



Block Island Wind Farm



GE's Approach to Sustainability

At GE, sustainability means aligning our business strategy to meet societal needs, while minimizing environmental impact and advancing social development. This commitment is embedded at every level of our Company—from high-visibility initiatives such as Ecomagination and healthymagination to day-to-day safety and compliance management around the world.

“Business must now lead and not depend on government to be a beacon for sustainability. We must move on our own.”

— Jeff Immelt, Chairman, GE

How GE Works

\$1B

Invested Each Year in Employee Development Worldwide

11

Years as One of Ethisphere's World's Most Ethical Companies

Workforce & Idea Development

Governance

Integrity & Compliance

EHS Program Management

Global Growth

Building Things That Matter

\$20B

(2005-2016)
Ecomagination Investment

26,500

(2005-2016)
Supplier Assessments

Improving Health

Energy & Climate

Supply Chain

Water

Resource Productivity

Enabling Progress

\$4.9B

R&D Investment in 2016

\$171M

Total Philanthropic Contributions in 2016

Philanthropy

GE Volunteering

Political Activities

Public Policy

Human Rights

Research & Development

Leadership in a Dynamic World

The global landscape is changing. Digital is creating world-changing innovations, but also disrupting industry and how people work. At the same time, economic nationalism is rising around the world, largely resulting from parts of society not benefitting from years of increased globalization. Sustainability has also evolved. Business must now lead and not depend on government to be a beacon for sustainability. We must move on our own. It is no longer enough for companies to focus on their direct footprint, they must think about what types of jobs and opportunities they are creating for society. Tackling environmental challenges, affordable healthcare and energy access remain critical but have become engrained in our business operations. Right now, we are challenging ourselves to retrain workers, provide new skills for the digital age and make investments for high-quality jobs in communities around the world. This is an imperative not only for our Company, but the 180 countries where we operate.



Solar Panels Against Blue Sky

Sustainability isn't an initiative for us; it is integrated into our core business strategy:

- **Rethinking Skills Development:** GE spends \$1 billion a year on development and skills training. We are working to ensure that this training equips employees and communities to benefit from digital and advancements in manufacturing. For example, we recently announced a \$10 million program to provide high schools and colleges around the world access to the latest 3D printing technologies for their students.
- **Promoting Diversity:** We have long seen the benefits of diversity across our Company. This year, we set a goal to create a global workforce of 20,000 technical women into STEM roles by 2020 and recruit 50% women into all our entry-level technical leadership programs. We believe that this transformation will foster more innovation and increase our capacity to tackle global challenges.
- **Investing for Affordable Healthcare:** Over 5.8 billion people still lack access to quality, affordable healthcare. To help find solutions, GE Healthcare has committed \$300 million to launch Sustainable Healthcare Solutions, which will bring disruptive technologies to healthcare providers across emerging markets. At the center of this initiative is GE's Affordable Care Portfolio, which today includes more than 50 healthcare devices designed specifically for rural markets.
- **Pushing Innovation in Energy:** Investing in clean energy is good for business, job creation, the economy and the world. Last year, we invested \$2.7 billion in cleaner technology solutions across fossil fuels, renewables and the grid through our Ecomagination strategy. Our Global Research Center continues to push the boundaries of technology with innovations such as grid-parity wind power and 65%-efficient, combined-cycle gas power plants.
- **Meeting Our Environmental Goals:** We have set ambitious goals to reduce our freshwater use and GHG emissions by 20% from a 2011 baseline by 2020. We have made big strides by applying GE innovations in on-site solar and LED lighting at numerous facilities. We are now working around the world to increase productivity and reduce energy in our operations by applying energy management data insights using our Predix operating platform.

We can't solve these issues alone. However, we will continue to do our part through partnerships across industry, government, education and civil society to ensure we are preparing our communities to thrive in this changing world.



Jeffrey R. Immelt
Chairman, GE

How GE Works

GE holds itself and its partners to the highest standards of integrity, and we are committed to leadership, job creation, working safely and building strong workforces in the markets where we operate.

6,151

Workforce & Idea Development

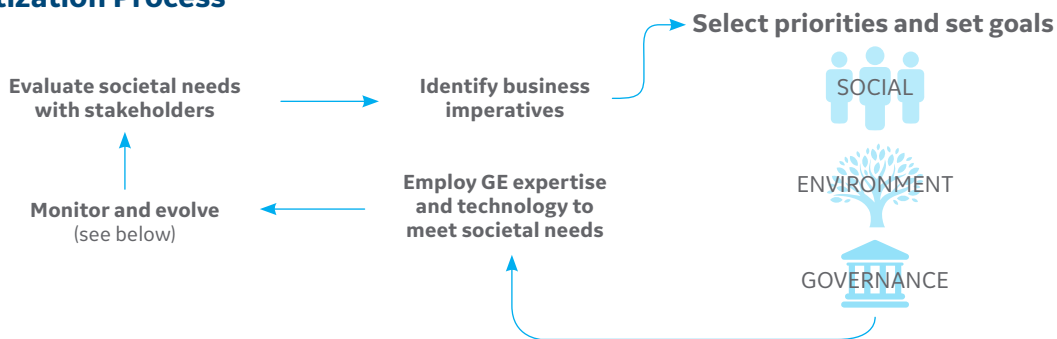
Goal: Recruit and hire 5,000 veterans
Progress: 6,151 veterans hired and trained through 2016

↓49%

Health & Safety

Goal: Continuous reduction in recordable illness and injuries
Progress: 20% decrease 2015–2016; 49% reduction since 2006

Annual Prioritization Process



GOVERNANCE

BOARD OF DIRECTORS

The CEO & the Board oversee the execution of GE's sustainability strategy as part of their oversight of business strategy and risk management

CEO

Audit Committee

Governance & Public Affairs Committee

Technology & Industrial Risk Committee

Management Development & Compensation Committee

SELECTED 2016 SUSTAINABILITY-RELATED BOARD REVIEWS

• EHS* • Supply Chain & Human Rights • Cybersecurity • Political Contributions & Lobbying Strategy • Compliance Program

INTERNAL SUSTAINABILITY STEERING COMMITTEE

GE's sustainability approach is coordinated by a Sustainability Steering Committee composed of leaders from across GE with deep subject matter expertise

Global Government Affairs
Resource/Environment Strategy
Investor Relations

EHS*/GE Foundation (Chair)
Ecomagination

Communications
Labor/Employment
Corporate Governance

SOME OF OUR EXTERNAL ADVISORS

Institute for Human Rights & Business

Corporate Social Responsibility, Harvard Kennedy School

Global Green Growth Institute & International Sustainability Development

HOW WE INCORPORATE SUSTAINABILITY GOALS INTO OUR COMPENSATION PROGRAMS

Annual "blueprints" for each business include sustainability-focused goals (e.g., cybersecurity, product safety, employee development, compliance, plant safety) in addition to financial & operational metrics ... drives bonus & other pay decisions for corporate/business leaders

* Environment, Health & Safety

Sustainability at GE

Both the GE Board and senior management have responsibility for risk oversight. The Policy Compliance Review Board, a management-level committee that is chaired by the Company's general counsel and includes the chief financial officer and other senior-level functional leaders, also assists in assessing and mitigating compliance risk.

For more information on GE's approach to risk management, please visit our Risk Oversight and Management section.

Balance the Equation

It is increasingly clear that gender diversity is essential to economic competitiveness. More diverse teams equal more diverse, innovative solutions.

To meet this need, in 2017, GE set the goal of having 20,000 women fill STEM roles at GE by 2020 and obtaining 50:50 representation for all our technical entry-level programs. GE's holistic approach outlines clear actions, including the expansion of universities from which GE recruits, and career advancement and leadership development opportunities.

GE will also continue to benchmark, explore and implement employee programs and benefits that foster an inclusive culture to enable flexibility for working families.

Workforce & Idea Development

By investing in our employees, we not only build careers, we drive progress. Because when one person grows, we all grow—and together, we all rise.

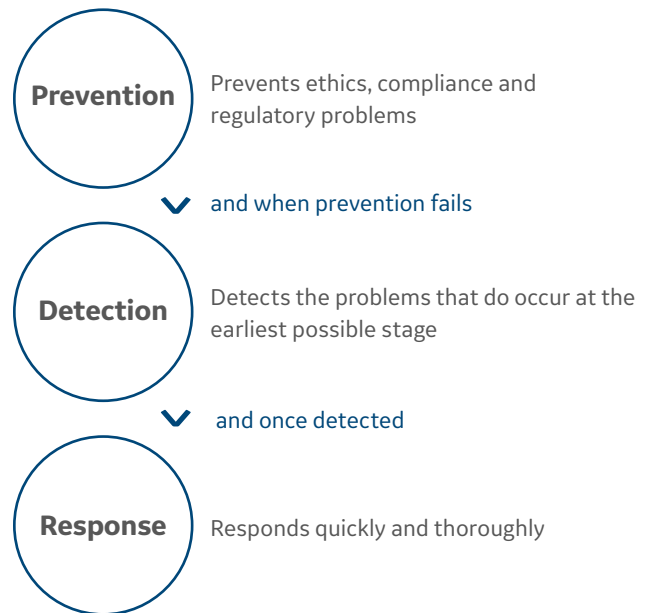
As a result of this commitment, GE invests more than \$1 billion each year in employee development worldwide. GE Crotonville, our global leadership institute, is at the forefront of contemporary thinking in leadership, strategy and innovation. Founded in 1956, it was the first corporate university in the U.S. and is the epicenter of GE culture.

Risk Management

The GE Board has oversight for risk management with a focus on the most significant risks facing the Company, including strategic, operational, financial and legal and compliance risks.

Integrity & Compliance

GE infuses compliance and governance into every aspect of its business. We are committed to maintaining a world-class compliance culture in every GE business, everywhere we operate around the world, and to be recognized for it—internally and externally.



Global Growth

The global drive to increase standards of living creates opportunities for GE to employ our expertise and technology for building cleaner energy systems, enabling better health outcomes and developing efficient transportation infrastructure. With more than 80 years of experience in emerging markets, GE understands the need to provide solutions that are technologically advanced and locally appropriate.

-34%
(since 2006)

Days away from work
incident rate

326

ISO 14001
certified sites

Building Things That Matter

GE works every day to bring to market innovative solutions that provide energy and water security, create jobs, improve health and reduce environmental impact.

↓ 29% **Water**
Goal: Reduce water usage by 20% by 2020 (from 2011 baseline)
Progress: 29% reduction through 2016

↓ 18% **GHG Emissions (CO₂e)**
Goal: Reduce GHG emissions 20% by 2020 (from 2011 baseline)
Progress: 18% reduction through 2016

A Look to the Future

In February 2014, GE announced a new goal for GHG reductions through 2020. This new goal is a 20% absolute reduction from a 2011 baseline of operational GHG emissions and was developed in concert with “The 3% Solution,” a science-based methodology from the World Wildlife Fund (WWF) and CDP (formerly called the Carbon Disclosure Project). The 3% Solution helps companies like GE identify an emissions-reduction path related to the scientific goal of avoiding the 2-degree Celsius “tipping point” and illustrates that corporations can profit while helping stabilize the climate. The 3% Solution target and profit calculator can be found at www.the3percentsolution.org. Meeting the 20% reduction goal should result in a 40% reduction in our Company’s carbon footprint from the original 2004 baseline.

Creating Value for Society

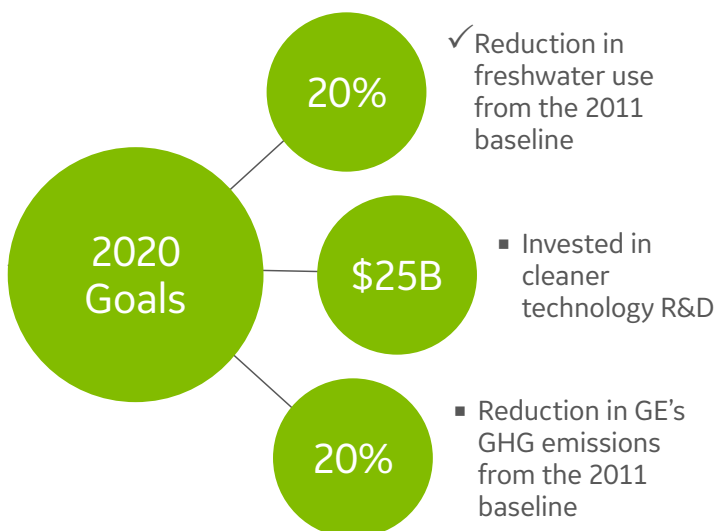
We build infrastructure that helps solve some of the world’s most complex challenges and provides a foundation for a sustainable future.

Our investment in strategic sectors such as energy, healthcare and infrastructure creates value for our customers, shareholders and society. Our innovations provide practical solutions to sustainable development challenges and are tailored to address local needs.

Digital Hydropower Plant

GE Renewable Energy is helping our hydropower customers get value from data. GE’s Intelligent Condition Monitoring System, or iCMS, part of GE’s Asset Performance Management (APM) solution, collects and analyzes real-time data, such as temperature, vibration, acceleration and rotational speed, to look for early signs of mechanical or electrical problems or inefficiencies in a power plant.

The iCMS is currently supporting Pont Baldy, a hydropower plant in the southeast of France. Since December 2015, the iCMS has collected and analyzed almost two terabytes of raw data per month and digested three years’ worth of temperature, maintenance and downtime data previously collected by the utility, enabling GE to generate diagnostic assessments of the remaining lifetime of turbine components, compute a health index for the plant and make operations and maintenance recommendations.



Ethical Supply Chain

Suppliers are critical partners in GE's value chain. As GE's businesses have globalized, so has our supply chain, including in locations where environment, health, safety, labor, human rights and other practices can be problematic. We expect our suppliers to obey the laws that require them to treat workers fairly, provide a safe and healthy work environment, and protect environmental quality. GE's Supplier Expectations govern all facets of the Company's relationships with suppliers, and include specific prohibitions against forced, prison, or indentured labor, and prohibitions against subjecting workers to any form of compulsion, coercion or human trafficking.

Digital Water: Software and Partnerships

GE is working with utilities and consumers globally to solve the challenges of water distribution, storm water and wastewater collections using data and analytics. Municipalities and water utilities can use a seamless software solution set built on GE's Predix Industrial Internet platform to put their data to work, addressing aging infrastructure, manpower constraints, water conservation, and other concerns.

In 2016, GE announced three new software proof-of-concepts to solve these challenges—Pipeline Health with American Power, Storm and Sewer Solutions in partnership with MWH Global, and its own digital twin technology to develop a Digital Water Plant. To further its commitment to being a leader in the digital water space, GE has entered partnerships with the North American Alliance of SWAN, Smart Cities Council, and a beta program with Imagine H₂O.

Ecomagination: Driving economic and environmental outcomes for our customers and the world

Collaborating for Global Impact

Ecomagination is working to solve the world's most pressing energy and resource challenges. But we can't do it alone. We've partnered with like-minded companies such as Intel, Walmart, Total, Statoil and MWH, now part of Stantec, to co-create and commercialize transformative solutions. With our collective scale, we're able to make greater business and environmental impact, and inspire others to act.

Innovation to Solve Resource Challenges

GE continues to push the boundaries on cleaner technology innovation. Since 2005, GE has invested a total of \$20B in Ecomagination R&D. The Company is committed to invest a cumulative \$25B by 2025. Our scientists are working on innovations like grid-parity wind power, 65%-efficient, combined-cycle power plants, and 99% efficient silicon carbide solar inverters.

Thought Leadership to Shape Business Outcomes

Ecomagination shares analysis that leads to new business models to help our customers. One report from 2016 was about the emergence of digital technologies increasing productivity. The potential impact of Digital Efficiency is significant. If scaled across a handful of industries, we estimate a potential return of \$81 billion in annual cost savings, while avoiding up to 823 million metric tonnes of carbon dioxide emissions per year.

EcoDesign CARESCAPE Respiratory Modules

In 2013, GE Healthcare Monitoring Solutions launched its miniaturized CARESCAPE Respiratory Modules,* which save space, energy and costs for healthcare delivery in the areas of anesthesia and critical care.

Compared to the previous versions, the new modules reduce size and weight by 50% and reduce power consumption by 69%. The module design achieved a GE internal Ecodesign award in 2016.

* CARESCAPE Respiratory Modules may not be available in all markets.

Improving Health

GE is challenging the status quo of global healthcare quality, access and affordability to bring better health to more people. Healthymagination is an innovation catalyst for global health challenges. It means healthy people, healthy communities, healthy employees and innovative tools for better healthcare. We draw on our people, technical expertise and global scale to address the world's biggest health challenges.

More than **450**

sites impacting nearly

300,000 employees

Enabling Progress

GE has stayed competitive for more than a century—not because we are perfect, but because we make progress and we have continued our investment in R&D and innovation. We are also enabling progress for others around the world.

\$171M

Charitable Giving

Goal: Support community and educational programs through charitable contributions

Progress: \$171M in contributions from GE businesses, GE employees and the GE Foundation in 2016

455K

Volunteer Hours

Goal: Support GE Volunteers to at least 1 million volunteer hours

Progress: 455,163 GE Volunteer hours reported globally with 269 local councils established in 66 countries

Commitment to Progress

GE Foundation, the philanthropic organization of GE, is committed to transforming our communities and shaping the diverse workforce of tomorrow by leveraging the power of GE. The GE Foundation is powered by the generosity and talent of our employees, who have a strong commitment to their communities.

GE also supports business environments that will sustain growth for the long term, including promoting transparency, good governance and open markets.

Learn more about GE Foundation's Developing Futures in Education program [here](#).

UK Modern Slavery Act

One of the primary human rights issues of the day is the scourge of forced labor, which victimizes upwards of 20 million men, women and children on any given day across the world. GE has long prohibited forced and child labor in its own operations and those of its supply chain. Recently, GE published its first UK Modern Slavery Act Transparency Statement outlining our efforts to combat forced labor, including strong policies covering both GE and our suppliers, a robust supply chain audit programs, forced labor training, and collaborations with peer companies and NGOs including GE's membership in the Leadership Initiative for Responsible Recruitment.



GE Volunteers

GE Volunteers is a global network that includes GE employees, retirees, Affinity Groups, friends and family—"good people doing great things"—all supported by GE businesses and corporate resources. The mission of GE Volunteers is to facilitate and support volunteering activities that improve life and meet critical needs in the communities where GE people live and work around the world. These activities are carried out through a wide range of projects in the areas of health, education, the environment and community-building. GE's focus on volunteerism dates back to

1981, and further evolved in 2005 when GE Volunteers was more strategically positioned to encourage broader participation and to support a more significant contribution to our communities.

Since 2005, GE employees and retirees have reported more than 12 million hours spent volunteering on more than 57,000 projects spanning 66 countries. In 2016, employees volunteered for more than 455,000 hours.



Ecomagination's Deb Frodl was part of a panel at the *Fast Company* Innovation Festival that focused on the impact that digital technology can have on operational efficiency and emissions reduction.

Public Policy

GE engages on public policy issues in the United States and globally through education, engagement, and thought leadership. We seek to inform discussions by promoting thoughtful civil discourse grounded in strong, reasoned analysis. We work in partnership with governments, believing that tackling the world's biggest problems will be possible only if governments and business work together as partners. Each year, GE's Government Affairs & Policy team evaluates public policy priorities for the upcoming year, working closely with corporate and business leadership. We establish priorities, based on the importance of the issues to the Company, its employees and investors, the communities in which we operate, and the broader political and economic climates.

GE engages actively in such areas as energy, healthcare, transportation, international trade and investment, tax and the environment.

Human Rights

As a diversified, global company with growth in emerging markets, and as a provider of infrastructure around the world, GE regularly confronts complex human rights challenges. Our approach to those challenges starts with the Company's Statement of Principles on Human Rights, which outlines our commitment to respecting human rights wherever we operate and to demanding the same commitment from our business partners. To embed this commitment within our business operations, we have developed human rights "implementing procedures"

that help our businesses incorporate human rights considerations in all aspects of their operations.

At the corporate level, responsibility for human rights strategy rests with the vice president for International Law and Policy, who reports to the General Counsel, with input from other functional officers. The GE Foundation, through its president and the Company's chief diversity officer, also plays a role in helping fund philanthropic programs focused on human rights.

R&D

GE works every day to improve the world by pushing the limits of science and technology for our customers. Our products are aimed at solving some of the world's toughest challenges.

GE invests in technology and innovation. Since 2001, the Company's research and development budget has more than doubled, reaching \$4.9 billion in 2016.

Our Global Research Centers are deeply connected to their regions, giving us the ability to strengthen our overall innovation capabilities, while at the same time tailoring and refining technology to address the unique needs of different markets around the world.



GE EcoROTR



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Learn more about GE and its
 sustainability performance:
www.ge.com
www.gesustainability.com
www.gefoundation.com

Recent Recognition



United Nations Global Compact (UNGC)
 Signatory, 2008–Present



Corporate Equality
 Human Rights Campaign, 2017 (100/100)



Most Ethical Companies
 Ethisphere, 2007–2017



100 Best Companies for Working Mothers
 Working Mother, 2016
