today and maintaining global economic growth. We believe that meeting these challenges will require a diversity of solutions, including the following in which GE plays a role.

- Increased deployment of renewables like solar and wind along with further efficiency developments to reduce cost
- Use of sustainable biofuels and biomass as an energy source
- Growth of nuclear energy
- High-efficiency use of natural gas
- Use of coal in conjunction with CO₂ separation and sequestration technologies
- Recognition of the need for adaptation, an area in which GE water technologies can play a key role

Water crisis in Australia

Australia is experiencing one of the worst droughts ever recorded in the country, with most of Australia on stringent water restrictions and the country's traditional sources of water at historical lows. GE is well positioned to help Australia address this water crisis by developing appropriate and sustainable solutions from our vast global experience and portfolio of available technologies. We are working with industry partners and governments to provide advice, solutions, and bid submissions for several major projects that will help provide both immediate relief and long-term water security for the nation. For more information on this initiative, please visit www.ge.com/citizenship/australiawater.

United States Climate Action Partnership (USCAP) update

USCAP is an expanding alliance of 31 major businesses and four leading climate and environmental groups that have come together to call on the federal government to enact legislation requiring significant reductions of greenhouse gas emissions.

USCAP's efforts helped contribute to making climate the priority environmental issue before the U.S. Congress in 2007, with numerous hearings and the first-ever reporting of a bipartisan bill by the Senate Environment Committee. For more information on this initiative, please visit www.ge.com/citizenship/USCAP.

In June 2005, the U.S. National Academy of Sciences joined with the scientific academies of 10 other countries in stating "the scientific understanding of climate change is now sufficiently clear to justify nations taking prompt actions."

USCAP's Call To Action states "each year we delay action to control emissions increases the risk of unavoidable consequences that could necessitate even steeper reductions in the future, at potentially greater economic cost and social disruption. Action sooner rather than later preserves valuable response options, narrows the uncertainties associated with changes to the climate, and should lower the costs of mitigation and adaptation."

GE was a co-founder of USCAP, a diverse group of business and leading environmental organizations, to promote effective, economically sustainable climate change policies. The group is underscoring the need for a policy framework on climate change and is calling for national legislation to significantly reduce greenhouse gas emissions over the shortest time reasonably possible.

USCAP urges policy makers to enact mandatory reductions of GHG emissions from major emitting sectors, including large stationary sources and transportation, and energy use in commercial and residential buildings. The cornerstone of this approach is a cap-and-trade program. The environmental goal is to limit global atmospheric GHG concentrations to a level that minimizes large-scale adverse impacts to humans and the natural environment. The group recommends that the U.S. Congress provide leadership by establishing: short- and mid-term emission reduction targets; a national program to accelerate technology research, development and deployment; and approaches to encourage action by other countries, including those in the developing world, as ultimately the solution must be global.

Through dialogue and collaboration, the group produced a set of principles and a solutions-based Call for Action report that lays out a blueprint for a mandatory economy-wide, market-driven approach to climate protection. The members of USCAP pledge to work with the U.S. President, the U.S. Congress and other stakeholders to confront this vital global challenge.



Jeff Immelt and Jonathan Lash at the USCAP conference

Global educational water awareness initiatives

Increasing population, infrastructure needs, urbanization, industrialization, groundwater contamination, and climate change are contributing to the world's growing water crisis. To address this challenge, GE Water & Process Technologies is working with communities, businesses, industries, and governments around the world to help alleviate water shortages, reduce contamination, and educate and broaden awareness about the challenges the global water crisis presents. In Kochi, India, GE Water & Process Technologies teamed with GE Energy's solar business to bring clean water to the Home of Hope, an orphanage with some 80 girls under its care. In Shanghai, the business brought together senior Chinese government officials and water policy experts to discuss best practices and solutions designed to help China meet its growing water demands. GE Water & Process Technologies launched the World Water Tour, a global seminar series designed to educate industrial water users on ways to reduce water consumption while meeting business goals, shrinking environmental footprints, and increasing operational productivity. For more information on this initiative, please visit www.ge.com/citizenship/globalwater.

As the world transitions over the next decades to a new energy infrastructure, we will continue to provide products, services, and financing to our customers in the fossil fuel markets. The move to new technologies will not occur immediately and we are seeking to ensure the needed transition occurs and to meet our customers' and the world's needs in the near-term. For instance, our Energy Financial Services business has publicly articulated a strategy that includes continued fossil fuel investments as well as a commitment to rapidly expand its renewables portfolio.

Finally, it will require a combination of new technology and policy action to ensure timely development of new products and services and the rapid deployment needed to achieve significant reductions in greenhouse gas emissions.

EXPERT PERSPECTIVES

Richard Moss, Vice President and Managing Director, Climate Change, World Wildlife Fund U.S.

There are many times when people casually say that "business is key to solving this problem" when they really mean only that business has a role to play. But in the case of climate change, business really is the key to solving the problem.

Finding solutions to the climate crisis will require GE and other businesses to consider three interconnected elements: risks, rewards, and responsibility. With climate change, the most effective strategy to reduce risks and find rewards is to take ever-greater responsibility for solving the climate change problem. A big investment of labor and capital by GE and all other companies will be required.

Like physicians who must "do no harm" to their patients, corporations must strive to do the same with respect to the Earth's climate. Given the urgency of the problem, it is not enough to make improvements in some areas while continuing to drive up emissions. Given what we now know about the planetary risks, emissions must be driven down by relentlessly reducing fossil fuel use and preventing atmospheric carbon releases from the fuels that are burned. When we construct conventional coal-fired power plants that drive up

concentrations of greenhouse gases in the atmosphere, we are adding to the risk of dangerous impacts and discontinuities. Thus we have a responsibility to freeze capacity additions until and unless the power plants include technology to capture and sequester the carbon in the fuel.

WWF's Climate Savers, a worldwide group of companies, has a 10-year history of best-in-class commitments to voluntary emissions cuts. As mandatory emissions requirements are established and progressively tightened, Climate Savers companies will do better. They will maintain the mantle of leadership by catalyzing reductions below mandated emissions levels not just within their own companies, but among their suppliers and business sectors. They furthermore will engage businesses in emerging economies to provide the same kind of leadership in their countries.

Private sector innovation and initiative can lead the way out of the global environmental risks to our natural heritage and way of life. The risks are daunting, but the promise of rewards looms large if we embrace our collective responsibility for a better future and work together to achieve it.



EXPERT PERSPECTIVES

Glenn Prickett, Executive Director, Centre for Environmental Leadership and Senior Vice President, Business and U.S. Government Relations, Conservation International

In a year of economic turbulence, companies like GE may be tempted to set aside long-term concerns about the environment to focus on near-term financial challenges. This would be a mistake. The year 2007 marked a watershed in scientific consensus, public awareness, and political recognition that we must take greater care of our natural environment. The UN Climate Change Conference in Bali and the IPCC's Fourth Assessment Report laid the groundwork for more forceful public policy in all nations to mitigate climate change by reducing greenhouse gas emissions from fossil-fuel use and deforestation. The prospect of air pollution affecting athletes' performance at the Beijing Olympics puts into stark relief the urgent environmental imperatives facing emerging economies. And consumers in many countries are seeking a more

ecologically responsible lifestyle: green has become the new black. These trends increase the pressure for business to reduce its environmental footprint, and they create opportunities for leaders to profit by meeting the demands of their customers for environmental solutions. GE has positioned itself well with its ecomagination program. But the situation calls for more than a business response. Climate change, the erosion of healthy ecosystems, and the depletion of vital resources threaten the health and well-being of all societies. Corporate leaders have a business and an ethical imperative to be part of larger-scale solutions. GE should seek opportunities to shape and support public policies and voluntary programs to protect our shared environment.

The world's environmental challenges present an opportunity for GE to do what it does best: imagine and build innovative solutions that benefit our customers, society, and investors.



Relevance to GE

Key Citizenship Priorities

Industrial	<ul style="list-style-type: none">Product energy efficiency
Infrastructure	<ul style="list-style-type: none">Environmental management issues, including air quality, climate change (both in relation to the development of product solutions to address this topic and the energy efficiency of our operations), and releases of hazardous substances to the environment

2008–2009 Moving Forward

Products & Services	<ul style="list-style-type: none">Continue to expand ecomagination products and services.Continue to increase R&D spending for ecomagination.Continue progress towards meeting GE's ecomagination commitments.
EHS	<ul style="list-style-type: none">Continue focus on GHG reduction.Take next steps on new Company water use reduction goal.
Public Policy	<ul style="list-style-type: none">Continue to focus on regulatory change.Commitment to energy policy change.

Demographics

In the next decade our planet faces the enormous challenge of meeting the needs of approximately one billion new people—growth that will place greater demands on water, raw materials, natural resources, infrastructure, and healthcare, and drive GE to deliver wherever demographics lead.





The GE MAC 400 in use in a remote village in Karnataka, India

The increase in the size of the human population in the last half-century is unprecedented and will bring huge challenges.

While populations in developed—and developing—countries will age, there will be **approximately one billion new people** living on the planet in the next decade, the large majority born in **emerging markets**, and all with needs for a basic quality of life that is aided by basic infrastructure, healthcare, and economic opportunity.

Unlike poverty and the environment, demographics is an area where business has little ability to shape trends. Instead, it is faced with the challenge of turning inexorable changes into opportunities. Growing populations around the world, emerging middle classes, aging baby boomers in the U.S.—these are all changes in demographics that create opportunities for GE's businesses.

Global recruiting efforts in GE have now become more complex.

As we continue to focus on diversity in gender recruitment and promotion, new challenges arise with the advent of growth in new markets. One challenge, primarily internal, includes managing diversity at a local level and understanding the workforce dynamics that contribute to GE's growth and the growth of the local market, reflecting the reality of the culture in which we operate.

GE employees are among the best in the world. Our reputation is based on domain expertise—knowing markets, products, customers and issues. The reality of entering new markets means that our employees are increasingly in demand by competitors and others as we grow our presence. We are developing broader, more far-reaching global strategies that rely on the input and expertise of diverse workforces to compete in increasingly varied markets.

Going forward, the reality of employee needs in supporting immediate and extended families, especially in emerging countries, needs to be considered. There are implications for our healthcare business, as it develops new products and programs to better balance the employer/employee issue and how to move beyond treatment to prevention. As a supplier of products to the healthcare industry, this discussion requires input from advocacy groups, governments, the medical profession, businesses and other important partners. We can be a catalyst in initiating that discussion among the various stakeholders.

EMPLOYEE PERSPECTIVES

Prat Kumar, *GE India Infrastructure Leader*

Economic growth in India is still not able to touch lives of more than 500 million people who live on less than \$2 a day. While we are building sustainable infrastructure for the country, what I am especially proud of is our efforts to provide reliable power and clean drinking water in rural areas. Without reliable power, there will be no viable economic enterprise and lack of clean water is the cause of poor health in rural areas. I am energized by the fact that our biogas-based distributed power solution and efficient low-cost water purification technology are able to make the goal of “inclusive growth” achievable in India. This is perfect synergy—good business and responsible citizenship.



GE Foundation members meet with students from Erie, Pennsylvania

The issue of substandard educational systems, both in the United States and globally, also has consequences to our business.

Our expectation is that societies in which we do business can provide a talented workforce with qualified and diverse abilities. Quality education not only complements GE's growth strategy in local markets, but also is a means to the ongoing development of these markets, allowing for systemic change of societal issues. The GE Foundation is addressing the education imperative by supporting high-impact initiatives that improve the access, equity

and quality of public education. Developing Futures in Education was created to increase student achievement and college readiness among high school students. The program is being expanded with a grant investment of more than \$100 million across five U.S. school districts that will use their grants to develop a rigorous, system-wide math and science curriculum and professional development through building a collaborative culture within each district.

By leveraging GE's product and technology expertise, as well as our engagement in diverse markets, we are better positioned to innovate and develop new solutions together for the benefit of the local population. Engagement can go beyond product or technology transfer. It also includes sharing of standards, governance principles and complete understanding of the value of the product, including pricing, maintenance, community impact and, ultimately, customer responsibility.

GE is a global company. As markets become increasingly global and diverse, we recognize the need that our workforce and our business strategy reflect changing demands. Diversity and inclusiveness now extend beyond employees and consumers to products, communities, and suppliers.

We invest in people, and our investment in employees builds our success, our products, and our performance. However, we are also engaging in markets — many of which are volatile in nature and still maturing — whereby retention and recruitment is even more complex. At GE, we invest in people to become experts and builders of ideas, products, and markets to drive our growth and develop solutions to solve some of the world's most complex problems.

Customers defined

GE customers span all types, from individual consumers to small and medium-sized enterprises to multinational corporations and governments, and are increasingly important collaborators in the product development cycle. Satisfying various customer preferences is a continual process, driven by societal needs. For these reasons, GE has increased its investment in customer collaboration programs, research and development, innovation training, stakeholder engagement, and government relations — to better understand customers' expectations and needs.

GE holds a unique position in the value chain of developing and providing products to customers. This value chain includes governments, communities, businesses, consumers, and other impacted stakeholders. Though we define customers as the primary recipient and originator of the Company's products and services, GE recognizes that engagement with various stakeholders beyond the primary customer can drive innovation and enhance the usability of the original product by end users.



Training session at GE's John F. Welch Technology Centre, Bangalore, India

Shirley Clarke Franklin, *Mayor of Atlanta*

As mayor of Atlanta, Georgia, I can't think of any issue more important than preparing our children for the competitive global market that requires their best thinking, imagination, innovation, and talent. As a public official, I believe that the best policy decisions are made when they are guided by value-based principles that provide practical solutions. In order for children to take full advantage of their human resource capital, we must instill a love of learning in them that advances beyond formal educational requirements. We must challenge them to see the best and to be the best—the global classroom requires it.

While a great many academic and political experts debate whether American children are outperforming students in Singapore or Hong Kong, the fact remains that many American students are struggling to reach the level of excellence that gives them an honest chance to succeed in a very competitive global arena. The education of young people is not any one group's singular responsibility or issue. It is a global issue that deserves a global response. The world has shifted and our business model is no longer local; it is global, so we have to attract and appeal across geographic boundaries and landscapes.

I come from a place where my ancestors were denied the legal and moral right to learn to read. After the Civil War, slaves learned to read and write in historically black colleges and universities that created and cultivated the space for them to learn because there was no structured educational system that allowed their admission. I am from Pennsylvania, where the first historically black university in America, Cheyney University, was founded in 1837. Cheyney was followed by two other historically black institutions, Lincoln University in Pennsylvania (1854) and Wilberforce University in Ohio (1856). Although these institutions were called universities or institutes, they provided elementary and secondary education because the students did not have any

other previous education. These schools trained some of America's best and brightest leaders, like Atlantans Martin Luther King, Jr., John Lewis, and so many others. My parents and I attended one of those historically black colleges, Howard University in Washington, D.C. Yet, more than 143 years after slavery was abolished in America, there is still evidence of its vestiges in the lack of equitable educational access for some young people. So education is more than political rhetoric to me—it is personal. I have seen what happens when a community gets engaged in helping to shape and reshape the lives of its young people. I am the product of the legacy of my father's and his father's educational opportunities. Similar stories can be found in every corner of the world when young people have full access to top-quality educational opportunities. The record is clearly documented.

When a community gets engaged in the lives of its young people, everyone wins.

As corporations, companies, governments, and communities consider the daunting challenge of preparing for tomorrow's global workforce, we must also address the social and economic obstacles that confront today's young people. No one single entity can do it all—it will require a community of thoughtful leaders who get it! The General Electric Foundation gets it! Through GE's programs to increase college readiness and its continued support for grants that encourage schools, businesses, and corporations to collaborate; it is helping to make systemic improvements in public education. I believe it is this kind of corporate community-based support and impassioned courage to do the right thing that will make the difference in generations to come. Our children's children deserve our best efforts and our successful advocacy and partnerships if they are to have a chance for peace and social and economic justice around the world.



One of the problems in which GE is investing includes solving what is the biggest problem today—the economics of scarcity. This includes shortages of water, raw materials, and natural resources. More than ever, there is a need for energy independence, reducing greenhouse gases, and increasing productivity—areas that GE will invest in for the next 10 to 20 years.

For example, because of the global water issues, we made a conscious decision to invest in water technology. This business will continue to grow dramatically. Products, including financial solutions, are being designed for specific customer or cultural needs, as well as the energy consumption needs of customers. We must meet the demand of our customers and communities that reflect these new realities.

By building a substantial healthcare business, projected to double in size over the next five years, we can be a global leader in diagnostics, with the capability to improve access to care, find diseases earlier and treat them more effectively. Demands for access to healthcare are driving not just the need for innovative medical services and products, but also for more affordable healthcare across the world. The issue of healthcare costs has a direct impact on our active and retired employees as well as communities in emerging economies.



Homespring water technology in India

CUSTOMER PERSPECTIVES

Ron Christenson, *Corporate Vice President, Chief Technology Officer, CARGILL*

Corporate responsibility and sustainability are now center stage with business today. There is a new imperative for global companies to pay greater attention to our total impact on society and the environment—for our employees, our customers, our stakeholders. This is not a single goal but is part of everything we do every day in our business, continuously improving our standards, our practices, our processes.

As a global food, agriculture and risk management company, we are responsible for the safe handling of food that nourishes millions of people around the world. Our responsibilities extend to those who rely on us for assurances in the food and feed we supply and to monitor the environmental and social impact of the products we source, transport, process and trade across our the supply chains.

Moreover, with increasing urbanization among the world's population, impacts brought on by global climate change, and rapid growth in new emerging markets, we see global agriculture experiencing even more extraordinary demands to meet the needs of tomorrow.

There is a convergence of many factors—among them, GHG emissions will rise substantially by 2015. The number of people who live in water-stressed regions will increase by 65% by 2025. By 2050, global population is expected to grow by 3 billion and overall consumption is expected to double. As responsible global companies, we must channel efforts towards innovation that can help address these challenges and present new opportunities for our stakeholders and society.

GE is an attractive partner to help us respond to these pressures. Together, we are finding ways to increase production efficiencies and optimize water and resource use, applying new technology to improve production processes and gain energy efficiencies, and working to capture new applications for renewables in our businesses and facilities.

EMPLOYEE PERSPECTIVES

Sheri Nepal, GE Healthcare Product Donation Leader

As GE wraps its generous arms around the globe to improve healthcare for those living in conditions with great need but little resources to fund change, I have been given the privilege to lead GE Healthcare teams on-site to install GE's donated medical equipment at 20 sites on two continents. GE Healthcare products have built-in flexibility, giving us the

option to take our standard premium configuration used in advanced healthcare systems and tailor it to meet the need of developing country medical environments. This more practical approach gives the existing healthcare practice of developing countries a huge lift in technology and a step forward to a future of saving lives. I am honored to witness GE at work.

At GE, we invest in people to become experts and builders of ideas, products, and markets to drive our growth and develop solutions to solve some of the world's most complex problems.



Relevance to GE

Key Citizenship Priorities

Industrial	<ul style="list-style-type: none">• Privacy• Sales to governments
Infrastructure	<ul style="list-style-type: none">• Additional attention to full compliance and integrity with sales to military
Healthcare	<ul style="list-style-type: none">• Embryonic stem cell research• Healthcare public policy and costs• Privacy and product security
Commercial Finance	<ul style="list-style-type: none">• Data privacy

2008–2009 Moving Forward

Employees	<ul style="list-style-type: none">• Update progress on GE Opinion Survey action items.• Provide summary training and development efforts outside the United States.
Customers	<ul style="list-style-type: none">• Provide example of GE's influence and interaction in its value chain during commercial engagement.
Products & Services	<ul style="list-style-type: none">• Continue to progress on and review commitment to ecomagination.• Update progress on products and services developed for emerging markets—in country for country.• Provide update on product use relating to 2008 Olympic Games.• Provide Research & Development innovation updates, including renewable energy and product life cycle.

Growth Markets

The world's emerging markets are projected to surge in growth in the next five to 10 years — at four times the growth rate of the U.S. GDP. GE has the business breadth and capabilities to accelerate economic development and improve standards of living, allowing us to make a difference in rapidly expanding economies.



Prague, Czech Republic

Growth of the global economy in the next five or ten years will continue to be concentrated in the **emerging markets, such as China, India, Russia, Eastern Europe, Latin America, and South Asia.**

For many years, these economies have grown at four times the rate of the U.S. gross domestic product. Driven by surging economies and investment capital, emerging markets are in need of new infrastructure, energy, water, healthcare, and financing and are a key part of GE's growth strategy. **For us, the world's poorer regions represent an opportunity and a challenge.** The vast numbers of people living in poverty today are potential consumers, employees, and suppliers.

We are positioning GE to be uniquely capable of meeting the needs of these economies. **GE takes a unique "company-to-country" approach to emerging markets.** This allows us to use the breadth of our multi-business company to make a difference in rapidly growing economies. This company-to-country approach includes developing unique products and hiring local talent to meet customer needs. We have a pipeline of high-tech, low-cost products for our customers, designed with local talent and produced in their countries. We are building plants to manufacture healthcare products in Saudi Arabia and are building equipment-servicing shops in Algeria, Angola, Qatar, and Abu Dhabi.

But operating in emerging markets has many challenges.

In some countries the growth has exacerbated existing governance weaknesses such as corruption, money laundering, and/or weak rule of law; or brought with it problems traditionally associated with rapid industrialization, such as pollution, abusive labor practices, and human rights violations. We are not naïve about these risks and have been working for years on strategies to

enable us to do business in this environment ethically. We have and will continue to walk away from business opportunities that come in conflict with our ethical standards.

There are countries in which GE conducts business where the external frameworks around human rights, labor and environmental standards, and governance can be a constant challenge. For example, we have had to adopt strategies to respond to customers in some countries who want to use our medical

EMPLOYEE PERSPECTIVES

Ann E. Condon, Director and Counsel, EHS Programs, Europe, Middle East and Africa, GE Corporation

When we began GE's supplier assessment program seven years ago we underestimated how difficult it would be for our suppliers to make lasting improvements. As we have gained experience, we have adjusted our strategy to put more emphasis on improvement plans and follow-up programs. The gratifying part has been working with our local teams as they are so committed to doing something good for their countries. The frustrating part has been recognizing that changing culture is a slow process that requires time, commitment, and fortitude.

equipment to select the sex of their children. As discussed in more detail on page 58, the 2008 Olympics have presented us with several challenges. We make a decision to do business despite these challenges, with "eyes wide open," with the knowledge that we have to work hard to maintain our internal policies, processes, and disciplines and with the hope that over the longer term we will have a positive influence on the local business culture.

Global infrastructure to grow

A projected \$10–\$15 trillion will be invested globally in infrastructure in the next decade. Governments will fund many of these projects, many of which are associated with a growing business imperative around the need for sustainable development.



São Paulo, Brazil

EXPERT PERSPECTIVES

Jeb Brugmann, *Base of Pyramid (BOP) Business Development*
Expert and Founder of The International Council for Local Environmental Initiatives (ICLEI)

Customer relationships that are designed and managed by visionary companies have become a powerful new tool in the fight against poverty and for human dignity. Such relationships at the so-called "base of the pyramid" can also be a powerful source of growth and innovation for the company, helping it to secure position in the face of new competition and market risks.

The leaner margins and harsher user environments of "BOP" markets force a renewal of entrepreneurialism in any company that pursues their opportunities. Success demands intricately researched value propositions, innovative product design, and tightly calibrated business models and supporting business processes. It is this careful calibration of the relationship between the company and the consumer, when imbued with global ethical standards, that makes it such a vehicle of empowerment for the poor household, and of brand enhancement and growth potential for the company. Once a company engineers the whole system that is required to create and deliver on that relationship, it provides the BOP consumer with three things they have rarely experienced in their day-to-day lives: predictable availability and quality, sustainability of benefits, and an often new experience of respect from a powerful institution.

In the world of companies, GE has unique capacities to design and deliver solutions for providing clean water, reliable energy, and affordable infrastructure in remote villages, small

towns, and slums, which cannot be cost-effectively served by traditional technology, infrastructure, and models. As a global B2B and consumer products company, GE also has unique capabilities in tailoring solutions for the myriad different user environments that we generalize as the BOP.

But capacities and capabilities are not enough. Success in the BOP takes a company with the leadership, vision, and, frankly, the hunger on behalf of its shareholders, to stay focused on big opportunities beyond established markets and consumer segments and their short-term performance demands. It takes a company that can liberate its managers and technicians from "product push" and the standard operating procedures of its mature markets, and support them to be entrepreneurs in an entirely different market environment for which new products, business models, and business processes need to be developed bottom-up. Many large companies today are testing themselves against that strategic challenge, and stepping back into the safe territory of the "top of pyramid" market of two billion people with which they are familiar. GE can do better, and if it seeks to build another 116 years of shareholder value and market leadership, it must do more. As we head into a period of increased natural resource scarcity and unpredictable climate, learning how to create two billion new, high-impact customer relationships may be the only way to maintain the stable markets and global trade upon which global companies like GE, and the developed world, have come to depend.





GE facility, Saltillo, Mexico

Our integrity program requires rigorous compliance with law, whether or not it is enforced locally. In addition, we have adopted internal integrity standards, which we apply worldwide. As we build business functions locally and promote and recruit local managers, we are very clear that our integrity program is a key driver of our global corporate culture. We provide detailed training to support this culture. Our growth in emerging markets also requires that we evaluate a variety of regulatory and legal frameworks that allow for practices that at times may not match our own internal standards. While we must comply with local law, we also monitor any such inconsistency and ensure our global GE standards, if they exceed

local standards, are used as the operational foundation. We will continue to reference various international frameworks and bodies to further enhance our practices and monitoring procedures and policies.

We are also participating in efforts to improve local standards and create a level playing field for ethical, environmental, and social business practices. For example, the expectations on companies regarding human rights have increased. In 2007, GE adopted our Statement of Principles on Human Rights, which represented an important step in a journey toward programmatically supporting

and advancing human rights within GE's sphere of influence. The adoption of the Statement of Principles on Human Rights led us to amend our supplier expectations and train hundreds of sourcing personnel on these revised expectations. While our supply chain was an obvious possible source of human rights concerns, there are many other areas where human rights issues intersect with GE business operations, including consumer and employee privacy, freedom of thought and speech, and healthcare products and delivery.

Opportunities for growth bring corresponding challenges of managing that growth responsibly. GE builds capability, drives management techniques and encourages management collaborations. As our global business opportunities expand into places with unfamiliar demographics and labor profiles, we will continue to respond and adapt in strategic and responsible ways. Indeed, these trends and their impacts cut across corporate social responsibility issues, from dignity and diversity in the workplace, to business-governments relations, to outsourcing and global economic development.

EXPERT PERSPECTIVES

Robert Archer, *Executive Director, International Council on Human Rights Policy*

Most very large companies now acknowledge that they have human rights responsibilities outside as well as inside the workplace, and many have developed policies that address the human rights impacts of their activities and relationships. It is welcome that GE is among them.

Numerous factors lie behind the greater emphasis on human rights: strong ethical convictions of some leading executives; sober calculation of reputational risk; public opinion; catastrophic policy errors; the behavior of peers and competitors; and new international policies. The mix of motivation matters less than the fact of change.

So what objectives should very large companies like GE set for themselves? They have made an initial commitment; they have excited expectations. What should they aim for?

Companies that operate in a range of environments face distinct constraints and opportunities; and those that operate on the largest scale are challenged to do most. Below are four "tests" that companies like GE might apply as they operationalize their human rights policies.

1. Work to scale. Do the company's human rights objectives reflect the scale and diversity of its activities and its ability to shape attitudes? GE, for example, has a vast and complex chain of suppliers to manage, and a huge culturally mixed and multilingual workforce. Its human rights policies and training programmes need to be correspondingly ambitious. Are they? A company that sets its human rights policies too low, relative to its scale of operations, courts reputational damage.

2. Demonstrate due diligence. Has the company put in place adequate systems for identifying risks, responding to them, and explaining its response? Do these systems make sure that the company is listening carefully to many points of view? Very large companies invest heavily to monitor risks and opportunities associated with the technologies and markets they depend on. In matters of survival they look far ahead. Do they look as far forward—or at all—at their social

impacts and risks and their need to manage these? This year's Olympic Games illustrate the problem. It was evident that locating the Games in China would generate human rights controversies; yet when these occurred, the corporate sponsors seemed to be caught unready, as if they had done little to think through their positions in advance.

3. Act positively. When faced by a human rights challenge, does the company disengage and avoid risk, or take a positive approach? No large company would build its production or marketing strategy solely on avoiding harm to its current technological or market position: they would seek enhanced advantage—higher productivity and better outreach. The same should be true of policies that concern reputation. Confronted by reputational threats, the instinct of many companies is nevertheless to dig defensive positions—which do not protect reputation and fail quickly when public expectations become focused.

4. Speak plainly. The public reasonably expects senior executives of very large companies to speak cogently and honestly about public issues. Just like political and civic leaders, they are judged by their transparency and common sense and their willingness to engage frankly with difficult problems. Even more clarity is expected of executives who represent billion-dollar enterprises, with all the policy and information and communication support this implies. Denials of responsibility or declarations of ignorance are simply not persuasive. The human rights and communications policies of such companies should take account of this.

Against the tests above, many among even the largest companies are in lag. They appear to promise too little and to deliver too little, and as a result may appear both hypocritical and inept—an outcome toxic to reputation. Recognizing that public expectations will continue to rise—rightly, because the companies themselves are involved in setting new standards for themselves in matters of public policy—very large companies like GE should raise their game. They need to be more ambitious.

GE in China

The 2008 Olympics in Beijing

GE is proud to be a sponsor of the Olympic movement and the ideals it represents. But this is not an ideal world. Every four years, the Summer Olympic Games take place in an increasingly complex world environment with many unsettling world issues. The year 2008 is no exception. We understand concerns regarding the human rights situation in relation to the upcoming Games in Beijing, and are raising those concerns to the IOC. Although the many issues may not be able to be settled quickly, we hope that significant progress can be realized.

GE also shares an interest in protecting human rights. We support the principles contained in the Universal Declaration on Human Rights and apply them within a business context in the settings where we work. In China, as in every other country in which GE operates, we maintain high standards for our employees in environment, health & safety, child or forced labor, wage and hour, non-discrimination, and other labor standards. In the same manner, we monitor compliance of supplier standards around environment, labor, and core human rights. We have convened governance, compliance, and safety best practice forums in both Beijing and Shanghai with Chinese and international businesses, government agencies, and academia. We are committed to the responsible conduct of business as outlined within The Spirit and The Letter. We encourage you to visit our Web site www.ge.com/citizenship to learn more about our commitment to human rights and responsible business practices.

We support the IOC's Mission and the Fundamental Principles of Olympism contained in the Olympic Charter. The Olympic Games bring people from all over the world together in peace with hope and optimism. As a proud sponsor, we believe the global attention that the Games bring can have many positive influences beyond the sports arena, regardless of location. For more information on our position regarding this issue, please visit www.ge.com/citizenship/chinafeature.

As a Worldwide Olympic Partner, GE is the exclusive provider of a wide range of innovative products and services that are integral to staging successful Games. Our Olympic partnership was launched in January 2005, and continues through the London 2012 Olympic Games. GE is working closely with host countries, cities and organizing committees to provide infrastructure solutions for Olympic Games venues including power, lighting, water treatment, transportation, and security, and to supply hospitals with ultrasound and MRI equipment to help doctors treat athletes. In Beijing, GE is making significant contributions to more than 335 infrastructure projects, providing innovative solutions to help the city host the largest, most technologically advanced Olympic Games ever. Examples of GE's environmentally sound technology at work for the Beijing Games include filtration systems for clean drinking water



Olympic Stadium, Beijing, China

and rainwater recycling at the National Stadium; solar-powered lighting at Fengtai Softball Field; water-processing technology to recycle water for Olympic Green landscaping; and high-efficiency energy units at the Jing Hui Garden media hotel.

In addition, NBC Universal is the exclusive U.S. media partner of the Olympic Games, with its partnership also extending through 2012. GE also works with China's National Development and Reform Commission (NDRC) to drive environmentally sound technologies in China including cleaner-coal power generation, renewable energy, water reuse and desalination, high-efficiency and low-emission aircraft engines and locomotives, energy-efficient lighting, and power distribution.

For more information on how GE is engaged in the Beijing Olympics, please visit www.ge.com/innovation/china.

GE takes a unique “company-to-country” approach to emerging markets. This allows us to use the breadth of our multi-business company to make a difference in rapidly growing economies.

Relevance to GE	
Key Citizenship Priorities	
Industrial	<ul style="list-style-type: none"> Emerging markets, consumer spending, and value products
Infrastructure	<ul style="list-style-type: none"> Security and human rights (including employee safety) Governance, ethics, and anti-corruption efforts in emerging markets
Healthcare	<ul style="list-style-type: none"> Access to healthcare in emerging markets Sales, marketing, billing, and reimbursement Product quality and patient and operator safety
NBC Universal	<ul style="list-style-type: none"> Broadcast standards Distributing content through digital media (www.nbcuniversal.com)
Commercial Finance	<ul style="list-style-type: none"> Compliance and governance in challenging operating environments
Money	<ul style="list-style-type: none"> Risks and opportunities of emerging markets Consumer financial literacy
2008–2009 Moving Forward	
EHS	<ul style="list-style-type: none"> Continue to focus on EHS capacity building in emerging markets.
Suppliers	<ul style="list-style-type: none"> Gain experience in assessing GE's supplier base with respect to freedom of association, discrimination, and harassment. Continue to assist in EHS capacity building in places where GE has significant numbers of suppliers, including collaborating with other stakeholders to accelerate participation in Mexico's Clean Industries program and establishing a continuing education program for EHS professionals in Guangdong, China. Review program successes and challenges, evolving trends for supply chain review programs, and feedback from external stakeholders to identify potential program refinements.
Human Rights	<ul style="list-style-type: none"> Develop communication materials for employees and business partners on GE's approach to human rights. Gain experience in assessing GE's supplier base with respect to freedom of association, discrimination, and harassment.
Communities & Philanthropy	<ul style="list-style-type: none"> Expand Developing Health Globally within Latin America and to Asia. Expand Developing Futures to other U.S. school systems. Provide summary of international education and public policy initiatives.

Financial Markets

The world today is one, interdependent global economy. And it is a rapidly growing one as investors pursue funding and investment opportunities anywhere in the world, every day. Applying our high standards and deep expertise, GE plans to continue to seize opportunities and position our financial services businesses for years of profitable growth.



World financial markets are evolving. The total value of the world's financial assets grew faster in 2007 than the historical average rate, outpacing growth in global GDP.

The amount of global trade has increased four-fold in the last ten years, growing the number of countries with excess capital available for investment.

Today, industrial economies and even the largest emerging economies have financial markets that are two to three times the size of their GDP. With an estimated \$10–\$15 trillion in excess funds, countries in the Middle East, Asia, Europe, and South America are all looking for investment opportunities to help diversify, fueling investments in infrastructure, energy, and transportation globally.

GE is a unique partner, with both industrial and financial strengths. Our multi-business portfolio presents a natural investment opportunity for many of these funds and the potential for strategic joint-venture opportunities.

A disciplined approach to risk is important in a diversified organization such as ours in order to ensure that we are executing according to our strategic objectives and that we only accept risk for which we are adequately compensated. GE and GE Capital Solutions (GECS) manage a variety of risks including:

- Liquidity risk: the risk of being unable to accommodate liability maturities, fund asset growth and meet contractual obligations through access to funding at reasonable market rates. Additional information about our liquidity and how we manage this risk can be found in the Financial Resources and Liquidity section of the 2007 GE Annual Report.
- Credit risk: the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations. We face and manage credit risk in our investing, lending and leasing activities (see the Financial Resources and Liquidity and Critical Accounting Estimates sections of the 2007 GE Annual Report).
- Market risk: the potential loss in value of investment and other asset and liability portfolios, including financial instruments and residual values of leased assets. This risk is caused by changes in market variables, such as interest and currency exchange rates and equity and commodity prices. We are exposed to market risk

in the normal course of our business operations as a result of our ongoing investing and funding activities. Additional information can be found in the Financial Resources and Liquidity section of the 2007 GE Annual Report.

It is necessary for us to manage risk at the individual transaction level, and to consider aggregate risk at the customer, industry, geographic and collateral-type levels, where appropriate.

For example, in the United States, almost two-thirds of the retail banking industry's revenues (banking in which banks undergo transactions directly with consumers, rather than corporations or other banks) came from mortgages and consumer finance—the two elements of personal financial liabilities. The sub prime mortgage crisis manifested itself through liquidity issues in the banking system, due to foreclosures in the United States which triggered a global financial crisis in 2007.

Global financial shifts

- This sum of the world's financial assets—including equities, private and government data securities, and bank deposits—climbed by \$25 trillion (in nominal terms), or 17%, to reach \$167 trillion.
- In mid-2007, the value of the euro currency in circulation surpassed that of the dollar notes in the world for the first time, and the euro has been the top choice in the issuance of international bonds.
- In 1990, only 33 countries in the world had financial assets that exceeded the value of their GDP. By 2006, this figure had more than doubled to 72 countries.
- With an estimated \$10–\$15 trillion in excess funds, countries in the Middle East, Asia, Europe, and South America are all looking for new investment opportunities to help diversify their sovereign wealth funds.



Moscow, Russia.

EMPLOYEE PERSPECTIVES

Edmundo Vallejo, *GE Money Latin America CEO*

Corporate social responsibility has provided to many of us at GE the path toward fulfilling our desire to return back to the society some of what we have been fortunate to receive. In a region like Latin America, where social inequality is so large, corporate citizenship represents a great way to blend GE employees' personal enthusiasm and the Company's know-how and resources dedicated to this initiative with the local communities' needs to fulfill this desire. A winning proposition for all involved.

The impact of the sub prime crisis was a widespread liquidity crunch in the market that was due in large part to the structured investment vehicles (SIVs) that relied on short-dated commercial paper (such as a money-market security) to fund longer-dated assets and were frequently refinancing. According to Grubb and Ellis, one of the world's largest commercial real estate service companies, by the start of September 2007, the market was almost completely illiquid. That showed how risk-averse investors had become, even though SIVs contain minimal sub prime exposure and at that time had suffered no losses through bad bonds. GE has always adhered to strong risk management principles and has no SIV or Collateral Debt Obligations (CDO) exposures, no write offs in those areas and very strong balance sheet and risk management. As a result of continued pressures in the U.S. sub prime mortgage industry, we completed the exit of our mortgage business, WMC, in December 2007.

Stability in currency markets for a company as global as GE is also important. A more interdependent global economy creates new funding and investment opportunities that emerge every day. Therefore, it is more important than ever for us to maintain our best-in-class credit rating in an efficient manner through this difficult credit environment.



Other countries are exerting new influence in world financial markets as well. The oil-exporting nations of the Middle East and other parts of the world have reaped a windfall from rising oil prices and growing exports and much of this wealth has been invested abroad. Emerging sovereign wealth funds could make global capital markets more volatile, though the International Monetary Fund (IMF) is working on a code of conduct for sovereign wealth funds and devising a scheme to make them more transparent.

More money than ever is flowing between countries and regions as investors seek opportunities outside their home market. Cross-border capital flows into emerging markets have grown at nearly twice the rate of flows into developed countries. Moreover, capital outflows from emerging markets now exceed inflows, making some emerging markets net capital providers to developed countries.

The free flow of capital is as important as ever for the global economy, and GE supports the responsible economic development of the countries sponsoring these funds. We share a mutual interest in maintaining an open international investment climate in which all participants have confidence.

In GE's financial services businesses, we have significant global origination in end-user markets. We also have deep expertise in areas such as commercial real estate and commercial equipment leasing. We have sound risk principles and strong risk expertise that are deeply embedded in our culture and supported by a strong balance sheet.

In the second half of 2007, Commercial Finance was able to capitalize on markets in transition, using its size, liquidity and financial flexibility for opportunistic originations, taking advantage of the liquidity conditions with which certain competitors contended. Commercial Finance is well positioned for growth going forward.

GE remains one of only five "Triple-A"-rated companies in the United States. Our financial discipline gives us tremendous strategic flexibility and should make our investors feel secure. We will continue to look for strategic investments, co-investment opportunities and new funding sources to help fuel growth.



An aerial view of Abu Dhabi, where GE is forming strategic partnerships.

Emissions guidelines on energy investing

In 2006, GE Energy Financial Services demonstrated leadership by becoming one of the first financial services companies to report GHG emissions associated with power project equity investments. In 2007, GE Energy Financial Services continued this leadership, outlining its guidelines on emissions involving these investments:

- Establish a long-term goal to balance investments in new coal-fired power plants with renewable energy, clean technology investing and greenhouse gas emissions cuts. It raised its 2010 renewable energy-investing target 50% to \$6 billion—closing more than \$2 billion of renewable energy transactions in 2007. By 2010, it expects renewable energy investments will comprise 20–25% of its overall energy and water portfolio, up from about 10% in 2006.
- Focus investments in new coal power plants on efficient, supercritical technology, and projects with sequestration potential.

- Price CO₂ for coal and other fossil fuel plants into deal approvals process.
- Engage with non-governmental organizations through USCAP on policy recommendations to ensure that new coal-fired generating units are designed to take into account the future cost of carbon.
- Voluntarily report emissions.
- Explore increasing focus on investments in energy conservation and efficiency.

In addition, the renewable energy projects in which GE Energy Financial Services has purchased equity interests will avoid 6.7 million metric tons of CO₂ per year when fully operational.

GE is a unique partner, with both industrial and financial strengths. Our multi-business portfolio presents a natural investment opportunity for many of these funds and the potential for strategic joint-venture opportunities.

Relevance to GE

Key Citizenship Priorities

Commercial Finance

- Anti-money laundering
- Environmental concerns (as they relate to all of the debt and equity financing activities of Commercial Finance, Energy Financial Services, and Aviation Finance)

Money

- Anti-money laundering
- Disclosure practices (e.g., transparency with customer)

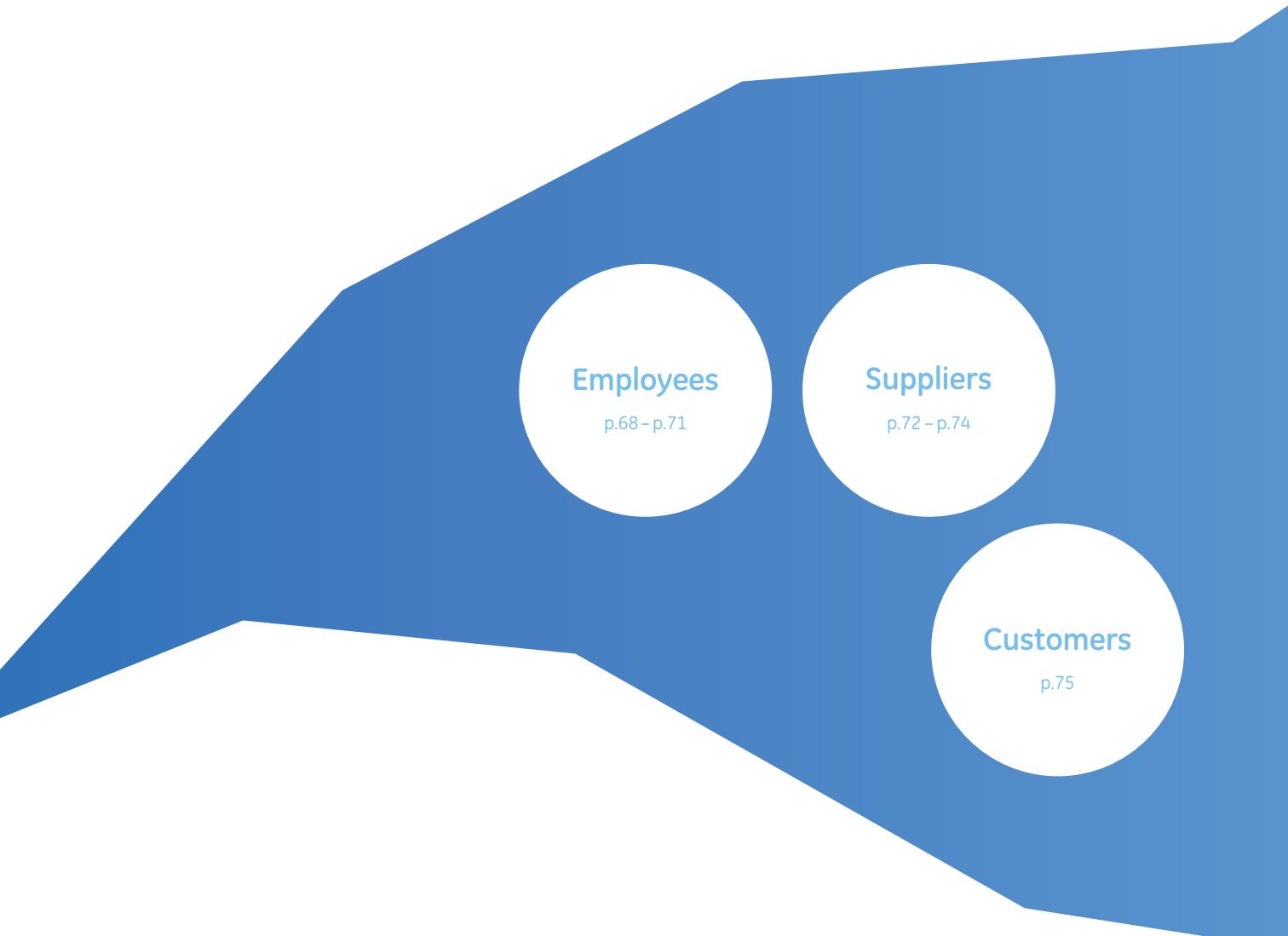
2008–2009 Moving Forward

Products & Services

- Provide overview of partnerships with sovereign wealth funds and other strategic partners engaged in infrastructure projects in emerging markets.
- Share progress on responsible lending.

Citizenship at GE involves setting accountabilities just as we do in other parts of our business.

We highlight our citizenship **Performance** with data points, metrics, actions, and progress made on issues material to GE's business and in relation to global trends.



Employees

p.68 – p.71

Suppliers

p.72 – p.74

Customers

p.75

Products & Services

p.76 – p.82

Human Rights

p.83 – p.85

Communities & Philanthropy

p.86 – p.87

At-a-Glance Metrics
p.88

GE by the Numbers
p.92

GE Recognitions
p.92

Employees

Our 2007–2008 Commitment

- Continue to anticipate external trends and influence HR public policy.

Workforce information

GE has a dynamic workforce in more than 100 countries around the world. GE's total workforce has remained at more than 300,000 people for the past six years, with more than half of employees now located outside the United States, reflecting the ongoing need to hire local talent knowledgeable in the markets in which we conduct business.

TOTAL GE EMPLOYEES							(in thousands)
REGION	2001	2002	2003	2004	2005	2006	2007
U.S.	158	161	155	165	161	155	155
Non-U.S.	152	154	150	142	155	164	172

EMPLOYEE PERSPECTIVES

Hector Aguilar, GE Mexico Human Resources Leader

Corporate citizenship is a critical aspect for me as a person and professional, and could make the difference in selecting a company to work for. Responsible citizenship shows a company's commitment to a community. It is a value of sharing and helping people and communities around us. It shows a behavior that I want to see from the company I work for. And it motivates and encourages me to work better and create loyalty and engagement toward GE.

In terms of my job as an HR Manager, corporate citizenship becomes even more important. First, it becomes a competitive advantage to attract talent, mostly young talent. New generations are more concerned about social responsibility. So, for them, a solid corporate citizenship program becomes a differentiator for selecting a company to work for.

On the other hand, corporate citizenship also helps us for retention. When employees perceive GE's commitment to our communities, they become curious and start participating as well, and this reinforces loyalty. This is clearly an engagement tool, so, as an HR Manager, corporate citizenship is one of the Company's best attraction and retention tools if we are aware and genuinely live the initiatives. Otherwise, if we do not walk the talk, we will lose credibility in our HR function.

Recruiting

Our 2007–2008 Commitments

- Build culture and capability for global growth.
- Attract, retain, and engage the world's best people and teams.

GE believes in developing the talent of new employees with programs designed to give in-depth experience and build skills that are crucial to long-term success. Every year, GE hires more than 1,000 students globally into our renowned leadership programs.

Of the 1,053 student hires in 2007, 224 were from Asia, 148 were from EMEA and 681 were from North and South America.

In addition, as part of our commitment to talent development and ensuring the global leadership is in place to fulfill the Company's growth strategy, GE significantly expanded its executive band personnel in 2007 by about 4% (176 new executives). Reflecting the Company's continued growth outside the United States and in emerging markets, the number of executives outside the United States increased by 183 and decreased by 7 in the United States.

Employee relations

Our 2007–2008 Commitment

- Encourage consumerism in healthcare choices.

GE Opinion Survey results

GE has moved to a biannual Employee Opinion Survey cycle in order to facilitate the need for effective follow-up actions on issues raised. We are pleased with our employees' honest feedback. This year many of the questions were changed to be specific and actionable, aligning to global norms—and we are putting plans in place to make changes based on that feedback—some of which was quite positive, and frankly, some that shows we have challenges to address.

The survey showed GE's continued strength in the areas of compliance, engagement, growth strategy, and global and emerging markets. In all of these categories, employees said they understand and feel good about our policies and strategies. Compliance led the results, with 84% of employees responding favorably to compliance-related questions. (Visit www.ge.com/citizenship/employeerelations for more detailed results.)

The survey also showed that GE is not doing as great a job in helping employees understand how their performance is measured, the impact of that measurement on career development, and the career opportunities open to them.

GE's has been formally tracking employee opinions about the Company, via the administration and analysis of employee surveys, for over 60 years. As one would expect over such a long history, GE's survey approach and systems have evolved considerably over time.

An exciting focus over the last year has been to extend the extent to which our census survey, the GE Opinion Survey, acts a strategic input into managing GE's operational effectiveness. We have moved beyond just "taking employees' temperature" (i.e., asking our employees about their level of satisfaction with a series of different issues). Instead, we have modified our survey to collect employees' feedback on their perceptions of how GE is performing against focused strategic behaviors and objectives and how well our employees perceive we are performing in relation to our: Strategy, Execution, Achievement, Compliance, Customer Alignment, etc.

Another substantive change we made recently to the GE Opinion Survey is that we now connect employees' responses to the respondent's business assignment and key demographic fields (e.g., length of service, level). This change has enabled more confidence and accuracy in our data and increased our ability to segment and understand patterns of employees' responses. By extension it has also enhanced the accuracy of our conclusions and the action plans we put in place.

The "Engagement" category is most reflective of employee satisfaction. The four items in this category are presented below, along with the "percent favorable," external normative benchmark provided by our external consultant, and the number of percentage points above the external norm GE scores were, as appropriate.

According to the advice from our survey consultant, companies who score 10 percentage points above the external normative benchmark score of an item are better than 90% of all other companies (companies that score 10 percentage points below the external normative benchmark score of an item are only better than 10% of all other companies). Based on this interpretation, it is clear that GE does exceptionally well in the area of employee satisfaction. GE's scores, relative to the external benchmark comparisons, confirm that our employees derive great personal satisfaction from their work and are very likely to recommend GE as a place to work to others.

Other relevant information about the GE Opinion survey is that:

- A cadre of survey champions across GE's businesses collaborate on its execution, which drives accountability. These individuals own the pre-survey planning, analysis, and action-planning processes within their businesses.
- It is a census survey—We do not create a sample (e.g., a random 50% of employees are invited to complete the survey). A full 100% of GE's professional-level employee population, across the globe, is invited to complete the survey.
- GE uses a third-party vendor with deep technical expertise in employee surveying to assist with the coordination, administration, and reporting of our results.
- It is administered in 30 different languages.
- We benchmark GE's performance against other employees working in other companies around the globe for more than 30 percent of the questions we ask.

2007-2008 GE EMPLOYEE OPINION SURVEY HIGHLIGHTS

ITEMS	Percent Favorable	External Normative Benchmark	Percentage Points Above External Norm
I am proud to work for my business	84	58	+26
I want to be working for GE 12 months from now	80	N/A	N/A
My job provides me with a sense of personal accomplishment	79	65	+14
I would recommend my business as a good place to work	74	54	+20

- Specific controls are in place to protect the confidentiality of employees' responses.
- Survey results are generally available to any manager with 15 or more reports.
- Results are analyzed at various levels within and across GE's business hierarchy (business, sub-business, pole, region, country, across GE-functions, by function within a business, level, tenure, etc.).

Labor relations

In the United States, GE negotiated a four-year National Agreement in 2007 with members of GE's two largest unions (which currently represent approximately 15,000 employees). The larger of the two unions, the IUE-CWA, represents more than 10,000 GE employees at more than 50 Company locations. The second largest, the UE, represents more than 4,000 employees at 13 locations. The terms of these two new contracts were also extended to, and approved by, nine other U.S. unions representing smaller groups of GE employees. These other unions are members of the AFL-CIO Coordinated Bargaining Committee, which has local contracts with GE representing an additional 6,500 employees. The IUE and UE National Agreements, and a majority of the other local contracts, expire on June 19, 2011. Also in the United States, approximately 2,800 staff employees (and a large number of freelance employees) are covered by approximately 160 labor agreements to which NBC Universal Inc., an affiliate of GE, is a party. These agreements are with various labor unions, expire at various dates, and are generally for a term ranging from three to five years. Please visit www.ge.com/citizenship/laborrelations for more information.

Employee benefits

GE strives to provide competitive packages that meet or exceed government mandates for specific regions and industries. Comprehensive health benefits, such as those offered by GE, also help employees remain healthy and productive.

Within the United States, most GE employees are eligible for both a defined benefit pension plan and a defined contribution 401(k) savings plan. GE also offers comprehensive medical coverage and other important benefits such as Company-paid life insurance.

GE offers innovative programs to help employees gain more value from their healthcare benefits as well as to help the Company manage rising healthcare costs. Health Coaches are made available by GE to employees to provide advice about their healthcare decisions. This group of medical experts includes specially trained nurses, and is supported by a team of doctors. "Health By Numbers 0 5 10 25" encourages employees to live a healthy lifestyle by focusing on zero tobacco use, good nutrition, and physical activity. A new, global program called "Healthy Worksite" was also launched, in which worksites are measured quarterly on how well they support healthy lifestyles.

Pension management

The GE Pension Plan, which covers most U.S. employees, dates back to the beginning of the 20th century. GE's management of this and other pension plans solidly positions the Company to meet its pension obligations to more than 600,000 employees globally.

Training and development

Our 2007–2008 Commitment

- Use technology to drive leading-edge, simple, efficient HR processes.

GE invests more than \$1 billion in training and development initiatives each year. GE's dedication to training is most visible at the John F. Welch Learning Center in Ossining, New York. GE Corporate leaders and outside experts are frequent guest speakers during classes to promote learning based on real-world and timely experience. GE also provides a global network of online learning with nearly 3.4 million online courses completed in 2007. For more information on this initiative, please visit www.ge.com/citizenship/employeetraining.

Diversity and inclusiveness

Our 2007–2008 Commitments

- Provide discussion on gender diversity by region.
- Build culture and capability for global growth.

As GE's growth continues to expand in emerging markets, the Company is focused on engaging its globally diverse talent with an ongoing commitment to increasing our people's representation in leadership roles in the Company. In 2007, 22% of executives were women and 11% were diverse (U.S. minorities or non-U.S. citizens). These numbers represent a steady one percent increase over 2006. Moreover, GE's global employee population now has 53% of employees working outside the United States. GE realizes its growth and future success depend on continuing this trend. To learn more about GE's diversity efforts, please visit www.ge.com/citizenship/employeiversity.

GE in China

GE's participation in and support of the 2008 Olympics in China offer a unique opportunity to engage diverse talent and drive global growth. The extensive planning and preparation for the Olympics have brought GE's executives (26% of GE leadership in China are women) together with other global companies to engage diverse talent to ensure a world-class Olympic event. GE's Olympic partnerships are an extraordinary opportunity for us to continue to demonstrate our commitment to the growth of our diverse global talent. To learn more about how our participation in and support of the 2008 Olympics in China offer a unique opportunity to engage diverse talent and drive global growth, please visit www.ge.com/citizenship/employeiversity.

GE Women's Network Japan Council

Traditionally, Japan ranks among the lowest countries in regard to the advancement of women in a business environment. Despite this situation, GE has been well recognized as a company committed to leading in promoting diversity. The GE Women's Network Japan Council was quite active during the year, with many events and training sessions focused on developing female leadership. In addition, Japan launched the first country Diversity Council to drive diversity. As a result, Japan increased the number of executive-band or above females from 14% to 20%, which is close to the 22% global average.

Supplier diversity

GE's Supplier Diversity program was launched in 1974 to ensure that we focus on doing what is right for our communities and our Company. We enlarge our pool of suppliers for good ideas and high-quality goods and services, while enhancing economic opportunity and growth for all. We believe that excellence in supplier diversity can result in excellence in supply chain management and lead to growth for all. We continually strive to grow our diverse supplier base and annually we recognize those in the Company who successfully support our supplier diversity programs. To learn more about our GE Supplier Diversity Program, please visit www.ge.com/company/citizenship/supplierdiversity.



EMPLOYEE PERSPECTIVES

Bernice Cheng, *General Counsel, GE Transportation Asia*

Doing business responsibly and adhering to the highest level of integrity has always been the foundation of GE's business practice. Our corporate citizenship program is a perfect exemplification of how we integrate business ethics and profit-making principles into a business model that benefits society as a whole. It makes my job much easier when I tell my business clients, customers, and suppliers that they all play a part in deciding how GE manages the social impact of our business decisions. With a well-grounded corporate citizenship program, we all start off on the same premise and we have a duty to ensure our values transcend into actions.

2007 GE EMPLOYEES – REGION-SPECIFIC BREAKDOWN

REGION	NUMBER OF EMPLOYEES
Asia Pacific	49,000
Canada & Mexico	20,000
Europe	92,000
Latin America	8,000
Middle East & Africa	3,000
United States	155,000
Total:	327,000

% OF GE FEMALE EMPLOYEES – REGION-SPECIFIC BREAKDOWN

REGION	2006	2007
Asia Pacific	33%	35%
Canada & Mexico	33%	33%
Europe	42%	41%
Latin America	32%	32%
Middle East & Africa	15%	16%
United States	31%	31%
Total:	33%	35%

COMPARATIVE U.S. RACE AND ETHNICITY REPRESENTATION

2007	AMERICAN INDIAN OR ALASKA NATIVE	ASIAN, NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	AFRICAN AMERICAN	HISPANIC	OTHER	TOTAL
Executive	0.1%	6.1%	4.6%	3.7%	0.1%	15%
Professional	0.2%	8.2%	4.9%	5.7%	0.1%	19%
All other	0.4%	3.9%	13.6%	10.6%	0.1%	29%
Total:	0.3%	5.9%	9.6%	8.3%	0.1%	24%
2006						
Executive	0.1%	5.9%	4.3%	3.3%	0.1%	14%
Professional	0.2%	8.1%	4.8%	5.4%	0.1%	19%
All other	0.4%	3.4%	13.0%	9.9%	0.1%	27%
Total:	0.3%	5.5%	9.3%	7.9%	0.1%	23%
2005						
Executive	0.2%	6.2%	4.3%	2.9%	—	14%
Professional	0.2%	8.0%	4.8%	5.5%	—	19%
All other	0.4%	3.5%	13.2%	10.5%	—	28%
Total:	0.3%	5.5%	9.4%	8.2%	—	23%

Suppliers

GE expects suppliers to obey laws that require them to treat workers fairly, provide a safe and healthy working environment, and protect environmental quality. GE is expanding its supplier reputational review program to encompass freedom of association, discrimination, and harassment in line with GE's Statement of Principles on Human Rights. We also continue to look for ways to help suppliers strengthen their environment, health and safety (EHS) management systems and personnel in emerging markets.

Identifying effective labor auditing techniques

Our 2007–2008 Commitment

- Continue to focus on identifying effective labor auditing techniques.

In the past year, GE has worked to expand its supplier due diligence program to cover freedom of association, discrimination, and harassment in line with GE's Statement of Principles on Human Rights. This program expansion has included extensive benchmarking with other companies, revision of GE's on-site assessment tools and guidance materials, and development of new training materials for the GE sourcing community. This is further discussed in the Human Rights section of our Citizenship Report.

GE rolled out its expanded program effective January 1, 2008. GE's goal is to raise supplier awareness and ensure that basic management systems with respect to freedom of association, discrimination, and harassment are in place. Implementation includes training all GE sourcing personnel regarding the Company's supplier expectations with respect to these topics as well as specialized training for those personnel who conduct on-site assessments. All on-site supplier assessments and reassessments starting in 2008 will include review of these topics.

GE also continued in 2007 to focus on strengthening its on-site assessment process with respect to minimum age, minimum wage, and maximum hour requirements. Strengthening efforts have included tracking labor law changes and updating training materials and audit tools in China, Latin America, and Eastern Europe; adding training materials to help auditors identify falsified documents in China; and developing guidance for GE's China sourcing community to help address concerns arising from vocational work programs.

Expanding Auditor Certification to Latin America

Our 2007–2008 Commitment

- Expand auditor certification program to Latin America.

In 2004–2005, GE found it needed to ensure a more rigorous audit approach in China and India given the size of the Company's supplier base and the types of issues identified in those countries. In 2007, GE made a commitment to expand this program to cover its auditors in Latin America. In the past year, GE's team responsible for implementing the Supplier Guidelines in Latin America added a full day of instruction to its auditor training program focused on labor and security issues. As of year-end 2007, GE has a total of 295 certified auditors globally, including 111 in China, 33 in India, and 151 in Latin America, including 27 in our joint venture partners. For more information on this initiative, please visit www.ge.com/citizenship/auditorcertification.

Assisting in EHS capacity building worldwide

Our 2007–2008 Commitment

- Continue to identify ways GE can assist in EHS capacity building in places where GE has significant numbers of suppliers.

Helping suppliers identify energy savings

Building on GE's ecomagination initiative, GE's Latin America team from the Consumer & Industrial and Infrastructure businesses invited 50 suppliers in 2007 to participate in two supplier energy treasure hunt events to identify energy-saving measures at their facilities. The conferences drew on GE's expertise in energy-efficient lighting and industrial products as well as experience in conducting energy treasure hunts at GE's own facilities. A speaker from Mexico's environmental enforcement agency shared information in the Mexico conference about climate change impact. The events identified reductions totaling 390 metric tons of CO₂. GE is following up with 23 interested suppliers in 2008 to conduct on-site energy treasure hunts to identify further potential energy savings and greenhouse gas emissions reductions.

Supplier training and tools

GE uses multiple approaches to deliver training to suppliers, including:

- Leveraging the on-site assessment process to deliver brief "train-the-trainer" sessions on key issues such as hazard recognition
- Adding compliance and EHS training into the agenda of supplier conferences
- Conducting classroom training sessions by GE professionals to share detailed requirements and best practices

For more information on this initiative, please visit www.ge.com/citizenship/suppliertraining.

Mexico Clean Industries Program

On November 27, 2007, GE signed an unprecedented cooperative agreement with PROFEPA, Mexico's environmental enforcement agency, aimed at encouraging companies to implement effective environmental management and compliance assurance systems. Among other things, GE and the agency pledged to work together to encourage GE suppliers and tenants in GE-owned industrial parks in Mexico to participate in the agency's voluntary "Clean Industries" (CI) program and utilize GE's supplier review process as part of the CI audit.

The CI program involves a rigorous review of a site's compliance with applicable regulations relating to air, water, waste, noise, and other environmental risks by certified third-party auditors. Any deficiencies noted in the review are documented in corrective action plans agreed to between PROFEPA and the site. Sites that successfully pass the inspection process, including documented closure of any action items identified during the review, obtain a "National Clean Industry Certificate" from PROFEPA.

The time period for the certificate is two years, after which a site must be re-certified. As a result, GE suppliers, once they complete their environmental action plans, will become eligible for the CI certificate from the Minister of the Environmental Protection Agency in Mexico.

At the signing ceremony, Rafael Díaz-Granados, President and CEO of GE in Mexico, stated "the signing of this Agreement is the beginning of a new era of mutual collaboration that will help GE comply with the environmental laws and, in addition, will help Mexico be acknowledged as a country where productive chains are not only competitive, but in addition have respect for the environment." Additionally, Ignacio Loyola Vera, Secretary of PROFEPA, stated that with this initiative, "We can work with imagination, as the GE slogan says, imagination to care for the environment."

Helping suppliers improve EHS practices: Celulosa y Corrugados

After GE Consumer & Industrial conducted a supplier assessment at paper and packaging manufacturer Celulosa y Corrugados, this supplier developed an environmental management system and made significant investments in environmental improvements, including a wastewater treatment plant, an energy co-generation plant and a rebuilt railroad entry. The supplier also improved its security processes to meet GE expectations. As a result of its improved facilities and environmental programs, Celulosa y Corrugados is in the process of being the first GE supplier certified under the GE-PROFEPA Clean Productive Chain.

Minimizing repetitive audits and accelerating adoption of management systems

Our 2007 Commitment

- Work with other companies to minimize repetitive audits and accelerate adoption of a management system approach by GE suppliers.

In GE's 2006 corporate spot checks designed to assess audit closure rigor in China, we found that suppliers that had EHS professional staff and top management who were visibly engaged in driving EHS improvement substantially reduced the number of findings compared to previous GE assessments. In May 2007, GE worked with the U.S.-China Business Council, the Institute for Sustainable Communities (ISC), and Business for Social Responsibility to host a roundtable discussion in Guangzhou, China, with leading multinational companies to review supplier auditing/capacity-building activities and lessons learned.

The workshop identified that one key challenge for many small and medium enterprises in Guangdong is the lack of trained EHS professional support, leaving local manufacturers, already operating on tight margins, with few affordable options. While some training is available for EHS professionals in Guangdong, one area where multinational companies can assist is by supporting the development of an advanced training curriculum for EHS professionals in the region.

As a result of workshop discussions, GE has been collaborating with the Institute for Sustainable Communities and other companies to develop a three-year project plan for a low-cost continuing education program called the "Guangdong EHS Academy" for EHS professionals in Guangdong. The project intends to leverage multinational expertise for training materials, guest lecturers and "role model sites." The GE Foundation has committed \$200,000 for the first year of the project, and we expect the Foundation's support to grow to \$700,000 over the next three years.

As the program is institutionalized, ISC envisions GE and other sponsoring multinationals helping to sustain the program by participating in an advisory board to periodically review training materials and by continuing to serve as guest lecturers or facilitate field visits to manufacturing locations in Guangdong. The project also envisions provincial government participation and support through certification, enforcement, and potentially guest lecturing or facilitation during the trainings. For more information on this initiative, please visit www.ge.com/citizenship/suppleraudits.

Metrics⁽¹⁾

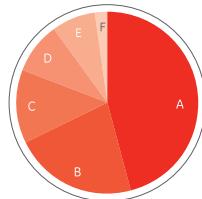
In 2007, between GE's initial qualification reviews and repeat assessments, we assessed almost 2,200 suppliers. Since 2002, GE has conducted assessments at more than 5,000 suppliers globally. GE's experience has been that some suppliers make heroic short-term improvement and then slip back after qualification. GE addresses this issue by requiring reassessments of suppliers subject to an on-site assessment on a variable frequency. Those with the most significant issues in the initial assessment will typically be audited annually. All suppliers subject to an on-site assessment must be reassessed within three years. In 2007, GE conducted almost 1,450 reassessments.

In 2007, our assessment process identified more than 12,000 findings at approved suppliers.⁽²⁾ GE requires suppliers to address all findings in a reasonable period and tracks closure in an automated database. To date, suppliers have closed more than 92% of all finding since 2002 and 82% of all 2007 findings identified. GE will track remaining findings to closure. While the Company's experience is that most suppliers seek to meet GE's expectations, GE terminated approximately 150 suppliers in 2007 for poor performance in this program. To learn more about our supply chain expectations, due diligence, and the teams in place, please visit www.ge.com/citizenship/supplierreview.

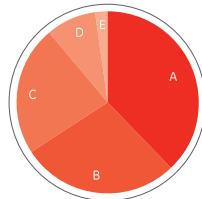
1. Metrics for GE Plastics, which was sold in 2007, are not included

2. If GE decides it will not do business with a supplier for business or other reasons, then the findings are not tracked to closure, although the findings are retained in the system in the event the supplier is reactivated at a later date.

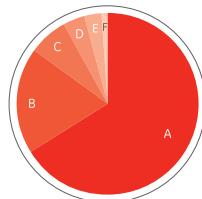
2007 ASSESSMENTS BY REGION



2007 FINDINGS BY CATEGORY



2007 FINDINGS BY REGION



Customers

Our 2007-2008 Commitment

- Continue incorporating customer feedback into the development of innovative products.

Building a customer focus

Over the past five years GE has focused on becoming a more customer-centric and market-facing organization. To achieve this shift we have developed new tools, processes and programs to engage our customers in the product development cycle, including:

- "Dreaming Sessions," help us look into future customer needs.
- Net Promoter Score (NPS), a metric GE has adopted to track customer perceptions of performance strengths and weaknesses.
- Customer summits hosted by GE's diverse employee affinity networks (such as the African American Forum and GE Women's Network) at Crotonville.
- "Leading & Learning," one of GE's signature programs that brings together women leaders from inside and outside the Company with female GE customers to discuss important issues of the day.

Net Promoter Score helps GE Healthcare Financial Services

When GE Healthcare Financial Services' Equipment Finance team wanted to create a better experience for its customers and a better workplace for its employees, it turned to NPS feedback. Feedback from customers showed the team it needed to focus on two main areas: building more personal relationships with customers and streamlining the origination process. In response, Equipment Finance launched the second generation of its Customer First Initiative to work more quickly toward achieving its goal of becoming a customer-focused organization. In addition, the group leveraged Lean to help streamline and reduce cycle time in the origination process.

The team also created a vendor representative sales training program and sends a regular e-newsletter to ensure clear, consistent communications with partners and customers. Other actions taken as a result of 2006 NPS feedback focused on GE's Ultrasound Clinical Systems program, where the team developed an expanded physician practice credit box as well as deployed joint customer NPIs and promotions to drive mutual growth. This resulted in a 25-point increase in the 2007 NPS score. Moreover, these improvements have made a big difference in the employee experience, as evidenced by the nearly 25-point improvement from the GE Opinion Survey on questions relating to customer focus shown in the latest Healthcare Financial Services' Employee Pulse survey results. For more information on this initiative, please visit www.ge.com/citizenship/customerfocus.

- GE's Marketing Toolkit that has been organized around the Company's framework for promoting growth: Calibrate-Explore-Create-Organize-and-Realize (CECOR). The tools in the kit stem from many different sources, such as the Crotonville marketing classes, different GE businesses, leading consulting and marketing textbooks, and Six Sigma.

For more information on our customer efforts, please visit www.ge.com/citizenship/customerfocus.

GE Transportation manufacturing

Demand for locomotives from customers in emerging markets is greater than ever. GE is responding to this market demand with its Evolution Series locomotive, the most technologically advanced, fuel-efficient, and environmentally compatible diesel locomotive in history. Its 12-cylinder engine produces the same horsepower as its 16-cylinder predecessor—and it does so using less fuel and producing fewer emissions than prior models. This new generation of locomotive proves it is possible to reduce locomotive life-cycle costs while meeting stringent U.S. Environmental Protection Agency Tier 2 emissions requirements. To meet global customer demand and streamline the entire manufacturing process, GE Transportation is studying Toyota and other Lean manufacturing leaders to develop its own production system to manufacture products with less waste, higher quality, and higher value to customers than if produced by traditional means. For more information on this initiative, please visit www.ge.com/citizenship/transportation.

EXPERT PERSPECTIVES

Anant Nadkarni, Vice President—Group Corporate Affairs, Tata Council for Community Affairs (TCCA)

When transnational corporations look at emerging markets, typically, each local piece would expect to learn about the latest technologies available, issues related to scaling up, and other core business competencies such corporations are known to have. As for the corporations, investments would be for extended durations, as investments will have to proactively factor in the creation of a slightly bigger social-economic context that will benefit both businesses and communities in the longer run. In terms of sustainable manufacture and delivery, it could mean supply chains are more inclusive, participatory, and evolve from the contribution of their neighborhoods. As one penetrates deeper into these markets, local people will look forward to becoming innovative partners more than just being seen as markets. In all, leadership would have to get the wholehearted acceptance wherein one needs to convince oneself and associates to work closely with the people. And, consequently, business goals and models may have to become a bit more explicit about sustainable value creation with a larger purpose to serve, rather than what businesses have traditionally pursued.

Products & Services

Research & Development

GE scientists have leveraged core technology expertise in electrification, or the use of modern electronics and electrical generation and propulsion technologies, to drive technology advancements across GE's Infrastructure businesses in Aviation, Transportation, Oil & Gas, and Energy. We are testing high-speed electrical machines for Oil & Gas that could one day replace turbines as the drivers of compressors for pipelines, developing smaller, higher-power density devices to more efficiently meet the increased electrical power needs of aircraft. And we are improving battery, capacitor, and drivetrain technologies to accelerate the hybridization of the transportation sector.

GE continues to increase its investment in new research and technology development. R&D expenditure in 2007 were \$4.1 billion, compared with \$3.5 billion and \$3.2 billion in 2006 and 2005, respectively. In 2007, expenditures in R&D from GE's own funds were \$3 billion compared with \$2.8 billion in 2006. Expenditures funded by customers (mainly U.S. government) were \$1.1 billion in 2007 and \$0.7 in 2006. GE has also made capital investments totaling more than \$250 million since 2001 to expand its four global research centers in Niskayuna, New York; Bangalore, India; Shanghai, China; and Munich, Germany. Increasing GE's global R&D presence has greatly enhanced the Company's ability to accelerate its growth in emerging markets and support in-country, for-country initiatives around the world. For more information on our R&D efforts, please visit www.ge.com/citizenship/RD.

Lighting a better way with Konica Minolta

One major research collaboration initiated in 2007 is a strategic alliance GE formed with imaging company Konica Minolta. Our two companies are teaming to be the first to market by accelerating the development and commercialization of a revolutionary new lighting product, organic light emitting diodes (OLEDs). OLEDs will represent an entirely different way for people to light their homes or businesses, and have the potential to deliver dramatically improved levels of efficiency and environmental performance. The goal is to bring OLED lighting to market within the next three years.

Partnering with Eli Lilly on healthcare research

Beyond the strong partnerships that scientists have with GE's business divisions, we will continue to look for the best partnerships with our customers, industry leaders, government, and academia to enhance our technology capabilities. Last year, GE scientists at Global Research were engaged in more than 300 research collaborations around the world. In healthcare, GE has entered an innovative partnership with Eli Lilly and Company to develop advanced diagnostic tools to enable pharmaceutical companies to customize more effective drug treatments for cancer.

R&D Issues

Scientific discovery needs to be balanced with societal needs and opinions, as well as with the needs arising from demographic realities. With the pace of scientific discovery moving even faster and with new discoveries occurring in such areas as DNA sequencing nanotechnology, the need for balance is greater than ever.

Stem cells

GE develops and provides technology that enables pharmaceutical companies to develop new therapeutic medicines. This research includes the study of stem cells as a resource for discovery. GE's ongoing research uses only adult-derived stem cells or established embryonic stem cell lines to investigate the potential for developing innovative methods of producing human cells that could be used in predictive drug-screening applications. GE recognizes the sensitivities associated with the use of stem cells, and we have adopted a clear public position on our approach to the value and responsible use of stem cells.

Animal studies

GE works with a limited number of animals in the discovery and development of novel diagnostic products used in the identification and detection of disease. GE is committed to using the fewest number of animals that will provide scientifically sound data to ensure the safety and efficacy of products and therapies. GE also is committed to providing exemplary care in accordance with best practices for the care and welfare of laboratory animals. GE adheres to the "Three R's" through which the use of animals is Reduced, Refined and Replaced. This principle forms part of the strict regulatory regime controlling the use of animal studies in medicine.

Nanotechnology

As GE explores new possibilities for the application of nanotechnology to solve some of the world's most pressing challenges, we recognize the need to understand and address any possible impact of nanotechnology on people and the environment.

For more detail on our approach to these issues, please visit www.ge.com/citizenship/RDIssues.

Industrial

Lighting

GE Industrial produces lighting products, including fluorescent and high-intensity discharge (HID) lamps. All such lamps, regardless of manufacturer, contain small amounts of mercury. More than 80% of mercury-containing lamps are used by nonresidential facilities. These facilities pay to have their lamps recycled. The lamp-recycling rate for businesses has improved from less than 2% in the 1990s to nearly 30% today, and continues to increase every year. For more information on this initiative, please visit www.ge.com/citizenship/industrialproducts.

Wal-Mart re-lamping

More than 500 of Wal-Mart's U.S. stores are outfitting their refrigerated display cases with GE's LED solution, designed for compatible retrofitting and new installations. The retrofit is one of the top energy-saving initiatives Wal-Mart began in 2007—a move that is estimated to save the retailer \$2.6 million annually. In stores where the LED solution is being put to work, occupancy sensors and LED dimming capabilities will reduce the amount of time display cases are at full lighting levels to about 15 hours a day instead of 24. The retrofit is expected to net around 65% in energy savings, or the equivalent of reducing CO₂ emissions by about 35 million pounds a year.

Wal-Mart has decided to aim subsequent phases of the LED initiative at retrofitting existing refrigerated display cases at many of its nearly 6,700 stores around the world. The retailer hopes to one day have all its refrigerated display case lighting using energy-efficient LEDs. The retrofit represents the kind of commitment Wal-Mart is making to be both an efficient and profitable business, as well as a good steward of the environment.

Plastics divestiture

In 2007, GE sold GE Plastics, a global supplier of plastic resins widely used in automotive, healthcare, consumer electronics, transportation, performance packaging, building and construction, telecommunications, and optical media, to Saudi Basic Industries Corporation (SABIC), a globally respected petrochemicals manufacturer. The sale was an important step in the transformation of GE's portfolio of businesses through smart dispositions and investments in higher-growth, higher-technology businesses to create faster-growing, higher-returning businesses capable of delivering sustained performance. The net after-tax proceeds of approximately \$10 billion from the sale are being used to fund restructuring across GE's businesses and stock buyback.

Infrastructure

Nuclear power

GE does not own nuclear plants, but as a reactor designer the Company does offer a wide variety of high-quality, nuclear-grade equipment and services. There are 439 operating nuclear reactors globally, with a total net installed capacity of 371.684 gigawatts of energy (GW_e). Seventy-seven of the reactors, operating in seven countries, are GE-designed boiling water reactors (BWRs).

GE and Hitachi combined their nuclear businesses to become the world's foremost provider of advanced boiling water reactor (BWR) plants and related services. The newly allied businesses will also offer key equipment and services for pressurized water reactors (PWRs), another light-water reactor design popular in certain countries. The GE majority-owned global business that operates in all countries except for Japan is named GE Hitachi Nuclear Energy (GEH); the Hitachi majority-owned business operates solely in Japan and is called Hitachi GE Nuclear Energy (HE). Through the two alliances, GE and Hitachi will execute a single strategic vision to create a broader portfolio of nuclear solutions, an improved capacity for new nuclear reactor construction opportunities, and the assets required to invest in and expand more in the nuclear industry. A major milestone was reached when GE's Economic Simplified Boiling Water Reactor (ESBWR) received ecomagination certification.

Solar clean water system

Today, an estimated one billion people do not have access to clean, potable water. By 2020, much of the world is expected to confront severe water shortages, particularly countries in Asia, Africa, and the Middle East. In response to this global challenge, GE is supplying its ecomagination solar energy modules and water filtration technology to increase the availability of clean drinking water in rural areas of India and other developing countries in Southeast Asia and Africa. Combining two of GE's innovative ecomagination technologies, this system provides a new solution that is inexpensive, low maintenance, and rapidly deployable.

The use of solar energy technology to power water filtration systems will enable governments, non-governmental organizations (NGOs), and philanthropic organizations to install equipment in remote areas that lack direct access to transmission grids. GE's innovative Homespring water filtration systems use ultra-filtration membranes to physically filter out minute particles and reduce contaminants such as parasites, bacteria, and viruses. The versatile systems require no chemicals to purify water.

The projects will help improve the health and safety conditions of areas lacking adequate infrastructure and direct access to safe water supplies. Self-sustaining clean water systems are seen as crucial in the global fight to reduce the spread of diseases and improve mortality rates in developing countries.

India Rural Electrification Program

GE, in partnership with the U.S. Agency for International Development (USAID), is implementing a Rural Electrification Program to help bring electricity to thousands of people in rural India. In addition to the joint program with USAID, GE has pledged to support the "Power to All by 2012" and "Rural Electrification/Rural Business Hub" initiatives launched by the Indian government. Currently, 56% of India's 700 million rural residents lack adequate and/or reliable power supplies.

The GE Rural Electrification Program for India is incorporating a number of renewable energy technologies from GE Energy's ecomagination portfolio. The program is being designed around renewable and waste stream technologies that can help to reduce or eliminate a community's dependence on transported fuels. The GE Global Research Center in Bangalore has developed an integrated hybrid technology model that combines various forms of renewable energy and provides customized power solutions based on availability of local fuel resources.

Providing access to more reliable power will serve as the foundation for other improvements, such as expanded health care services, enhanced agricultural productivity, increased access to clean water, skill development, and economic empowerment for the people of India. It demonstrates a paradigm shift from electrical connectivity to economic connectivity.

Canadian oil reserves

In Canada, GE is playing a major role in addressing energy opportunities and challenges in the development of oil sand reserves in northern Alberta. These reserves are the largest proven oil reserves outside Saudi Arabia, with growth of output expected to reach 3 million barrels per day by 2020. Huge global demand for oil and rising prices make the oil sands a significant and viable opportunity. Extracting the molasses-like, viscous oil, however, is a complicated process. Today, GE is one of the few companies that can supply the industry with a complete range of products for oil sands processing.

Future development holds many challenges, particularly in the areas of environmental impact, water consumption, greenhouse gas emissions, shortage of labor, and the impact of rapid growth on the province. GE is working closely with oil and gas customers and the Alberta government to develop and implement leading solutions that draw on our technical expertise and initiatives, including ecomagination, to address current challenges.

In the area of water conservation, GE has developed a less water-intensive technology to deal with SAGD (steam-assisted gravity drainage) that is more reliable, less costly to operate, less reliant on natural gas, and is being adopted by the majority of new SAGD facilities in Alberta. We are also providing gas turbines for co-generation applications and are a major supplier of wind turbines to the fast-growing wind power market.

Military aircraft/Smiths Aerospace acquisition

GE Aviation develops, manufactures, and supports engines for naval vessels and military aircraft, including fighters, tankers, helicopters, surveillance aircraft, and bombers. In May 2007, Smiths Aerospace, a global aerospace systems and equipment company, and Times Microwave, an engineering-oriented organization, officially became part of GE Aviation. The combined systems and engine expertise will enable GE to expand into new business segments within the aerospace industry to provide more products and services for our customers.

As a result of our May 2007 acquisition of Smiths Aerospace, GE Aviation develops, manufactures, and supports flight and stores management systems, mechanical actuation systems, electrical power management, and airborne platform computing systems for numerous military platforms. GE Aviation products perform important national security, search-and-rescue, and humanitarian missions. GE sells and supports products for military uses with certain foreign governments in strict accordance with applicable law and regulation.

GE Aviation is committed to investing in its technologies and its people. GE has made significant investments in research and development that have enabled GE Aviation to become one of the leading engine manufacturers. Since 2000, GE has invested approximately \$1 billion annually in R&D for aviation technologies. This commitment to technology investment will help the Smiths Aerospace and Times Microwave businesses continue to develop innovative products that meet their customers' needs. With GE, Smiths Aerospace and Times Microwave employees will have opportunities for career growth in the Aviation business or at other GE businesses around the world as well as a comprehensive GE wage and benefits package.

Statement on military products

GE works with the U.S. government to provide engines for naval vessels and military aircraft, including fighters, tankers, helicopters, surveillance aircraft, and bombers. These vessels and aircraft perform important national security, search-and-rescue, and humanitarian missions. GE sells and supports engines for military uses with certain foreign governments in strict accordance with U.S. government policy, including U.S. export control law.

GE contracts for products with a military application include sales directly to the U.S. Department of Defense or a foreign military agency and sales indirectly to the U.S. Department of Defense and foreign militaries through another commercial entity (where GE is a subcontractor). GE's direct contract awards from the U.S. Government (USG) during USG fiscal year 2007 (1 Oct 2006 – 30 Sept 2007) were approximately \$3.1 billion.

The acquisition of Smiths Aerospace will also provide contracts for flight actuation systems; mission stores (weapon) management systems/weapon integration systems; power distribution and conversion; distributed computing; information systems; engine components; aircraft structures; landing gear; flight control systems; and propellers.

GE PRODUCTS WITH A MILITARY APPLICATION

BUSINESS

KEY PRODUCTS

Aviation

(includes affiliates Middle River Aircraft Systems, Johnson Technologies, Unison Industries, CCP)

- Engines and components for military aircraft/helicopters; propulsion systems/gears for Navy ships
- Military aircraft systems, including mission and flight management, actuation, displays, information systems, electrical power generation and distribution
- High temp components for missiles, aircraft, space systems

Energy Services

- Chemical-biological protection fabric; neutron detectors

Global Research Center

- R&D associated with military healthcare, military power, and electronics

Sensing & Inspection Technologies

- Visual, ultrasonic, radiographic and eddy current inspection products
- Pressure sensors and controllers
- Flow and moisture sensors and instrumentation

Water

- Shipboard desalination; jet fuel additive

Homeland Protection

- Explosives and narcotics detection equipment; R&D for detection-related applications
- Chemical and biological agent identification

GE FANUC—Intelligent Platforms

- Embedded single-board computers and subsystems for monitoring, detection, tracking and guidance systems

Nuclear

- Components to support Navy shipboard reactor and on-shore storage facilities

C&I

- Automatic transfer switches; switchgear

Oil & Gas

- Propulsion for naval vessels

Data based on April 2007 survey of GE businesses.

GE Money

In 2007, the financial services industry confronted unprecedented scrutiny as subprime mortgage brokers and other credit and lending practices came under fire. The importance of responsible lending practices has never been more apparent. At GE Money, the Company's principal outlet for consumer financing, responsible lending is an important part of its products and processes. GE Money embarked on an initiative in 2004 to create internal responsible lending standards that have been implemented in the European GE Money businesses.

As the Company began work in 2006 to create global responsible lending standards, we embarked on a series of stakeholder dialogues to get a view of the role of responsible lending standards, to understand what changes should be made to the standards, and to better understand how GE compares to competitors in this area. The majority view was that while governments legislate for the baseline of good practice, companies should self-regulate above and beyond this. With this information in hand, GE Money created Company-wide standards that would become a minimum mandatory requirement, even for countries where government rules are less stringent.

The result of this initiative is five global responsible lending standards:

- **APR Distribution** – Establishes a market-appropriate Annual Percentage Rate (APR) range per product, monitors for accounts that are above the upper limit, and takes appropriate actions.
- **Fees** – Ensures that all fees are clearly and fully disclosed to customers.
- **Clear language** – Uses clear and simple terms that help customers make informed decisions about products and services. This standard addresses the business's disclosure practices, and the value it puts on transparency.
- **Customer indebtedness** – Ensures that we do not knowingly sell products that the customer cannot afford.
- **Financial difficulty** – Ensures the Company has a process to respond to customers whose circumstances have changed and who are experiencing financial difficulty.

In addition to finalizing the global standards, GE Money also took the following steps in 2007:

- Appointed Responsible Lending (RL) leaders in each of its business regions as well as a global RL leader and engaged cross-functional ownership of implementing the above standards. These leaders meet regularly to share best practices and discuss issues that are facing the business.

- Designed RL training that all GE senior leaders globally have to complete.
- Initiated CEO certification – Every six months the GE Money business CEOs must certify that the business is in compliance with:
 - Anti-money laundering rules
 - Information security protocols
 - Regulatory compliance
 - Responsible lending

In 2008, the Company will complete implementation of the global responsible lending standards across all regions. In addition, the responsible lending leaders will work together to develop an efficient reporting and control tool so the business can measure progress in this critical area.

GE Commercial Finance

GE's business finance units have adopted and constantly seek to improve on certain keys to successful financial performance in a manner that accounts for appropriate environmental and social issues. We have learned to:

- Get involved early
- Hire experienced professionals
- Encourage new financial products and offering economic and social benefits
- Integrate the environmental function into existing transaction processes
- Communicate
- Take advantage of GE's broad understanding of emerging environmental and social issues
- Use the Equator Principles, among other tools, in connection with developing country construction projects

Healthcare

Our 2007-2008 Commitments

- Develop new breakthroughs in molecular medicine to accelerate the vision of GE's Healthcare Re-imagined initiative.
- Update progress on Healthcare Re-imagined initiative and performance technologies in emerging markets.

GE Healthcare is committed to refining and developing new products that accelerate the development of Early Health and help meet the needs of physicians and patients across the world. In particular, we are introducing new products that improve patient safety and enable better access to medical technologies to help address global healthcare inequalities and underserved populations.

Investing in company-to-country products and services

GE Healthcare's XR 6000 X-ray in China for China

Rural China historically has had little access to good-quality, reliable, affordable diagnostic imaging equipment. GE Healthcare has engaged in research in emerging markets to identify the clinical needs that are unique and important to local customers. In China, there is a lack of highly trained personnel and the patient profile is quite different than that in the United States and Europe. To address this unmet need in the marketplace, GE Healthcare launched the LingLong product series. LingLong, which means "small, elegant dragon," is a set of simple, compact products that are high tech, high quality, and easy to use.

GE Healthcare's first LingLong system, the XR 6000, is adapted specifically for the China market from its Silhouette VR X-ray system. The XR 6000 offers a straightforward, conventional radiographic X-ray solution with a simplified and intuitive operator interface, anatomical programming ability to provide great image quality without retakes at low X-ray dose, tube adaptability to a wide variety of exam types along with the ability to rotate to allow patient wheelchair or gurney access, as well as full upgradeability to other GE Healthcare X-ray systems.

The first LingLong system contains many seemingly simple innovations that emerged from having an intimate understanding of the culture and the needs of the customer. For example:

- Space is often at a premium in clinics in rural China, so the local engineering team put all of the necessary cables and generators under the examination table instead of in a separate box, saving valuable space.

- Patient size is generally smaller in China, so engineers were able to use lighter weight tables and less power in the tubes without sacrificing product quality.

- To respond to the varying levels of expertise and training in many rural clinics, engineers ensured that the product is user friendly and easy to operate. The X-ray machine has a graphical console with buttons depicting the different body parts that a technician may want to X-ray, and it also features automatic exposures settings that ensure that the right dose and right image quality is achieved in each and every X-ray.

To learn more about the GE Healthcare company-to-country products and services portfolio, including the LightSpeed VCT XT, and the GE MAC 400, please visit www.ge.com/citizenship/healthcareproducts.

NBC Universal

Broadcast standards

NBC Universal is committed to providing innovative, entertaining, quality television programming that respects the sensibilities of its diverse viewing audiences while complying with government and corporate regulations and policies.

NBC Universal's Program Standards and Compliance Department works with writers, producers, and network and studio executives to meet this goal. The company reviews broadcast and cable network entertainment programming to provide guidance and judgment on content issues such as sexual material, nudity, violence, language and dialogue, use of drugs and alcohol, and potentially negative stereotypes. To learn more about this issue, please visit www.ge.com/citizenship/broadcaststandards.

Smoking in movies

In light of the serious health risks associated with tobacco smoking, Universal Pictures has undertaken efforts to reduce depictions of tobacco smoking in its films that are rated for a youth audience. A committee, comprised of executives with responsibilities across a variety of disciplines, has developed a formal policy and procedures for identifying, evaluating, and where appropriate and feasible, eliminating smoking incidents from its youth-rated films.

To review the result of these efforts, please visit www.ge.com/citizenship/nbcsmoking.

Our ecomagination Initiative

Our 2007-2008 Commitments

- Continue focus on meeting greenhouse gas reduction and energy reduction goals.
- Continue progress on ecomagination commitments, including doubling GE's R&D expenditures on eco-related technologies.

Operational GHG Emissions

In 2007, GE's GHG emissions were 6.96 million metric tons, a reduction of 8% from our 2004 baseline. Our GHG Intensity and Energy Intensity improved by 34% and 33%, respectively, compared to 2004. We have also reduced our total energy use by 9% since 2004.



Delivering on ecomagination products

GE's commitment to investing in ecomagination enables us to introduce new products and evolve existing ones that make smarter use of energy and deliver benefits to customers, the environment, and GE. GE's portfolio of ecomagination products numbers more than 60 at the time of this report's publishing. To view new products, which spans the entire GE portfolio, please visit www.ge.com/citizenship/ecoproducts or read our latest ecomagination report.

Nuclear

A major milestone was reached in late 2007 when GE Hitachi Nuclear Energy's advanced Economic Simplified Boiling Water Reactor nuclear reactor received ecomagination certification. For more information on this initiative, please visit www.ge.com/citizenship/ecoproducts.

Ecomagination Advisory Council

For the second consecutive year, GE has convened a group of nine energy and environment thought leaders to serve on our ecomagination advisory board to advise the Company's ecomagination team on critical environmental and business issues. For more information on this initiative, please visit www.ge.com/citizenship/aboutecomagination.

Beijing 2008 Olympic Games

As a Worldwide Olympic Partner, GE is the exclusive provider of a wide range of innovative products and services that are integral to staging successful Games. Our Olympic partnership was launched in January 2005, and continues through the London 2012 Olympic Games. GE is working closely with host countries, cities, and organizing committees to provide infrastructure solutions for Olympic Games venues including power, lighting, water treatment, transportation, and security, and to supply hospitals with ultrasound and MRI equipment to help doctors treat athletes. In Beijing, GE is making significant contributions to more than 335 infrastructure projects, providing innovative solutions to help the city host the largest, most technologically advanced Olympic Games ever. In addition, NBC Universal is the exclusive U.S. media partner of the Olympic Games, with its partnership also extending through 2012. For more information on how GE is engaged in the Beijing Olympics, please visit www.ge.com/innovation/china.

"Green Is Universal" Initiative

In May 2007, NBC Universal (NBCU) announced its ongoing initiative, "Green Is Universal," dedicated to effecting positive change for the environment by raising awareness and educating consumers as it substantially greens its own operations.

NBCU launched its first "Green Week" in November, during which 37 different business units across the television, theme park, and film studio divisions participated in green-themed, on-air programming and digital content. Collectively, the networks of NBCU broadcast an unprecedented 150 hours of green-themed content. Highlights include a Today show series featuring the show's anchors on a journey to the ends of the Earth to report the effects of global warming and an appearance by Nobel Prize winner Al Gore in a green-themed episode of NBC's hit series "30 Rock." To learn more about this initiative, please visit www.ge.com/citizenship/nbcu.

Human Rights

GE's 2007 Citizenship Report contained for the first time a Statement of Principles on Human Rights. This Statement represented a substantial first step in a journey of engagement to support and advance human rights within GE's sphere of influence. For more information on this initiative, please visit www.ge.com/citizenship/humanrights.

Implementing Guidelines

Our 2007-2008 Commitment

- Continue to apply the principles of our Human Rights Statement within the Company's operating mechanism.

To design a program to operationalize human rights, GE considered whether this would be a stand-alone process or if it would be more effective to include human rights considerations within other existing operational review processes. We tentatively concluded the latter and drafted Implementing Guidelines with this approach in mind. We then tested the approach with various stakeholders gathered in Geneva and in Washington, D.C., to ensure we were on the right track. Likewise, in a stakeholders meeting in Washington, D.C., one stakeholder noted that our Implementing Guidelines should have a process akin to "know your customer" to ensure that even laudable products in our ecomagination portfolio were not sold to customers who were likely to use the products in ways that would subvert human rights. Following this stakeholder "road test," we are in the process of finalizing the Human Rights Implementing Guidelines. For more information on this initiative, please visit www.ge.com/citizenship/humanrightsguidelines.

Including human rights principles in our supply chain

Over the past year, GE has worked to expand its supplier due diligence program to cover freedom of association, discrimination, and harassment/retaliation consistent with our statement commitment to "advance (with our direct business partners) application of the International Labour Organization (ILO) Declaration through engagement and collaboration." For more information on this initiative, please visit www.ge.com/citizenship/humanrightsprinciples.

Influencing direct business partners

GE's Statement committed the Company to "promote the advancement of fundamental human rights" wherever we do business. One of the first instances where this commitment came into play was with a Licensing Agreement entered into by NBC Universal with a business partner in the Middle East. The business partner is developing leisure and entertainment projects in Dubai and is the licensee of NBCU intellectual property, including the "Universal Studios" trademark, which will be used at "Universal Studios Dubailand," a theme park that will be one of the major attractions in the area — now desert — known as Dubailand.

GE presented its approach to supply chain management so that our business partner could better understand the processes used by GE in fashioning our sourcing ventures in emerging markets like China and India. We explained that these protocols were used worldwide and were essential to delivering on our commitment to advance human rights. These protocols include standards and an auditing regime covering environment, health and safety, child labor, forced labor, and wage and hour compliance. In addition, we explained that in 2007 we would also be setting expectations for suppliers in the two remaining areas covered by the ILO's Declaration of Fundamental Principles and Rights at Work, freedom of association, and nondiscrimination.

EMPLOYEE PERSPECTIVES

Mark Nordstrom, *Senior Counsel, Labor Relations, GE Corporation*

One of the most difficult challenges we face is working in emerging markets where the local laws or customs are inconsistent with our Fair Employment Practices Policy, the UDHR, or the ILO Declaration of Principles and Rights at Work. Our Fair Employment Practices Policy has its grounding in U.S. and European law and our approach to supporting human rights is based on the UDHR and on various related conventions. This grounding often places us in conflict with these local laws or customs — sometimes within our own workforce and often when assessing the work practices of a local supplier. When this happens, GE employees are asked to raise the issue with cognizant local GE legal counsel and attempt to arrive at the most appropriate course of action. Arriving at a consensus on the "most appropriate course of action" is often not easy.



Our business partner was receptive to our presentation, noting only that Dubai did not have laws governing certain of these principles, such as minimum wage and direct unionization. The meeting concluded with the parties reaching a joint understanding that was to guide the business relationship going forward.

As part of this joint understanding, our business partner reiterated its commitment of ensuring on-site and off-site health and safety in construction projects. The first issue of a Health Safety and

Environmental (HSE) Manual was released incorporating local standards, regulations, and good practices from around the world. The business partner has incorporated the Manual by reference into its construction contracts. The effect of this incorporation is that all contractors on the project are required to comply with the Manual. As part of that pre-qualification process, the suppliers must demonstrate that they have management systems in place that can effectively deliver against the HSE requirements.

EXPERT PERSPECTIVES

Michael Posner, President, Human Rights First

The rapid expansion of the global economy in the last 20 years has made the role of multinational corporations increasingly important. Globalization and expanded market economies have spurred economic growth and development in many parts of the world. Multinational companies now find themselves active in jurisdictions where local law enforcement and compliance cannot be relied upon and violations of human and labor rights are common. The very presence of multinationals in those jurisdictions raises questions about their association with those violations and their role as socially responsible companies. This global economic integration also has focused greater public attention on social and economic problems in less developed countries and the role companies can play to help address them.

Critics of globalization charge that large multinational firms are not adequately responding to human rights and related issues. Mindful of this criticism, a growing number of companies have begun to incorporate human rights standards in their business model. General Electric's 2006 Statement of Principles on Human Rights and the company's decision to join BLIHR (Business Leaders Initiative on Human Rights) are welcome examples of this trend. In adopting these principles GE has committed itself to finding practical ways of applying these principles.

One practical step is for companies like GE to address the core rights of workers throughout their global supply chains. In recent years, hundreds of manufacturing companies in a range of industries have adopted internal codes of conduct aimed at addressing working conditions, including in factories of their contractors and suppliers. These codes set standards

relating to workplace health and safety, protection against forced labor and child labor, discrimination, and harassment as well as protecting workers rights to join trade unions and receive adequate compensation. If these standards are to help ensure that the human rights of workers are respected, companies need to invest in credible compliance systems.

Corporations that aim to be leaders in promoting human rights and corporate citizenship should commit to ensuring that their employees and those of their contractors and suppliers are aware of these protections. They also should invest in credible, transparent systems of accountability. In the last decade leading companies in the apparel and athletic footwear industry have worked together with non-governmental organizations and universities to form the Fair Labor Association. It is a collective effort by these divergent sectors to monitor company compliance with a common workplace code, inform consumers, and to build upon those efforts to create sustainable compliance models.

The FLA model can and should be expanded to other industries. While important differences exist, virtually all global manufacturing companies today rely on contractors and suppliers in less-developed countries to perform low-wage, labor-intensive production functions. Today a central test of a manufacturing company's commitment to human rights is its willingness to invest resources and exert leadership in ensuring the rights of workers in its global supply chain, to monitor compliance with workplace rights in a publicly credible way, and to work within its industrial sector to build models of sustainable compliance with these standards.



Involvement in the Business Leader Initiative on Human Rights

Our 2007–2008 Commitments

- Participate within BLIHR in two workstreams:
 1. Developing accountability systems for human rights issues and actions
 2. Developing best practices for addressing human rights issues in emerging markets

GE continues to find our involvement in BLIHR to be beneficial to GE and we believe that we are making a positive contribution to BLIHR. GE comes from a tradition of only promising to do what we intend to do—a balance of aspiration and practicality. In the many debates over the design of the BLIHR human rights matrix, the Company's input has been useful in striking this same balance. For more information on this initiative, please visit www.ge.com/citizenship/BLIHR.

GE also participated actively in furthering the conversations about legitimate cross-border data transmissions between the United States and the European Union, and assisted in furthering the frameworks around "binding corporate rules," which are global sets of rules governing data use by an entity, regardless of the geographic locations of data servers or personnel. GE also participated in Asia-Pacific Economic Cooperation (APEC) dialogues involving cross-border data flows and data protection. GE personnel attended the International Privacy and Data Protection Commissioners' conference, and participated actively in the International Association of Privacy Professionals conferences throughout the year. GE's Chief Privacy Leader, Nuala O'Connor Kelly, was named secretary of the Board of Directors of the International Association of Privacy Professionals. GE also participates in a number of international privacy groups, such as the Center for Information Policy Leadership and the Global Privacy Alliance. GE plans to submit additional binding corporate rules to European authorities for approval in 2008. For more information on this initiative, please visit www.ge.com/citizenship/privacy.

Privacy

Our 2007–2008 Commitment

- Report on progress of two working groups formed to handle two of the biggest privacy challenges GE faces: security breaches and handling of customer data.

The predominant focus of 2007 within GE on the issue of privacy was on the security of all forms of data and the prevention of data breaches that would expose personal data, either through loss of IT equipment or through unauthorized access by individuals either within or outside the Company. The Privacy team considers four focus points for a successful privacy regime—people, policies, processes, and technology—and progress was made in each of those quadrants in 2007 on data security and the handling of personal data, particularly customer data.

In the people and policy realms, the Privacy practice group, in partnership with our IT Security team, led a revamping of our internal privacy and security policy—"The Acceptable Use of GE Information Resources"—to update its relevance given new media—online spaces, "thumb drives," etc. The practice group hardened processes not only around the intake of data, but also around the standards for sharing data within the Company, and responses to requests for data from outside entities. The Information Security team led an encryption initiative to ensure that data on removable media such as laptops, removable hard drives/thumb drives, and other transportable media is encrypted. Metrics here indicate that more than 95% of Corporate laptops were encrypted, with the remainder to be completed in 2008.

Communities & Philanthropy

Signature Programs

For more information on these programs, please visit www.ge.com/citizenship/communities.

Developing Futures

Our 2007–2008 Commitments

- Further develop and enhance world-class education standards in math and science.
- Refocus GE Money's global efforts on programs and initiatives that seek to empower women by providing financial education and supporting entrepreneurship.

For more than 50 years, the GE Foundation has invested in programs based on a fundamental premise: a quality education ushers in a lifetime of opportunity, which helps build a strong and diverse citizenry to work and live in a more competitive world. The GE Foundation Developing Futures™ in Education program focuses on systemic change in targeted U.S. school districts. The program seeks to increase the number of college-ready students through a rigorous math and science curriculum, professional development for teachers and administrators, in-depth evaluation, strengthening of a district's management functions and the collaborative engagement of various district and community stakeholders. In 2007, the program expanded to Erie, Pennsylvania, and Atlanta, Georgia.

Developing Futures also seeks to address some sobering statistics:

- In the United States, about 70% of students will graduate from high school on time, and only 18 out of every 100 will end up graduating from college. This is despite the fact that 90% of the fastest-growing jobs in the United States require post-secondary education.
- In 2006 the United States ranked 25th among the 30 OECD member countries in mathematics, down from 23rd of 29 in the 2003 test, and 21st of 30 in science in 2007, dropping from 19th in 2003.

Developing Health Globally

Our 2007–2008 Commitments

- Implement 13 newly initiated projects in five additional countries—Kenya, Malawi, Mali, Rwanda, and Senegal.
- Expand Developing Health Globally (formerly called Africa Project) to Latin America.

GE's Developing Health Globally initiative (formerly called Africa Project) began in 2004 with a \$20-million product donation commitment in rural African communities, and has since expanded to a five-year, \$30-million program. It is designed to improve healthcare delivery in rural African and Latin American communities, and ultimately other regions of the world. In Ghana, hospital outpatient visits to rural district hospitals have increased by as much as 99% over a one-year period, and referral cases have declined by as much as 60% in the same time period. Hospital births and equipment utilization have also increased, indicating an increase in community confidence and trust in the healthcare system and public healthcare facilities.

Four criteria are used to determine the target countries for Developing Health Globally—need, stability, transparency, and sustainability. Data to quantify each parameter are drawn from the UN Development Program, U.S. State Department, Transparency International, and Ministries of Health to enable a data-driven selection process.

Disaster Relief: The Darfur region of the Sudan

In 2007, the GE Foundation provided three organizations a total of \$2.1 million in emergency grants directed toward humanitarian efforts for the impacted population in the Darfur region of Sudan. CARE, International Rescue Committee, and UNICEF each received \$700,000. For more information on this and other disaster-relief initiatives, please visit www.ge.com/citizenship/disasterrelief.

GE People

Around the world, GE employees demonstrate a tireless personal commitment to work together and deliver great outcomes for communities in need. In 2007, employees and retirees combined for an estimated one million volunteer hours on key community initiatives, and total giving by the GE family was \$210 million in contributions from the GE Foundation, GE businesses and GE employees and retirees.

GE Volunteers

GE people are the "face" of GE's philanthropic activities in 140 locations in more than 35 countries around the world. GE volunteers facilitate volunteering activities that improve student achievement, bolster community vitality, and support environmental stewardship. For more information, and other examples of volunteer initiatives that took place in 2007, visit www.ge.com/citizenship/gevolunteers.

GE Volunteers Foundation

GE Volunteer projects are supported by local GE business funding as well as the GE Volunteers Foundation (GEVF). GEVF is funded by direct donations from GE employees and retirees, and through the proceeds from the GE Volunteers credit card. In 2007, the GEVF provided more than \$1 million in grant monies to GE Volunteer projects. From Philadelphia, Pennsylvania, to São Paulo, Brazil, grants are funded for projects led and supported by GE Volunteers. For more information, please visit www.ge.com/citizenship/gevolfoundation.

GE Money and the financial empowerment of women

Like most financial services companies, GE Money has been involved in financial education for years, but recently decided that it could make a more significant impact by taking a different approach. The result was developing a strategy that focuses on the financial empowerment of women by looking at financial education, entrepreneurial training, and micro-lending in the developing world. By targeting poor women, and teaching them about finances, managing their own businesses, and giving them the assistance to get started or grow their own enterprise, GE Money hopes to aid in economic development and to ease the impact of poverty. For more information on this initiative, please visit www.ge.com/citizenship/moneyeducation.

NBC Universal Philanthropy and Community Outreach

NBC Universal's philanthropic and community programs also aim to positively impact the communities in which GE employees work and live by similarly focusing on education and health, particularly children's health, as well as taking advantage of the business' ability to broadcast public service announcements.

NBC Universal's "The More You Know," for example, is the longest running, most comprehensive network public service campaign in the media landscape. For nearly two decades, the Emmy award-winning campaign continues to make a difference in communities across the country by raising awareness of important societal issues and motivating viewers to take action through public service announcements, a comprehensive website, and community outreach efforts. In 2007, NBC Universal donated more than \$20 million in airtime to public service announcements.

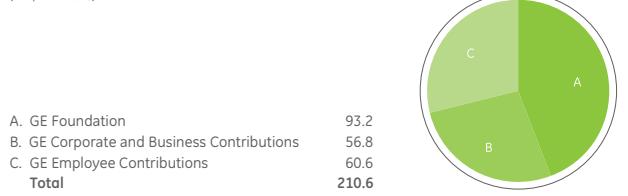
In 2004, Telemundo launched "El Poder de Saber" (The Power of Knowing) to reinforce its commitment to Hispanics by offering positive messages to improve quality of life. This public service campaign seeks to create awareness about the value of education and the power of being informed about issues that are most relevant to our community. In its fourth year, "El Poder de Saber" focuses on staying in school as well as childhood obesity.

On the education front, the NBC Universal Foundation distributed more than \$1.35 million to non-profit organizations in New York, Los Angeles, Washington, D.C., Miami, Chicago, and Dallas that focus on strengthening public secondary education. Committed to making a positive impact in targeted underserved communities where NBC Universal employees live and work, the NBC Universal Foundation invests in educational initiatives that will help prepare children for productive futures.

And in the area of health, the Discover A Star Foundation is Universal Studios Hollywood's philanthropic division committed to helping the local community by providing grants to deserving organizations whose initiatives target children's health and well-being and homeless intervention.

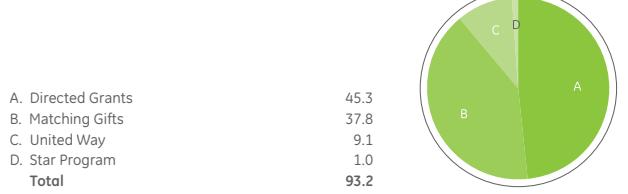
ALL CONTRIBUTIONS

(In \$ millions)



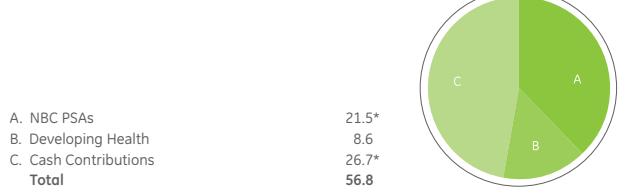
GE FOUNDATION GRANTS BREAKDOWN

(In \$ millions)



GE CORPORATE AND BUSINESS CONTRIBUTIONS

(In \$ millions)



*Estimated

EMPLOYEE CONTRIBUTIONS

(In \$ millions)



Being a responsible leader means setting benchmarks and measuring actions. The following pages provide **at-a-glance metrics** about GE presented in this report.

General GE data

	2005	2006	2007
GE REVENUE BY COUNTRY/REGION (In \$ billions)			
U.S.	75.7	81.1	86.2
Europe	29.1	32.6	39.9
Asia Pacific	15.7	17.9	22.0
Canada & the Americas	9.6	11.5	12.6
Middle East, Africa & Others	4.2	5.5	8.0
Other Global	2.3	3.2	4.0
Total	136.6	151.8	172.7

General GE data by business

	2005	2006	2007
GE INFRASTRUCTURE			
Revenues (In \$ billions)	41.7	47.0	57.9
Profit (In \$ billions)	7.7	8.8	10.8
Employees (~)	85,000	85,500	106,000
GE COMMERCIAL FINANCE			
Revenues (In \$ billions)	27.3	30.9	34.3
Profit (In \$ billions)	4.5	5.3	6.0
Employees (~)	22,000	22,000	25,000
NBC UNIVERSAL			
Revenues (In \$ billions)	14.7	16.2	15.4
Profit (In \$ billions)	3.1	2.9	3.1
Employees (~)	15,000	15,000	15,500
GE MONEY			
Revenues (In \$ billions)	17.1	19.8	25.0
Profit (In \$ billions)	2.5	3.3	4.3
Employees (~)	85,500	89,000	70,000
GE INDUSTRIAL			
Revenues (In \$ billions)	17.1	17.7	17.7
Profit (In \$ billions)	1.3	1.6	1.7
Employees (~)	85,500	89,000	70,000
GE HEALTHCARE			
Revenues (In \$ billions)	15.2	16.6	17
Profit (In \$ billions)	2.6	3.1	3.1
Employees (~)	45,000	46,000	47,000

Environment, Health & Safety data

(For a full review of Environment, Health & Safety data, see page 24)

	2004	2005	2006	2007
INJURY & ILLNESS RATES^(a)				
Recordable rate	1.60	1.54	1.45	1.30
Lost-time rate ^(b)	.41	.44	.45	.38
GE SAFETY EXCELLENCE PROGRAMS (NUMBER OF SITES)				
VS. INJURIES & ILLNESSES (INCIDENCE PER 100 EMPLOYEES)				
Total VPP/Star Sites	138	163	190	217
GE Recordable Injury and Illness Rate	1.60	1.54	1.45	1.30
AIR & WASTEWATER EXCEEDENCES				
Air	25	14	21	27
Wastewater	98	93	96	69
GE U.S. TOXIC RELEASE INVENTORY (TRI) ON-SITE DATA 2002–2006^(c)				
TRI On-Site Releases (in millions of pounds)	5.00	4.92	3.09	—
WATER USE (IN BILLION GALLONS)*				
Total	—	—	9.74	9.50
Non-Contact Cooling Waters (NCCW)	—	—	2.26	2.29
WASTE GENERATION				
Hazardous Waste (Metric Tons)	—	—	38,123	41,344
Non-Hazardous Waste (Metric Tons)	—	—	196,998	213,239
GE GREENHOUSE GAS EMISSIONS^(d)*				
GE Operational GHG Emission (Million metric tons of CO ₂ equivalent emissions)	7.67	—	—	7.02
GE Operational GHG Intensity (Metric Tons per \$ million revenue)	61.80	—	—	40.65
GE Operational Energy Intensity (MMBtu per \$ million revenue)	523.84	—	—	350.94
GE Operational Energy Use (Million MMBtu)	65.06	—	—	60.62
ADDITIONAL METRICS				
Global Paid Penalties (in \$ thousands)	351	323	350	236
Training Units Completed (Millions of units)				
U.S.	1.10	1.42	1.45	1.43
Non-U.S.	.45	.59	.62	.60
Agency Inspections				
U.S.	694	753	861	724
Non-U.S.	767	736	643	469
Spills & Releases	33	65	66	91

ecomagination data*

	2004	2005	2006	2007
Ecomagination R&D Investment (in \$ billions)	—	0.7	0.9	1.0
Ecomagination Revenue Growth (in \$ billions)	6	10	12	14

(a) Rates are based on 100 employees working 200,000 hours annually.

(b) Lost time rate uses the OSHA calculation for days away from work cases (transfer or restricted cases are excluded).

(c) Does not include the former GE Advanced Materials business as it was divested in December 2006.

(d) For GHG-related metrics, each year GE adjusts its 2004 baseline inventory to account for divestments and acquisitions. 2005 and 2006 fuel and electricity use and other GHG emission data were not collected for new acquisitions. As a result, adjusted results for 2005 and 2006 are not available.

* For data associated with reductions in greenhouse gas emissions and water usage, please see the EHS section beginning on page 24, and also visit www.ge.com/citizenship/EHS. For a full report on our ecomagination activities, please visit our 2007 online ecomagination report at www.ecomagination.com.

Employees data

(For a full review of Employees data, see page 68)

	2000	2001	2002	2003	2004	2005	2006	2007
GE EMPLOYEES								
U.S.	168,000	158,000	161,000	155,000	165,000	161,000	155,000	155,000
Percentage of Total	54%	51%	51%	51%	54%	51%	49%	47%
Non U.S.	145,000	152,000	154,000	150,000	142,000	155,000	164,000	172,000
Percentage of Total	46%	49%	49%	49%	46%	49%	51%	53%
Total	313,000	310,000	315,000	305,000	307,000	316,000	319,000	327,000
GE EMPLOYEES REGION-SPECIFIC BREAKDOWN								
U.S.					161,000	155,000	155,000	
Canada & the Americas					24,000	30,000	28,000	
Europe					83,000	85,000	92,000	
Middle East, Africa & Others					2,000	2,000	3,000	
Asia Pacific					47,000	47,000	49,000	
Total					316,000	319,000	327,000	
GE FEMALE EMPLOYEES REGION-SPECIFIC BREAKDOWN								
U.S.						31%	31%	
Canada & Mexico						33%	33%	
Latin America						32%	32%	
Europe						42%	41%	
Middle East, Africa & Others						15%	16%	
Asia Pacific						33%	35%	
Total						35%	35%	
COMPARATIVE U.S. RACE AND ETHNICITY REPRESENTATION (Percentage of total employees)								
Executive				12	14	14	15	
American Indian or Alaskan Native				0.1	0.2	0.1	0.5	
Asian, Native Hawaiian or Other Pacific Islander				5.2	6.2	5.9	6.1	
African American				4.1	4.3	4.3	4.6	
Hispanic				2.4	2.9	3.3	3.1	
Other				—	—	—	0.1	
Professional				17	19	19	19	
American Indian or Alaskan Native				0.2	0.2	0.2	0.2	
Asian, Native Hawaiian or Other Pacific Islander				7.5	8	8.1	8.2	
African American				4.7	4.8	4.8	4.9	
Hispanic				4.8	5.5	5.4	5.7	
Other				—	—	—	0.1	
All Other				25	28	28	29	
American Indian or Alaskan Native				0.4	0.4	0.4	0.4	
Asian, Native Hawaiian or Other Pacific Islander				3.4	3.5	3.4	3.9	
African American				13.2	13.2	13.0	13.6	
Hispanic				7.6	10.5	9.9	10.6	
Other				—	—	—	0.1	
Total Diverse Representation				21	23	23	24	
American Indian or Alaskan Native				0.3	0.3	0.3	0.3	
Asian, Native Hawaiian or Other Pacific Islander				5.2	5.5	5.5	5.9	
African American				9.3	9.4	9.3	9.6	
Hispanic				6.2	8.2	7.9	8.3	
Total Diverse Representation				—	34	34	—	
U.S.				—	15	14	—	
Non-U.S.				—	19	20	—	

Communities & Philanthropy data

(For a full review of Communities & Philanthropy data, see page 86)

(In \$ millions)

	2006	2007
ALL CONTRIBUTIONS		
GE Foundation	88.5	93.2
GE Corporate and Business Contributions	69.9	56.8
GE Employee Contributions	60.2	60.6
Total	218.6	210.6
GE FOUNDATION GRANTS BREAKDOWN		
Directed Grants	41.2	45.3
Matching Gifts	37.2	37.8
United Way	9.2	9.1
STAR Program	0.9	1.0
Total	88.5	93.2
GE CORPORATE & BUSINESS CONTRIBUTIONS		
NBC PSAs	30.0	21.5^(a)
Developing Health Globally	6.6	8.6
Disaster Relief	1.2	—
Cash Contributions	32.1	26.7^(a)
Total	69.9	56.8
GE EMPLOYEE CONTRIBUTIONS		
Gifts that were matched	37.2	37.8
United Way	23.0	22.8
Total	60.2	60.6

Governance data

(For a full review of Governance data, see page 21)

	2000	2001	2002	2003	2004	2005	2006	2007
OMBUDSPERSON CONCERN BY AREA (reports per policy)								
Fair Employment Practices	308	319	363	390	402	421	434	425
Conflicts of Interest	220	227	237	212	240	253	198	209
International Trade Controls	16	20	36	44	39	64	100	91
Routines, Documentation, Internal Measurements	—	—	45	51	93	108	98	106
Business Records (T&L, Time & Attend)	—	—	65	45	70	80	87	81
Environment, Health & Safety	42	63	63	88	83	119	85	101
Supplier Relationships	62	67	78	82	71	69	72	72
Regulatory Excellence ^(b)	—	—	—	—	—	—	—	58
Theft	—	—	58	36	42	55	70	38
Privacy	15	25	26	48	35	42	64	54
Controllership (Accounting, Financial Reporting, Billing)	—	—	56	49	42	43	58	47
Improper Payments	78	29	22	33	28	34	58	49
Security & Crisis Management	—	—	18	2	10	22	37	91
Intellectual Property	16	27	51	35	34	41	36	45
Working with Governments	70	91	80	75	55	52	31	30
Complying with Competition Laws	16	18	46	36	23	27	4	29
Other Integrity Concerns	—	—	122	133	71	67	82	70
OMBUDSMAN PROCESS – INVESTIGATION RESULTS								
Concerns Reported				1,338	1,497	1,514	1,596	
Disciplinary Actions				368	293	395	343	
GEOGRAPHIC BREAKOUT OF INVESTIGATIONS CONDUCTED (% of investigations)								
U.S. and Canada								56%
Europe								15%
Asia								16%
Latin America								13%

(a) Estimated amount.

(b) In response to today's regulatory environment where GE is subject to a growing number of regulations and enforcement activities around the world, a new category of "Regulatory Excellence" has been added to provide additional visibility into this critical area.

GE by the Numbers

- GE is the most widely held stock in the world with approximately 5 million shareholders.
- GE has substantial financial resources, remaining one of only five "Triple-A" rated U.S. industrial companies.
- The GE Pension Plan, which covers most U.S. employees, dates back to the beginning of the 20th century. GE's management of this and other pension plans solidly positions the Company to meet its pension obligations to more than 600,000 employees and retirees globally.
- The total GE family is comprised of more than one million people, including 327,000 employees; the GE family contributed \$210 million and more than one million volunteer hours on community and relief initiatives worldwide in 2007.
- GE serves hundreds of millions of customers and GE buys billions of dollars in materials, components, goods, and services from suppliers.
- GE invested about \$15 billion in its intellectual foundation, including product, services marketing, and programming; GE filed 2,350 patents in 2007.
- In 2007, GE delivered earnings from continuing operations of \$22.5 billion, up 16%; GE returned \$25.4 billion to investors in the form of dividends and share repurchase.
- GE continued to earn the respect of the business world; In 2008, GE was ranked third in *FORTUNE* magazine's "Most Admired Companies" list, and in 2007 GE was ranked among the top five in *Barron's* annual survey of the world's most respected companies.
- Ranked first on *FORTUNE* magazine's "Top 10 Companies for Leaders."
- Number 1 in *CEO Magazine's* "Best Company for Leaders."
- One of the "Top 10 Breakaway Brands" by *FORTUNE* magazine.
- Ranked fourth most innovative company in the world by *Fast Company* magazine, after Google, Apple, and Facebook.

GE Recognitions

DJSI—Top score within the diversified industrials sector:

- Overall Economic Indicators
- Supplier Standards
- Social Reporting
- Environmental Policy/Management System
- Talent Attraction & Retention

Innovest—Highest AAA rating

KLD—Global Climate 100 Index

Oekom Research—Prime Corporate Responsibility Rating

Ethisphere—World's Most Ethical Company (Industrials)

AccountAbility—Top 15 Global Reporting

The Climate Group—#1 on the U.S. Climate Brand Index

Climate Counts—Top in Sector

Investors surveyed annually by *IR* magazine recognize the effectiveness of our Company disclosure policies and have given GE many awards during the last 12 years, including "Grand Prix for best overall IR," "Best Communications with the Retail Market" and "Best Overall Investor Relations Program—Mega-Cap" in 2007 (the latter for nine of the last 12 years). In 2007, GE also received awards in two additional categories: Best Corporate Governance and Best Use of Technology. GE was also ranked "First Team" by *Institutional Investor*.

Contact Information

Corporate headquarters

General Electric Company
3135 Easton Turnpike
Fairfield, CT 06828
(203) 373-2211

Internet address

Visit GE online at www.ge.com/citizenship for more information about GE and its citizenship performance. The 2007 GE Annual Report is available online at www.ge.com/annual07. For detailed news and information regarding GE's strategy and its businesses, please visit the Press Room online at www.ge.com/news and our Investor Communications site at www.ge.com/investor.

Corporate ombudsperson

To report concerns related to compliance with the law, GE policies or government contracting requirements, write to:

GE Corporate Ombudsperson, P.O. Box 911, Fairfield, CT 06825; or call (800) 227-5003 or (203) 373-2603; or send an e-mail to ombudsperson@corporate.ge.com.

GE Board of Directors

For reporting concerns about GE's financial reporting, internal controls and procedures, auditing matters or other concerns to the Board of Directors or the Audit Committee, write to GE Board of Directors, General Electric Company (W2E), 3135 Easton Turnpike, Fairfield, CT 06828; or call (800) 417-0575 or (203) 373-2652; or send an e-mail to directors@corporate.ge.com.

GE Feedback

Your feedback on GE's progress is appreciated. Please e-mail your comments to citizenship@ge.com.

For more information on GE's citizenship strategy or for stakeholder inquiries please contact one of the following:

Gary Sheffer

Executive Director, Communications & Public Affairs
GE Corporation
gary.sheffer@ge.com

Frank Mantero

Director, Corporate Citizenship Programs
GE Corporation
frank.mantero@ge.com



Design by VSA Partners, Inc. Printed by Classic Color, a Forest Stewardship Council (FSC) certified printer.

This FSC-certified paper is made with 100% post-consumer waste. The emissions from the electricity used to manufacture this paper are offset with credits from windpower projects.

General Electric Company
Fairfield, Connecticut 06828
www.ge.com



imagination at work