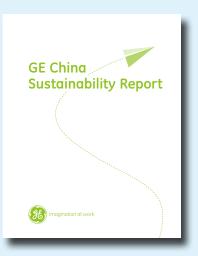


GE China Sustainability Report 2011-2012





GE China Sustainability Report 2010.

Reporting Reference

We have used several external guidelines and measurement frameworks to inform the scope of our reporting. These include the Chinese Academy of Social Sciences' Corporate Social Responsibility guidelines (CASS-CSR 2.0), the Global Reporting Initiative (GRI) G4.0 Guidelines, and the 10 principles of the U.N. Global Compact, to which GE is a global signatory. A GRI index is included in this report.

Collaborative Leadership

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GE in China

Over a Century of History



1906: GE pegins pusiness in China	1925 Acquisition of Anderson/ Meyer Trading Company, servicing electrical industry in Chinal	1994: GE China Co. Ltd. established	2012: First customer innovation centers open in Chengdu and Xi'an
1908:	1991	2000:	2008 & 2010:
First	First JV in	Global	Sponsors
lighting	China established:	Research Center,	of the Beijing
plant in	GE Hangwei	Shanghai	Olympics and
Shenyang	Medical	opens	USA Pavilion
opens			at Shanghai





Expo

A Message from the CEO



Mark Hutchinson President & CEO, GE Greater China

Sustainability at GE is more than a program or a set of good intentions. It is our pledge to improve economic, environmental and social development around the world and our approach in China is no different. The sustainability challenges facing China are huge: satisfying the energy needs of the economy in an environmentally sound way and ensuring 1.3 billion people have access to quality healthcare are among the most pressing.

Our vision is to work with China to help solve its toughest problems. We focus our China R&D efforts on clean technology and introduce the best innovations developed by our global team into China. We invest heavily in strengthening our local R&D capabilities and promoting local innovation to meet China's needs for sustainable development. Our China Innovation Center in Chengdu which designs new products for primary care and affordable healthcare in China exemplifies this approach.

We are committed to developing local talent to support economic growth, to equip our employees and our partners with the skills and knowledge to propel China's sustainable development. Our employees have opportunities to take part in world class training to enrich their professional experience and personal development and we use this expertise as we build the capabilities of our suppliers, customers and joint venture partners to be successful, global organizations.

Our Focus

This report communicates our sustainability efforts using GE's global "People, Planet, Economy" sustainability framework, and highlights two areas we believe are the most important to GE's business in China:

- Energy Efficient Technologies for a Greener China: How we help grow the Chinese economy in a cleaner and more sustainable way through clean and renewable energy and energy management; and
- Improving the Lives of Chinese People: How we enable healthcare to reach people in a more affordable way.

We identified these two focus areas by synthesizing the views of close to 30 internal and external stakeholders and through our close review of China's sustainable development plans to make sure we are aligning our efforts with China's sustainability challenges. As a result, this report highlights the sustainability efforts in our key industries in China as they align to these challenges.

Purpose of the Report

This sustainability report is a way for us to interact directly with our local stakeholders to gain their feedback on our sustainability efforts and make they reflect the issues of most importance to them. It is also a way for us to communicate on what sustainability issues are of most important to GE, and how we are using our products and expertise, to address environmental issues, develop talent, and contribute to the community and a sustainable China.

We hope that you enjoy learning more about our commitment to sustainability and appreciate your interest in GE China. We welcome your comments on this Report at cathy.chen@ge.com.

GE in China

Widely recognized as the world's largest multi-business company, GE excels in a variety of sectors including energy, oil and gas, water treatment, aviation, transportation, healthcare, lighting, appliances, and finance. GE serves customers in more than 160 countries and employs more than 305,000 people worldwide.

GE traces its beginnings to Edison Electric Light Company, founded by Thomas A. Edison in the United States in 1878. GE is the only company listed in the Dow Jones Industrial Index today that was also included in the original index in 1896.



"I find out what the world needs, then I proceed to invent it." - Thomas A. Edison

GE in China

At GE, we align our technology and services to meet China's most critical and challenging needs, from building our first lighting plant in Shenyang in 1908, to launching a joint venture (JV) with the Aviation Industry Corporation of China (AVIC) to equip China's own C919 aircraft with avionic systems in 2012.

Today, all GE businesses have a presence in China, accounting for a total of more than \$2 billion investmentin China, and employ more than 18,000 staff in 176 sites across 49 cities.



Number of Employees by Business, GE China 2012

GE China 2012 Key Facts:

- 106 years in China
- \$5.9 billion industrial revenue and \$5.7 bilion in sourcing
- Over 18,000 employees
- 176 sites across 49 cities
- R&D: 3,000 engineers and 900 patents filed (by 2012)



Sustainability at GE China

At GE, we integrate sustainability into the products we produce, the way we market them, and through the differences we make in communities where we operate. We make this commitment across our global operations and our sustainability efforts in China are a firm part of this.

Our Beliefs

Our commitment to sustainability at GE is instilled in our beliefs that:

- The ultimate goal of business is to provide products and services that the world needs. Sustainability at GE is the driver of this goal and the inspiration for our sustainability programs stems from this;
- Sustainability is inextricably linked to our business performance and, in turn, we believe sustainability drives business success. GE strives to be a leader in demonstrating the integration of sustainability and business;
- Collaboration is at the heart of achieving and maintaining the balance between sustainability and business performance. We believe by working closely with our stakeholders to address sustainability issues we can together build a culture that rewards and recognizes strong sustainability performance.

Our Approach

We use the same broad set of goals, strategies and accountability in our approach to sustainability in China as we do in other parts of the world. Our sustainability programs integrate three strategic objectives:

- Integrity: We operate responsibly and hold ourselves and our partners to the highest level of integrity across our valuechain. This is the cornerstone of our sustainability strategy;
- Alignment: We align our business and sustainability strategies with China's national goals and with the issues material to our stakeholders. This is the core of our sustainability strategy;
- Collaboration: We collaborate with customers, suppliers, academics, NGOs, government to further sustainability in China and promote collaborative leadership among our value chain partners and stakeholders. This is an integral part of our sustainability strategy.



GE China Sustainability Strategy

Our Commitment to Integrity

At GE we are committed to upholding the highest standards of integrity and behavior among our employees—everyone, everywhere, every day. We seek to go beyond simply obeying the law—we embrace the spirit of integrity in our work in all the locations where we operate. We also extend this expectation to uphold the highest standards of integrity and ethical business conduct to our suppliers, customers, regulators, media and other stakeholders. Our global code of conduct, "The Spirit & The Letter", articulates this commitment and guides our behavior across all levels of the business. This enables us to proudly retain our strong record for lawful and ethical conduct and build the confidence of the communities and nations where we work.

Aligning our Sustainability Efforts in China

At GE we always seek alignment between our business and the developmental goals of countries where we operate. In China, a key reference to identify national goals for us is China's Five-Year Plan. Commitments in the latest Five-Year Plan include goals that impact on and are highly relevant for our Energy and Power businesses—conserving natural resources, reducing environmental pollution, and responding to global climate change are high priorities both for China and for GE's sustainability efforts here. In addition, we believe our healthcare products and services uniquely position us to contribute towards China's national goals to increase the accessibility and affordability of healthcare and support the building of a stronger healthcare system and healthcare infrastructure in China.

Driving Sustainability through Stakeholder Engagement & Collaboration

At GE, we work with our stakeholders to understand their priorities and expectations of our work in China, and collaborate with them to promote sustainability in China through awareness raising, capacity building and policy advisory among our value chain partners and stakeholders. Each of our business units, as well as our China Technology Center and China Innovation Centers, works in close cooperation with groups such as suppliers, customers, industry associations, academics and NGOs to:

- Identify opportunities where GE products can help customers in their operations;
- Conduct research or pilot projects to develop new technologies;
- Share GE global best practices and build their technical and leadership capacity;
- · Promote policies that encourage innovation and support sustainable development;
- Understand how we can improve the sustainability of our own operations, for example through how we can reduce our environmental footprint and contribute to the local community.

Materiality

Through discussions with over 30 internal and external stakeholders, including senior leaders from 15 business units and functions, as well as major customers, JV and nonprofit partners¹, we identified a set of material sustainability issues for GE China (please refer to diagram GE China Sustainability Strategy) according to the importance of the issue to stakeholders, our ability to influence the issue, and the potential impact of the issue on our business. These discussions reinforced the two most critical sustainability issues GE China needs to focus on, clean technology innovation and adoption, (please refer to Chapter Greener Cleaner China) and affordable and quality healthcare (please refer to Chapter Accessible Healthcare).

We will continue to regularly review these issues and the other sustainability focus areas outlined in this report in addition to monitoring their relationship to China's critical development goals and sustainability challenges. This ensures our approach to sustainability and reporting reflects changing stakeholder perspectives and business needs over time.

This report uses our global People, Planet and Economy (PPE) framework to outline our performance and goals for each of the material sustainability issues identified and separate chapters to highlight our efforts around the two most material issues.

¹Including business partners Commercial Aircraft Association of China, Topstar Lighting, Shenzhen Like Air Power, and social program partners Chinese Center for Disease Control and Prevention, China Medical Doctor Association and Junior Achievement.

Greener Cleaner China

6

Greener Cleaner China

Increasing resource scarcity, ongoing climate change and declining water availability are environmental challenges facing the global community with growing urgency. With a thriving domestic economy and growing middle class, predicted to increase from 6 percent in 2010 to 51 percent in 2020, China is faced with pressures to satisfy domestic consumption and support sustainable growth.

Recognizing this critical challenge, GE has focused on the following areas to support China on the road to low carbon development:

- Bringing the most advanced technologies to China and innovating new products to help our stakeholders increase their energy efficiency and reduce emissions; and
- Working with government, NGOs, and other stakeholders to promote the adoption of clean technologies in China.

Within GE, we are committed to responsibly managing our own resource use and environmental impact. For more information on how we manage our energy and resource consumption, please refer to the Planet chapter of this report.

Innovating Products that Meet China's Sustainable Development Needs

Ecomagination

Ecomagination is GE's flagship initiative to help customers use less energy and resources at the same time as cutting our own energy and water use. Launched in 2005, ecomagination has played a crucial role in contributing to China's sustainable development: by the end of 2012, over 40 eco-certificated new technologies and products had been introduced into China or developed by GE China Technology Center.

GE's Global Ecomagination Initiative

- \$5 billion R&D investment in ecomagination innovations since 2010
- \$25 billion in ecomagination products revenue in 2012



Clean Energy & Power

According to the World Bank, China generates 30% less GDP per unit of energy than the world average, making it one of the world's most energy intensive countries. GE's energy and power technologies and equipment including gas turbines, gas engines, smart grid, and clean coal products are helping China meet its targets from the 12th Five Year Plan to reduce major pollutants by 8-10 percent, energy consumption per unit of GDP by 16 percent, and CO₂ emissions per unit of GDP by 17 percent by the end of 2015.

- Over 270 of our **gas turbines** and almost 1,000 **wind turbines** servicing China today create less emissions and use less industrial gas than prior generations;
- Our **industrial applications**, including power generation, power distribution, power utilization and process applications, GE's tools help utilities and consumers better manage assets and resources to drive greater efficiency and productivity;
- Our **renewable energy** products such as in wind, solar energy, biomass, and other alternatives are helping China reduce its energy emissions; and
- Our **clean coal** products such as shale gasification technologies help our customers extract coal, oil, gas, and nuclear energy more efficiently.

We also work with our customers in the oil and gas, cement, chemical, metals, mining, refinery, steel, and pulp and paper industries to develop solutions to improve their plant productivity and reduce environmental impact.

Helping Energy Providers Reduce Emissions for the World University Games

The rapidly-growing city of Shenzhen, China, hosted the World University Games (WUG) in August 2011. Second in size for amateur sporting events only to the Olympic Games, WUG featured more than 10,000 participants that competed in 24 sporting events over an 11-day period.

Driven by a commitment to provide the Games' global visitors with a cleaner environmental experience, the local government compensated power plants in Shenzhen that agreed to lower their nitrogen oxide (NOx) emission levels.

Shenzhen Nanshan Power Station Co., Ltd, which generates power by three GE 9E heavy duty gas turbines, operates a plant that contributes a major portion of the electricity to Shenzhen's grid. Nanshan challenged GE Energy to help them complete a power upgrade to enhance their facilities in less than half the standard time to accommodate the Games. GE provided Dry Low NOx technology to enable the plant to reduce emissions to 11 parts per million—well below 25 ppm required by local regulations.

Sustainable Future of Flight

The aviation industry in China has been growing at a rate of 21 percent per year since 1996². GE supports this growth through providing the most advanced technology to China to reduce energy emissions, noise, and fuel burn; by ensuring our customers are confident to use our technology; and by promoting the latest and most advanced solutions to help build a greener aviation sector. Over 2011 and 2012 our efforts to create a sustainable future of flight in China included:

- Introducing products that are more energy efficient: GE's GEnx engines are the quietest, most fuel-efficient engines with the lowest emissions GE has produced. They are 15 percent more efficient and reduce CO₂ emissions by 15 percent compared to the previous generation;
- Helping airlines optimize their flight management procedures and reduce fuel consumption and emissions;
- Providing flight efficiency services to help customers improve their operations and efficiency in terms of fuel and cost management. Seven of China's major airlines and eight airports use GE's customer care services;
- Developing aviation sector talent in China through our Learning Center.

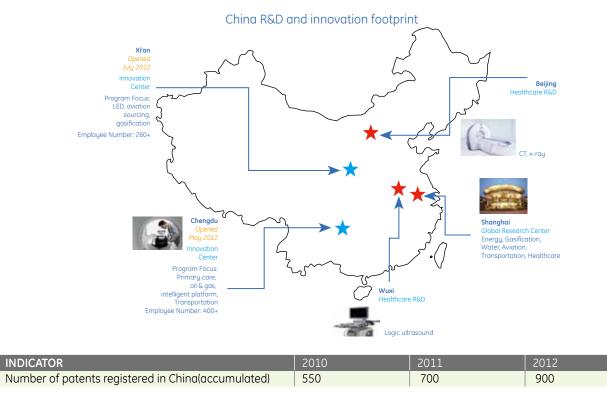
²http://www.companiesandmarkets.com/Market/Aerospace/Market-Research/China-Aviation-Industry-Analysis/RPT1149817

China Technology Center

GE China Technology Center was founded in 2000 and is one of GE's top five global R&D centers. By the end of 2012, GE China had nearly 3,000 R&D personnel in Shanghai, Beijing, Chengdu, Xi'an and Wuxi. The Center is central to GE's global business strategy to develop technology and solutions which can meet China's growing sustainability needs. Many of these solutions are driven by a need to help GE and its customers and other stakeholders operate sustainably. By the end of 2012, we developed 900 patents for new products including those which support:

- Clean Energy, including clean coal, wind power, solar power, etc;
- Water, including sea water desalination and water treatment;
- Material, including nano-material, crystal, ceramics and material analysis;
- Imaging technology;
- Power electronics and real time control;
- LED Lighting;
- Transportation technology;

www.gectc.com



"In China for China" Initiative

In 2008, GE China Technology Center launched "In China for China" initiative as our local business strategy with a commitment to ensure that our products and technologies meet local sustainability needs. By 2012, we had committed over \$170 million in research and development for the China market, new technologies and solutions. This has led to the

development of near 40 new technologies and products to help our customers address sustainability challenges. This enables us to bring customers a variety of solutions for optimal products across different price-points; and which helps our customers reduce their energy emissions and increase the reliability of their products.



Collaborating for a Greener, Cleaner China

At GE we work closely with our customers, industry peers, suppliers, and government to help them respond to local environmental challenges. We work with our stakeholders to:

- Promote innovation in energy savings and emissions reductions across different industry sectors; and
- Help customers apply GE technologies, share best practices in energy conservation and management.

Promoting Innovation in Energy Management

It is GE's global commitment to accelerate the development and deployment of energy technology through continued investment in innovation and partnerships. Eco-Challenge is a case in point. First launched in the US in 2010, GE's Eco-Challenge is an open innovation competition sponsored by GE and its partners to find and fund clean tech innovation focused on addressing specific local energy needs. We launched the Eco-Challenge in China in September 2011 with seven venture capital partners and received 200 submissions from individuals and organizations with innovative ideas for influencing China's energy future. In May 2012, a judging panel that included GE Technology and Commercial leaders and external experts selected five winners to have their projects funded. Over the past two years GE and partners invested \$100 million for the initiative in China.

GE's Eco-Challenge Supports Innovation in the Energy Sector

The Shenzhen Like Air Power Technology Company, a natural gas equipment manufacturer and research and developer of energy savings technology, was one of the 2012 winners of GE's Eco-Challenge. Mr. Du, Product Development Director at Like says that the company was successful because of the direct relationship between its products and the goal of the competition: to promote innovation in energy in China.

"We needed to tell a story about our idea, to not only demonstrate the economic and environmental benefits of the product but to describe its macro, impacts for energy savings. The advice and interaction we received from GE technical

experts in the process of applying for the Award was extremely valuable."

Mr. Du added "Chinese entrepreneurial companies face a common problem in getting financing for their ideas, especially for high-tech products and industrial equipment. GE recognizes this problem and provides a platform for companies to showcase themselves, as well as through offering financial and technical support."



Building Capacity in Energy Conservation & Management

GE regularly convenes seminars with power companies, trade associations and local government agencies to keep them updated about the latest energy efficient technology and their environmental and business impacts. Every two years GE holds "technology dialogues" to bring these stakeholders together to discuss new approaches to clean energy and the relevant policies needed to promote the use and adoption of clean energy solutions.

Supporting Our Customers Develop in Aviation

Despite experiencing rapid growth in recent years, the general aviation industry in China is considered to be underdeveloped. At GE, we help our customers and their suppliers build the capacity of their teams and to build the talent pool needed to help the industry thrive.

According to Mr Wei, COMAC's Director of Corporate Culture, "GE's engines generate less emission and consume less gasoline. This is a key reason why we choose GE's engines for C919. GE's extensive experience over many years has provided us with much support and opportunity for leaning both in terms of technologies and management".

Accessible Healthcare

Accessible Healthcare

Promoting equitable and affordable access to quality healthcare is one part of our global sustainability plan. In China, providing healthcare services to 1.3 billion people is not only a public health challenge, it is also an integral part of ensuring social harmony through reducing the healthcare burden for Chinese people. An insufficiently developed primary care system is recognized by the Chinese government and healthcare providers as a fundamental barrier to promoting equitable and affordable healthcare. As a result, we focus on using our core competencies to strengthen China's primary care system through:

- Innovating to develop affordable and quality products tailored for the needs of China's primary healthcare system; and
- Working with local government, healthcare providers, NGOs and other stakeholders to strengthen the primary healthcare system.

Within GE, we also ensure our employees have access to convenient and high quality healthcare when they need it. For more information on how we do this, please refer to the People chapter of this report.

Innovating to Provide More Affordable and Reliable Healthcare Services

As a global leader in medical devices, GE's role first and foremost is to develop products and solutions to meet our commitment to improving the affordability, quality and access to healthcare in China.

We drive our innovation efforts in three ways: through our healthymagination program, by investing in local R&D and co-creating products and solutions with our customers.

Healthymagination

Launched worldwide in 2009, healthymagination is about providing affordable and quality products and solutions that help deliver better care to more people at lower cost. In addition to introducing global certified healthymagination products into China, GE's R&D China team has developed over 20 healthymagintion products specifically tailored for the needs of China's primary healthcare system. These products cover a broad range of diagnostic and treatment devices including CT, X-ray machines, ultrasonic stations, electrocardiogram equipment, monitoring equipment, and breathing machines.

GE's Global healthymagination Program (2009 to 2012)

- 66 products and solutions certified
- \$3.5 billion invested
- 1.5 billion lives touched

Goal: To invest \$6 billion in healthymagination by 2015

A healthymagination Innovation Designed for Primary Care in China

Launched in March 2010, the Brivo CT series are flagship products designed by China R&D team to meet China's healthcare

need for a cost-efficient CT solution. The Brivo CT series deliver high imaging quality and reliability at low operating and maintenance costs. In recognition of the significant upfront investment required for CT scanners, GE Healthcare provided flexible financing solutions for medium and small hospitals, especially in remote areas, to help them obtain funding to install CT scanners. By May 2012, 60 percent of all township hospitals with Brivo CT scanners were first time buyers of CT scanners.



Investing in Local R&D

At GE we invest significantly in R&D so that we are developing products that truly meet the needs of Chinese customers, and so that we can help China address its unique healthcare challenges. Strengthening China's primary healthcare system is a key objective of both our R&D Centers in China: the China Technology Center and the China Innovation Center (CIC) Chengdu.

Adapting GE Global Innovations to Meet China Needs

The Brivo XR575/515 X-ray machine, developed in 2012, is an example of CIC's innovation aimed to address China's specific healthcare challenges.

In a county-level hospital in the United States, usually five to eight patients receive X-ray check-ups each day. However, in western China, GE has found per day patient demand can be more than 200.

To accommodate such high demand, CIC engineers adjusted the performance of an X-ray machine with a U-shaped arm, called Brivo XR575/515, so that the arm rotates between different checkup positions within a few seconds. This has increased the efficiency of X-ray imaging positioning by 77 percent.



Co-creating Healthcare Solutions with Our Customers

To ensure the investments we make in healthcare R&D best aligns with China's needs, we work closely with our customers to understand their challenges in product design and use. With this understanding, we co-develop products and technology solutions that lower their operational costs, are easy to use, and which enable them to enhance the healthcare services they provide to local communities.

At CIC, we test our new technologies at hospitals and clinics' facilities and bring engineers on-site to determine areas where we can improve our products. This enables us to better understand the needs of primary care doctors and improve the quality of diagnosis and treatment for patients.

Working with Key Stakeholders to Strengthen the Healthcare System

Collaboration is an integral part of GE's efforts to strengthen China's healthcare system. We focus our collaboration efforts in three areas: capacity building for key healthcare personnel, working with primary healthcare providers to pilot innovative healthcare services delivery models and launching community outreach programs for disease prevention.

Healthcare Capacity Building

A key barrier to the growth of China's primary healthcare system is a lack of medical resources and expertise, particularly in less developed regions. We work with government agencies, associations and academia to provide technical skills trainings to physicians in township hospitals and rural clinics, as well as leadership and management training to hospital administrators.

In all of our training programs, we take into account our partners' core competencies and resources, and customize the level of support we provide. This may include providing equipment, management and technical expertise, funding or logistics support. We also plan to increase our focus on building the capacity of primary healthcare personnel by expanding existing programs or launching new programs.

Building the Capacity of County Doctors with the CMDA

In 2011, GE launched a training program for doctors at county-levels hospitals in partnership with Chinese Medical Doctors Association (CMDA). During 2012, GE and CMDA ran a total of 16 training sessions covering 1,500 radiology and ultrasound physicians.

GE and CMDA have made plans to extend the training program to 2016 and cover more therapeutic areas such as anesthesiology and nuclear medicine and include training in more underdeveloped regions in China such as Inner Mongolia, Qinghai and Guizhou.

"There is a high demand for physician training in the primary healthcare system in China, but it's not practical for doctors to leave their jobs to pursue further study. GE saw this gap and therefore the need for this program. GE's training program has also been recognized by CMDA as one of its 4 flagship partnership programs among the hundreds of collaborations we have in China."

> - Ms. Miao Junying, Supervisor, Training Department, CMDA



Integrated Pilot Programs

While innovating new products is one way we help support the development of the healthcare system in China, we also develop pilot projects with our partners that create solutions that can be institutionalized in selected regions in China and replicated in others.

During 2011-2012, we launched pilots to support county hospitals and township clinics with remote diagnosis and systems to diagnose critical diseases such as breast cancer, strokes, and cardiovascular disease. In 2013, we planned to launch pilots to build the technical expertise of general or family physicians at community health centers in Shanghai.

Gansu Telemedicine Pilot Improves Access to Quality Health for Rural Residents

In July 2012, GE launched a telemedicine pilot in Gansu province, in partnership with Gansu Province People's Hospital. The goal of the pilot was to establish a medical resources sharing and support network among provincial hospitals, county hospitals and township hospitals.

In this partnership, GE provided and installed equipment and systems, trained medical staff in equipment operation, streamlined operations processes and provided logistics support. GE also provided best practices and lesson learned from its previous telemedicine pilots and projects.

Gansu Province People's Hospital led the recruitment and selection of country and township hospitals to participate in the pilot. Up to the end of 2012, three county hospitals and three township hospitals in Gansu province were selected to join the network which established an ultrasound-based telemedicine system among the two tiers of hospitals. This allows township hospitals to transfer ultrasound images for difficult cases to county hospitals for assistance in diagnosis and treatment. Where cases can't be diagnosed at the county level, they are then transferred up another level to the provincial hospital for additional technical support.

According to the principal of Lintao County People's Hospital in Gansu, a partner in the Gansu telemedicine pilot: "While the government has upgraded our hardware, there are still gaps in our team's ability to meet the needs of local patients…what makes this program different is it is a long-term commitment from GE to set up the platform, provide equipment and skills training, and real-time on-site technical support."

Community Outreach for Disease Prevention

China faces increasing challenges from non-communicable chronic diseases (NCDs), which account for close to 70 percent of the disease burden in China according to WHO. To support Chinese government's increasing focus on disease prevention, especially for NCDs, GE launched a number of programs to raise health awareness and provide screening services for critical chronic diseases such as breast cancer in China.

Pink October

Breast cancer is the most commonly diagnosed cancer in women and affects around 1.3 million women globally every year. GE Healthcare launched a "Pink October in China" in 2006, a month-long series of activities dedicated to raising breast cancer awareness in communities across the country.

In 2012, GE Healthcare China partnered with ten township and primary healthcare providers in Beijing, Shandong, Shaanxi, Guizhou and other



provinces to develop free breast cancer screening for women and raise awareness about breast cancer. In Beijing, we launched Pink October at the Tongzhou District Women's and Children's Hospital and expanded our activities to include micro-blogging and social media to share videos and call for more public attention to breast cancer and early prevention, detection and treatment.

People

People

GE's business is fundamentally about people: our employees, our customers, our investors, our suppliers and the members of the communities where we live and operate. We rely on skilled, motivated and empowered people to support our business success, and our business in China runs not only through their dedication and commitment but through the collaborative initiatives we undertake with our partners here.

With 18,000 employees across 49 cities in China, we strive to create an environment where our employees are safe, healthy and happy at work. With workplace safety and product quality key issues for companies in China, we take maintaining a healthy and safe work environment for our employees very seriously, and we strive to support our customers, suppliers, and government and joint ventures partners to create work environments for their staff which are injury free.

While providing healthy and safe workplaces is paramount, we also encourage our employees and family members to adopt healthy lifestyles. In 2011 and 2012 over 16,000 GE employees and their family members joined activities as part of the GE HealthAhead program, a program which aims to make GE the leader in having healthy worksites around the world. We also provide our employees with opportunities to drive their own professional development and play an active role in building a more thriving and sustainable society. In 2012, over 5,000 employees provided nearly 29,000 volunteering hours to over 155 community programs in education, environmental protection, healthcare, elderly care and community building.

In China, our sustainability efforts are focused on four areas where we support the wider GE community that supports our business success:

- Building a culture that supports health, safety and well-being, both for our employees and our customers and suppliers;
- Providing our employees with opportunities for **learning and development** so that they can innovate, lead and realize their career dreams;
- Building the ability of our customers and suppliers to go global through sharing best practice in innovation, technologies and leadership; and
- **Contributing to the communities in which we work** through employee volunteering programs, and supporting relief efforts when disasters strike.

Focus Areas	Our Key Initiatives	Our Goals
Health, Safety & Well-being	 Health management system & HealthAhead program EHS Women's Network 	 Drive healthier employees and a stronger GE culture: zero occupational health accidents, zero work-related fatalities 100% of GE sites are HealthAhead certified Assess EHS impacts of 100% of new activities and products
Learning & Development	 A comprehensive training system GE Crotonville Leadership Development Center (China) 	Provide opportunities for over 5,000 employees each year to attend GE Crotonville Leadership Development Center (China)
Community Development	 Education, environmental protection, healthcare, elderly care and community building NGO Partnerships (JA China, Adream) 	 Contribute 30,000 volunteer hours every year Launch youth education volunteering pilot in Sichuan and Shanghai with Adream Foundation
Disaster Relief	Gift Matching ProgramCash and in-kind donations	In the event of natural disasters in China, GE will support recovery efforts through cash and in-kind donations

Health, Safety & Well-being

Focusing on Employee Health, Safety & Well-being

At GE, environment, health and safety in the work place is everyone's responsibility. We provide training for employees across all levels and business units from senior management to down to the lab. We apply GE's global standards in manufacturing to ensure our products are of the highest safety and quality. All new employees must complete compliance training required by local regulations, and fulfill GE's internal compliance training, which is designed based on any potential hazards associated with their position, and includes EHS orientation, job specific training and an annual EHS refresher training. Training takes a number of forms, from classroom lectures, online courses, conference calls, and live demonstrations. Employees across all GE sites are also encouraged to report EHS-related concerns through our EHS reporting system. Each concern is investigated and the action taken communicated back to all site employees.

Creating an environment that supports the health and well-being of our employees is important to us. GE's advanced corporate health management system covers occupational health risk control, travel health, onsite clinic services, medical crisis management, health promotion, and certification of HealthAhead sites. By the end of 2012, 28 large sites (with over 100 employees) successfully passed HealthAhead certification for their strong occupational health, medical services, prevention and wellness, and crisis preparedness.

GE China Employee Health & Safety	2010	2011	2012
Incident rate *	0.44	0.20	0.23
DART*	0.33	0.11	0.10
DAFW*	0.28	0.09	0.08

*OSHA recordable injury and illness case; DART: Days Away, Restricted or transferred rate; DAFW: Days Away From Work

In recognition that modern-day pressures to balance work and family life can be increasingly difficult to manage, our HealthAhead program encourages our employees to exercise regularly and eat healthily. We also enable them to have convenient access to onsite medical services and emotional support when they need it. All GE employees and their immediate families have free access to the GE Employee Assistance Program which provides a range of emotional support counseling services.

Healthier Employees and a Stronger GE

To enable our employees to get access to high quality healthcare when they need it, GE China has six onsite clinics in cities including Shanghai, Beijing and Hangzhou. In 2012, the Shanghai clinic received 15,000 patients which saved employees a total of 53,000 hours in travel time to alternative healthcare providers. In 2011 and 2012, GE's Shanghai clinic was the only foreign corporate clinic to win the Shanghai government's Best Clinic Award. In 2012, GE employees' satisfaction with the company's health-conscious culture reached 95 percent.



Promoting a Smoke-Free GE

In 2010, GE began the process of making all its facilities tobacco free and now smoking is prohibited at all GE plants and offices. In 2012, GE China was invited to be the U.S. corporate representative and tobacco free role model for the China-US Partnership on Smoke-free Workplaces Program launched by U.S. Department of Health and Human Services and China Ministry of Health.



Working with Our Partners and Government to Promote Health & Safety

Our healthymagination initiative and workplace wellness programs align well with both the Chinese government's "Healthy China 2020" strategy and the current reforms to China's medical system which focus on disease prevention. We partner with government and business to promote and share healthy workplace practices. We also signed an MOU with the Institute for Occupational Health and Poison Control, Chinese Center for Disease Control and Prevention to provide in-depth advice to ten leading Chinese companies to improve workplace wellness.

In addition to our collaboration with government, we also make the experience and know-how of experts from across our organization available to our supplier and customers. We support our suppliers to manage health and safety at their sites and we follow stringent processes to manage the quality of our suppliers.

GE provides capacity building and support to enhance the environment, health and safety of our suppliers through:

- Supplier selection;
- Ongoing training and capacity building in six sigma and global quality management systems;
- On-the-spot site audits; and
- Supplier summits and other events which share GE best practices in EHS.

In 2011, we established a JV Excellence program to share our values and support our partners to achieve the high standards in EHS and compliance. In our Aviation business, GE technicians provide our customers, Chinese airlines, with training and site visits so that they understand our products well including how to be safe when using GE products and how to maintain parts. At the end of 2012, we had delivered engine maintenance training to over 10,000 maintenance technicians at the Aero-engine Maintenance Training Centre established in 1996 with our partners including Civil Aviation Administration of China.

Working with CDC to Improve OHS Management in Local Businesses

Since 2005, GE and the Chinese Center for Disease Control and Prevention (CDC), has jointly organized occupational hazard prevention and control training programs to promote the enforcement of China's occupational health law.

Up to the end of 2011 the program focused on awareness raising and best practice sharing on occupational health management in high risk industries such as coal-mining and leather processing. Over seven years the program trained close to 10,000 senior executives and EHS managers from over 5,000 companies across over 20 provinces in China.

Then in 2012, the program shifted its focus to provide intervention to selected companies through one-on-one on-site visits and consultations on how to improve OHS management in the workplace. Now GE plans to select 10 companies for intervention during 2012 and 2013 and then scale the program up.

According to Ms. Wenlan Yu, Training Director of the Institute for Occupational Health and Poison Control, CDC, "Though the Chinese government launched the Occupational Disease Prevention Law back in 2002, the government saw a lack of response to the law from the business community. The Ministry of Health decided to use GE's knowhow in OHS management, to provide training to businesses to promote action. My department was designated by the Ministry to work with GE to launch this program. As GE has a diversified supply chain in many of the high risk industry sectors, we believe GE is best positioned to work with the CDC to provide this training."



Our Awards:

- 2011 Most Wanted Employer in China by Antal International
- 2011 Top 10 Best Employer, Most Popular Employer among Professionals by Zhaopin.com
- 2012 Happiest Companies For Young Professionals by Career Bliss
- 2012 Top 20 Most Ideal Employer-Engineering Students by Universum
- 2012 Most Happiest Companies by China Business Journal
- 2011,2012 Best 100 HRM Companies by 51job
- 2011,2012 Twenty Best Companies for Leadership by Bloomberg Business Week

GE global investment in employee training and talent development every year: \$1.2 billion.

Fostering Inclusivity

At GE we know that the success of our business is dependent on the success of our employees. We see diversity and inclusiveness as an essential part of our productivity, creativity, innovation and competitive advantage. As some of our business units are traditionally those with a high proportion of male employees, our initiatives to support inclusivity particularly focus on how we can encourage, support and create opportunities for women at GE to develop and thrive.

In 2002, GE China established GE Women's Network China hub to promote career development and work-life balance for women, and to provide opportunities for women to realize their career ambitions. By the end of 2012 there were 11 active Women's Network Hubs at GE sites across China from Beijing and Shenyang in northern China, to Shanghai and Guangzhou in the south. The hubs host trainings and networking events which connect women to their peers and provide a platform for networking and experience sharing.



We take pride in listening and responding to the concerns of all our employees. Every six months we hold a "roundtable" event where all employees can provide open feedback on GE and our performance. Every two years we issue an Employee Opinion Survey and in 2012 80 percent of employees provided feedback on their work at GE.

GE China Diversity	2010	2011	2012
Number of Chinese nationals (% per total employees)	94%	93%	94%
Number of Chinese nationals in the senior management team	68	91	103
Chinese nationals in the senior management team	44%	45%	48%
(% per total)			
Number of female employees	5,143	6,289	6,526
Female employees (% per total)	36%	36%	36%

Learning & Development

At GE we are proud to provide a platform to empower our employees to achieve their professional and personal goals. We also actively seek opportunities where we can share our expertise with those that support our business.

A career at GE means we learn from doing where 80 percent of professional development happens on the job, the other 20 percent from formal training. We recognize leadership and management skills are important for employees at all levels of the organization regardless of their role, so we place as much emphasis on developing leadership as we do on technical training.

GE has established a comprehensive and robust formal training system. Every year, all employees choose the training courses they want to take the following year based on a comprehensive evaluation of their role, responsibilities, professional development interests and goals and the company's talent development plan.

GE has also established a coaching and mentoring system to provide employees with personalized career development guidance. Through one on one meetings and group workshops, employees receive guidance from HR managers, executives and senior managers on how to develop their career goals and growth path as well as solve practical challenges and issues they face at work. In 2012, GE China added an interactive function to the existing mentoring system, featuring profiles of over 200 mentors on our intranet for employees to choose from.

In addition, we also support employees to study masters degrees and obtain professional qualifications such as the ACCA to help them advance in their careers and enable our employees who exceed two to three years in one position to move to new positions to broaden their horizons.

GE Crotonville Leadership Development Center (China)

In 2003 we founded the GE Crotonville Leadership Development Center (China), the first leadership development center established outside the US. In addition to GE global curricula, the center also offers courses that address particular development needs of GE employees in China. The Center has outstanding facilities and comprehensive services for training events and business meetings; it provides not only an ideal place to learn, explore, share, and network for GE employees, customers, and business partners, but also a valued platform to discuss the business challenges as well as the opportunities in today's China. The Center is a place that accelerates GE employees' development, and builds and strengthens the relationship between GE and its strategic customers and partners. In 2011 and 2012, one-third of GE China employees took part in training and development programs at the Center.

Employee Development at GE China (2010-2012)

- Average investment in training per employee (RMB) (GE Crotonville Leadership Development Center China): 6,500
- Proportion of senior managers developed within GE: 70%

Employee Rewards & Recognition

We recognize our employees' achievements in a number of ways including:

- China Leadership Award which recognize outstanding teams or individuals every year for their great achievements. In 2012, 18 winners received \$1,000 each to support a nonprofit of their choice; and
- Above & Beyond program which allows GE employees to nominate their colleagues in recognition of their contributions and excellence, particularly in cross-functional projects. Between 2006 to 2010, over 22,000 GE employees have won this award, nominated by their managers and peers, receiving a total of \$4.7 million in awards provided by the company.

GE in the Community

Good citizenship at GE is about enabling positive changes in the world around us. GE businesses depend on the infrastructure, skills and institutions of stable, prosperous societies and healthy environments. To succeed as a global business, we need to be a part of building these societies where we operate.

In China we support the local community in three ways:

- By engaging our employees in programs where they can make a difference;
- Supporting specific community initiatives that are important to us; and
- Using our products, technology or funding to respond when emergencies strike.

Employee Volunteering

At GE we are about "Great People Doing Great Things". Volunteering is an extremely important part of GE culture and our volunteers are passionate about what they do. We are proud of our employees' diverse range of skills and knowledge so we direct a large part of our community efforts into programs where GE employees can contribute their time and skills and make the biggest contribution. In 2012 alone, more than 5,000 GE Volunteers in Greater China hosted 155 community projects, contributing nearly 29,000 volunteer hours to serve communities in 15 different locations across Greater China, focusing on five critical areas: education, environmental protection, healthcare, elderly care and community building. Many employees' families also participated in these community programs.

Each year employees are asked to provide feedback on volunteering activities so that we can continue to ensure the community activities we support are in line with what is important to them. Employees' families are also encouraged to participate in our community programs.

Developing Next Generation of Leaders of China

JA China is an important partner of GE. In partner with JA China, GE contributed \$250,000 per year in financial support to promote innovation in youth education in China.



As part of this program, from 2010 to 2012, GE Volunteers contributed 33,627 hours of volunteer time to 290 schools to reach 13,781 students. Programs focused on second-and third-tier schools, or schools from second-and third-tier cities and migrant schools which tend to lack resources to provide students with high quality education and innovative teaching techniques.

"GE and JA China share a lot of synergy in terms of both organizations' commitment in investing in people. We both understand that to build a brighter, stronger society, we need to cultivate the talents of today's

young people. GE's commitment in finding creative solutions to benefit the planet, its people, and the economy resonates with JA China's mission in fostering the character, creativity, and leadership of young people who will grow to become creative and responsible young leaders. The common vision of people development and what the future could be is what brings the two organizations together."

	2010	2011	2012
Number of GE Volunteers (person)	2,134	4,747	5,038
Volunteer Hours	23,927	27,438	28,883
Cities Covered	14	14	15
Projects Launched	101	128	155

Disaster Relief

China is a country prone to frequent natural disasters. Over the last five years parts of China's south have experienced over nine earthquakes with the Sichuan earthquake of 2008 alone destroying 16,000 buildings, and taking over 80,000 lives.

As we do in all the regions where we work, GE actively responds when disasters strike in China. Disaster relief is managed through a formal process, to swiftly determine the appropriate response in the wake of a disaster. The process begins by assessing the eventusing sources such as news coverage and GE China contacts, and coordinating with nonprofit partners. Once information about the disaster has been collected, we then work to confirm the safety of our employees and their families.

We support areas affected by disasters by donating GE equipment and technology to help rebuild communities. Our medical devices and lighting products enable local clinics and hospitals to provide patients with high levels of care which normally would be inaccessible in remote areas. Since 1998, GE Foundation has donated over \$10.8 million for Community programs in China including disaster relief.

Planet



Planet

Increasing resource scarcity, ongoing climate change and declining water availability are challenges to global growth and the ability of 7 billion people not just to live, but to live well. In China, as domestic consumption and standards of living continue to rise, the country's renewable and non-renewable resources, energy, water, land, mineralsare in increasinglyhigh demand and growing scarce. Climate-related disasters such as droughts and floods occurregularly and present grave consequences for productivity and livelihoods in the communities they affect. These issues impact GE through the environmental footprint of our operations, in particular in the manufacture of GE products, and in turn our customers as they manage the energy associated with the GE products they use. As a result, we take seriously our responsibility to improve our environmental performance and support our customers' sustainability efforts-serving as responsible stewards while growing our business.

In China we manage our commitment to reduce our impact on the planet through:

- The energy and resources we consume and manage at our sites; and
- Working with our suppliers, customers and JV partners to support their efforts to manage energy use and reduce their environmental footprint.

Focus Areas	Our Key Initiatives	Our Goals
Energy Consumption	 Energy management processes to control energy & water use, reduce CO₂ emissions from travel and site impacts GE natural resource maps and energy treasure hunts to unearth opportunities for energy savings at our sites and in our supply chain Conduct Life Cycle Analysis of our products to identify opportunities for energy efficiency 	 Improve our energy intensity by 50% by 2015 over a 2004 baseline Achieve a year-over-year improvement in energy intensity of 5%. Reduce absolute GHG emissions by 2.5% year- over-year in absolute emissions reductions and 25% by 2015 from 2004 levels
Resource Optimization	Rigorous materials recycle and reuse	 Reduce freshwater consumption by 25% by 2015
EHS, Supplier & Customer Capacity Building	 Capacity building for customers and suppliers to help develop their compliance assurance processes and improve energy and materials efficiency through good EHS practices 	 Through the Strategic Partnership Program (SPP) continue to support supplier EHS capacity to meet GE standards in China Assess EHS impacts on new activities and products
Promoting Innovation in Energy Efficiency	 Funding small, innovative "Cleantech 100" companies Ecomagination initiatives that develop energy efficient products 	

GE Environmental Awards

- The Low-Carbon Pioneer Award by 21st Century Business Herald 2011
- China Top 100 Green
 Companies by China
 Entrepreneur 2012
- Green Company Award by Hangzhou Environmental Protection Bureau 2012

Energy & Climate

Through its 12^{th} Five-Year Plan, the Chinese government has set ambitious goals to conserve natural resources, reduce environmental pollution, and respond to global climate change, with specific targets including a 16 percent reduction in energy consumption per unit of GDP, a 17 percent reduction in CO₂ emissions per unit of GDP, and an 8-10 percent reduction in the release of major pollutants, by the end of 2015. Energy conservation and waste management are two areas of particular significance to GE, particularly across our Oil & Gas, Power & Water and other business units.

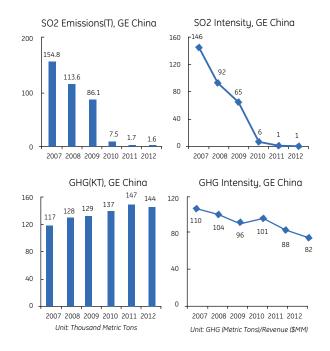
GE has made a significant commitment to optimizing our own use of energy and other resources that are critical to continued economic growth where we work, including emerging industries and markets such as China. GE has 10 global facilities that are Leadership in Energy and Environmental Design (LEED)–certified which enable us to reduce our emissions at these sites.

GE China's GHG emissions arise from electricity use and the consumption of fossil fuels during manufacturing. We have been displacing carbon intensive fuels with cleaner fuels-for example heavy oil to natural gas. GE's global climate and energy goals are to reduce absolute GHG emissions by 2.5 percent year-over-year in absolute emissions reductions and 25 percent by 2015 from 2004 levels. In 2012, we saw an absolute reduction in our global Scope 1 and 2^3 CO₂ equivalent emissions compared to 2011.

Our Environmental Indicators

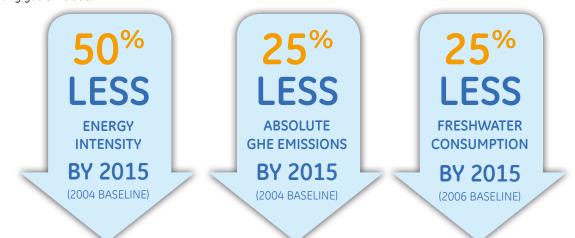
In our 2012 Environment Report, we included a Pollution Index which outlines our sulfur dioxide, GHG, COD, water and other emissions across GE's business units in China. Each year we report on over ten key environmental indicators including: energy consumption (electricity, natural gas, coal), greenhouse gases (GHG) including carbon dioxide (CO₂), sulfur dioxide (SO₂) and nitrogen oxides (NOx), fresh water use, chemical oxygen demand (COD) and hazardous waste.

In 2012, our nitrogen oxide (NOx) and ammonia nitrogen (NH3-N) emissions were below China's 12th Five-year Environmental Protection Plan, where NOx and NH3-N are targeted pollutants for emissions reductions.



Our Ecomagination Goals

At GE, footprint reduction goals are set, owned, and operationalized by the EHS team. These company-wide Ecomagination operating goals include:



³Scope 1 emissions include direct GHG emissions from sources that are owned or controlled by GE while Scope 2 emissions include our indirect emissions associated with the generation of imported or purchased electricity, steam, hot water or chilled water.

Emissions Reductions at China Technology Center

GE China Technology Center (CTC) has an ongoing commitment to reducing our energy emissions. In 2011, we stepped up our efforts in this area by replacing 50 sets of ordinary lights with LED replacements; reduced electricity use from our water fountains; piloted removing hot water in our bathrooms; and installed converters in our high energy-use ventilation systems in our labs. These measures help save around 320,000 kWh of electricity each year and reduced maintenance costs by nearly \$200,000. In 2012, we optimized our air-conditioning system so that it uses more efficient water pump units which achieved 24 percent in energy savings. Along with other energy saving measures including overall reductions in airconditioning use enabled us to reduce 1.41 million kWh and around 1 million yuan in operating costs compared to 2011.

Our Energy Achievements

Over the last two years through upgrading combustion systems, GE China increased its overall fuel efficiency and reduced our CO₂ emissions. In 2012 we produced 144,000 metric tons of carbon dioxide equivalents (CO₂), a decrease of 2.0 percent from 2011 and our emission intensity decreased by 12 percent. We invested heavily in new production capacity in 2011 with the acquisition of 5 new facilities, which led to a spike in emissions for the year. As new production came online in 2012 and energy saving actions were adopted, both our GHG total emissions and intensity dropped.

Energy Saving & Our Employees

To leverage the expertise and creativity of GE employees to identify energy-saving opportunities, we run a "Treasure Hunt" competition every year and award employees for their ideas. In 2012, GE Aviation Suzhou reduced electricity consumption by 16 percent from 2011 by introducing new compressors and replacing lighting. These enhancements saved 1,500 metric tons in carbon dioxide equivalents.

WATER CONSUMPTION At GE China Manufacturing Sites	2011	2012
Total Fresh Water Consumption (Thousand Metric Tons)	1,014	1,004
Fresh Water Intensity (Fresh water (Metric Tons)/Revenue (\$million))	609	571

Resource Management

Through innovation in how we manage, use and reuse critical materials throughout our products' value chains, we hope to lead not only our efforts in sustainable business growth but also enable our partners to achieve energy savings in their businesses. In addition to controlling the raw materials we use in the manufacturing process, we also have rigorous processes to manage and control the waste emitted throughout our sites in China and the energy consumed during the lifecycle of our products.

Water Use

China's water resources are under serious threat. The per capita availability of water in China is about one-third of the world average⁴ and it is estimated up to 400,000 people a year are driven from the homes because of water shortages. In northern China, where GE has operations in Beijing and Shenyang, water scarcity is an even greater problem as the north is particularly dry and subject to frequent droughts.

Water scarcity is an important issue for GE. To reduce our freshwater consumption, GE has a special global program for those locations that consume more than 15 million gallons of freshwater a year. These locations account for approximately 90% of GE's total freshwater usage. In 2012, GE reviewed the 65 sites that used more than 15 million gallons of freshwater in 2012 and five sites in China were identified as in water-scarce regions.

The majority of the sites located in China are in the greater Shanghai region. Here, we are committed to managing local water systems effectively by concentrating our efforts on risk identification and management, effective policy development, and technology implementation. GE China Technology Center (CTC) is developing leading water management systems and solutions that help our customers achieve higher rates of water reclamation, lower energy consumption and increase reliability of water management systems. In 2013, we hosted a Kaizen training event in the region to begin building the skill level of our local teams to anticipate water scarcity and to reduce water use. Through 2014, our remaining sites in China in potentially water-scarce areas will be prioritized for Kaizen events.

Working with Our Customers to Conserve Water

In 2011 GE helped global beer producer, Budweiser UK, reduce water and energy consumption in China by working with 36 of their Chinese factories. Through a pilot project, Budweiser was able to achieve more than 99 percent water recovery using GE's non-thermal technology and brine concentrator. Budweiser breweries in China reduced water use by 38.4 percent and energy use by 30 percent between 2009 and 2012 and continue to pilot innovative ways to achieve greater energy and water savings and reduce carbon emissions. This technology is a key way that GE is working with customers to promote water and industrial waste recycling in China's food and beverage industry.

Water & Waste Management

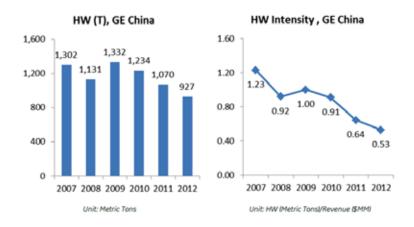
At GE we have a tiered approach to identifying, anticipating and addressing potential impacts to business operations from water-related emergencies such as water scarcity, interruptions of our local supply, or flooding. Industrial wastewater treatment can be challenging, with plants often facing high concentrations of organics, solids and odors. Increasingly stringent discharge regulations, diminishing freshwater supplies and rising costs are compelling many plant managers and corporate process experts to examine on-site membrane technologies that can reduce costs for wastewater treatment and water supply. GE's environmental framework requires sites to characterize their wastewater use, to seek opportunities to avoid and reduce wastewater and to ensure that it is properly treated before discharge, in most cases into municipal treatment systems.

Environment Health & Safety

Embedded in our energy, climate and resource management efforts is our commitment to environmental, health and safety (EHS) across all our operations. We follow strict EHS policies and management systems to protect the safety of our employees at work. This includes hazards recognition and risk assessment, job safety analysis, EHS audit and inspection, and EHS best skills and practices.

More information on our EHS programs and efforts can be found in the Economy chapter of this report.

From concerted efforts to reduce hazardous waste in our China facilities, including using more environmental friendly chemicals during industrial cleaning processes, in 2012, we reduced hazardous waste by 13.4 percent from 2011 and hazardous waste generation intensity dropped by 17.9 percent.



Working with Stakeholders on Energy Management

At GE we are committed to improving environmental standards not only across our business units but our whole value chain. While traditionally, our EHS training focused on strengthening internal management, risk controlled accident prevention, and unexpected environmental events, now we are developing an EHS culture among our suppliers to build this into their work plans. We regularly audit our suppliers to make sure they meet GE's requirements for EHS in accordance with GE global and local requirements. We currently work with near 2,000 of our suppliers to help them be cleaner and more energy efficient.

By providing training on topics such as waste water treatment, emission standards, environmental permits, and occupational health issues, GE is helping to improve overall industry standards in EHS. Through this we also work closely with our suppliers to build their capacity in EHS so that they become our long term strategic partners.

For a complete list of rules and procedures on how we work with our suppliers, please visit <u>http://www.gecitizenship.com/our-commitment-areas/our-suppliers/supplier-expectations/</u>

We also maintain regular communication with government departments, and actively cooperate with regulators to provide them with access and inspection of our sites.

Promoting Cross-sector Collaboration for a Greener China

IIn March 2012, GE participated in the "Green China: Economic Development and Green Industry" Forum, hosted by United States Council of International Business (USCID) and Green Economies Dialogue. The forum engaged multi-sector stakeholders in discussion on the elements needed to promote green economic development in China including raising awareness on environmental protection, enhancing the role of industry in green development, and effective resource use to build a competitive market and improve transparency of evaluation and measurement of green growth.

Working with Local Government on Environmental Protection

In 2012, GE Lighting China EHS team worked with the local and municipal Environmental Protection Bureau to reclassify about 180 metric tons of sludge from wastewater treatment plant into industrial waste in accordance with GB 5085.1-7 Hazardous Waste Identification Standards. This optimized the disposal of waste with less carbon footprint, but also reduced the expense for waste disposal.

Economy

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Economy

While many countries in the world recover from recent financial crisis and hardship, growth in emerging economies remains strong. While there may be fluctuations in the short term, the demographic trends are clear. Within the next two decades, a majority of the populations in all developing regions in the world will be living in urban areas. Improvements in urban infrastructure must keep pace with this growth, through access to water, energy, healthcare, transportation and jobs, in order to reduce poverty and promote social harmony.

By the end of 2012, China's population had reached 1.34 billion and 52.6 percent were living in urban areas. This combined with a growing migrant population continues to put pressure on social infrastructure systems, such as transport, healthcare and education.

Against this backdrop, GE China is committed to investing in the local economy and infrastructure, to create jobs and promote business practices which are ethical, that contribute to harmonious development, and which make good business sense.

In China we work both within and outside GE to responsibly manage risk and build a business culture that upholds high ethical standards. Our work in this area includes:

- Adhering to the highest standards of compliance across our own operations and promoting a culture of compliance by our partners and peer companies;
- Engaging with government, academia and business associations to support the development of a sound policy environment to further China's sustainable development; and
- Investing in local economic development and job creation.

Focus Areas	Our Key Initiatives	Our Goals
Compliance	Employee TrainingCompliance Roadshows	 100% new hires receive compliance training All business units conduct regular compliance training 0 fines and 0 notices of non-compliance for EHS
Public Policy	 Advising government Leveraging academia and trade associations 	• Support the development of a sound policy environment that enables China's sustainable development

Building a Culture of Compliance

GE's approach to compliance is founded at two levels: within GE nationally and across business units, and among our local partners.

At the national level, in addition to taking action under the direction and guidance of GE's global policy and compliance review board (PCRB), a committee responsible for monitoring compliance matters across the company and setting compliance objectives and priorities, GE China has a number of other compliance review mechanisms for assessing and reviewing risks across operations in China. For example, a Compliance Review Board (CRB) which works within business unit in China, Country Compliance Operations Review (COR) which works across business units in China, Compliance Bottoms-up sessions and a Risk Council.

At the grassroots level, we build a culture of compliance among our employees through guiding documents such as The Spirit & The Letter, which outlines standards and requirements which all employees must uphold. When employees join GE they must take a two-hours compliance induction. Employees across different business units also have regular compliance training specific to their function. For example, finance department employees are required to take an additional course on "Improper

Payments for Finance", in addition to the general Improper Payments training targeting all GE staff.

Outside of our core business, we are also committed to improving standards in safety, compliance and ethics across our entire operations. Here we recognize and reward GE partners that are committed to higher integrity and compliance standards which contribute to helping to build world-class Chinese enterprises.

Promoting a Culture of Compliance

In 2011, we trained 2,755 employees across 24 sessions on compliance and ethics. In 2012, in addition to our regular compliance training, we also held 19 new employee orientation Compliance Induction sessions for 1,711 new employees.



Business Leaders as Compliance Champions

At GE, business leaders have special responsibilities to create a culture of compliance within their businesses and functions and to personally lead compliance efforts. In addition to The Spirit & The Letter, we published Compliance & Integrity: A Guide for Leaders, a handbook which provides GE management with additional guidance on specific steps a leader within GE must take to establish a successful compliance program and create and nurture a robust culture of compliance.

To help foster best practice in compliance, GE Healthcare conducts a compliance roadshow each quarter which trains healthcare leaders across China. In 2012, GE Healthcare held 91 sessions in 14 first and second-tier cities in the Greater China region, which trained 8,000 healthcare employees on various compliance standards and issues.

Building a Culture of Transparency through Open Reporting

At GE, we are committed to create an open reporting environment where every employee feels empowered to raise concerns and has the confidence that they will be addressed without retaliation. To facilitate this, GE provides employees several channels to raise concerns about possible violations of law or policy within the company, including to employees' direct managers or to human resources, legal and compliance teams, senior management or Ombudsperson delegates.

INDICATOR	2010	2011	2012	
Number of Ombudsperson concerns	39	76	153	
Ombudsperson concerns by top three	issue areas (% of total)			
	7 (Controllership)	13 (Supplier relationships)	42 (Controllership)	
	7 (Supplier relationships)	13 (Improper payments)	27 (Conflicts of interest)	
	7 (Conflicts of interest)	12 (Conflicts of interest)	15 (Fair employment	
			practices)	
Results of disciplinary actions (cases)	Results of disciplinary actions (cases)			
Dismissals	1	10	13	
Suspensions	0	0	0	
Warnings	7	11	32	
Others	0	3	7	

Working with Our Partners to Enhance Compliance Standards

At GE, employee health and safety (EHS) is a key area where we manage risks associated with our operations and that of our partners, and is our fundamental corporate responsibility. EHS is one of the few functions that can influence decisions on strategic investments in new products, facilities and acquisitions. At our sites around China we follow GE global standards for EHS and act in compliance with national regulations. Each business unit has a tiered EHS governance structure down to the plant or factory coordinator level to ensure our management of EHS issues is robust.

Increasing EHS Standards across Our Supply Chain in China

We hold our suppliers in China to the same set of standards on EHS, and compliance with local wage and hour laws that we use in every other part of the world. GE commits to conducting business with suppliers that respect their employees' safety, human rights, security, and the local environment. We conduct on-site assessments for most suppliers to identify issues, and require suppliers to address any issues within a reasonable period of time. In addition, GE follows an "eyes always open" process to investigate issues raised from other sources, such as press reports and complaints. We verify the implementation of this process with spot checks, conducted by teams from corporate audit staff or our corporate environmental programs. Through this system, GE's suppliers in China have obtained thousands of environmental permits, improved their environmental performance and operate in compliance with employment law. We also hold Supplier Summits and EHS Forums which bring together members of GE's global EHS, sourcing quality and audit teams, peer companies, government officials and suppliers to share experience and discuss the challenges in improving working conditions and worker safety.

Promoting Best Practices in EHS

Sponsored by GE Foundation, Guangdong EHS Academy is an institute initiated by GE in 2008, in collaboration with Institute for Sustainable Communities (ISC) and Lingnan College of Sun Yat-sen University. The Academy aims to draw on the expertise of EHS managers and auditors from GE and other companies to provide long-term, high-quality training open to EHS managers. By the end of 2012, EHS managers from 7,000 factories took training courses at the Academy

and 10 more multinational companies joined forces with GE, including Wal-Mart, Honeywell, Adidas, Nike, Citibank to support the program.

In 2011, GE collaborated with ISC and Nanjing University, to launch a second EHS Academy based in Suzhou, serving manufacturers in the Yangtze Delta area.

Over the past four years GE Foundation has committed a total of \$2.55 million in supporting the EHS academies in China.



Working with Joint Venture Partners and Chinese Companies

GE China has 30 joint ventures in China and we make every effort to work with our partners so that we use common approaches and adhere to the same standards for compliance. All our JVs established over the last two years have Compliance Committees which serve to promote ongoing dialogue and communications with, and support regular compliance training and site visits.

Over the past 18 months we sponsored three training sessions for JV Directors and Supervisors which were open to all our JV partners. These sessions, which reached around 75 percent of JV employees at that level, focused on corporate governance, fiduciary duties and conflicts of interest, with a special focuson these issues in respect to Chinese corporations' law. We also help our JV partners learn about best practices in EHS and intend that through these trainings provide other opportunities for our JV partners to discuss compliance issues outside of the day-to-day business operations.

Support Environmental NGO to Advance EHS standards

In May 2011, GE provided staff from the Institute of Public & Environmental Affairs (IPE), a leading nonprofit in environmental advocacy, in Beijing with Supplier EHS Auditor Training. IPE staff attended two days of classroom training in addition to one day of field practice. The training attracted many positive responses and comments on Sina Weibo (Chinese Twitter) by Ma Jun who is the founder of IPE. "We are deeply grateful to the EHS experts that led our training. Our learning was tremendous, and this marks a new beginning for our institution". GE China plans to conduct similar training to the 42 members of the IPE-led Green Choice Alliance, a coalition of NGO organizations that promote a global green supply chain encourage by pushing large corporations to include the environmental performance into their criteria for procurement.

GE has been working with IPE since 2008 and has incorporated IPE's requirements for environmental data into GE's supplier audit and transparency requirements.

Engaging in Public Policy Development

GE participates in dialogues with government, academia and business associations to support policy development we believe critical to China's sustainable development and where we have expertise and experience to share.

Through engagement with US Council for International Business's China Policy Committee, US-China Business Council, and the Quality Brands Protection Committee we promote technological innovation, sustainable development, product standards improvement and intellectual property protection in China.

Through our advisory programs with China's Ministry of Health and partnership program with Center Disease Control, we contribute to policy making for workplace health and safety related issues including occupational health and tobacco-free workplaces. We also have been advising the National Development and Reform Commission, China's leading body on economic and social development, since 2006 on green development and energy reductions strategies including the use of distributed power and unconventional gas, and developing GE's ecomagination technologies in China.

Our Economic Impact

GE is committed to developing a prosperous community where we operate. Our economic impact includes our direct payment of wages, benefits and taxes for the jobs we create, spending with local third-party vendors on the goods and services we source, fixed investment in office buildings, R&D centers, production facilities, and distribution centers.

Our Economic Impact in China	2010	2011	2012
Total corporate income taxes (RMB millions)	386	559	740
Employees total			
Number of permanent jobs	14,291	17,619	18,171
Employees, by business			
Power & Water	2,151	2,258	2,245
Aviation	629	747	711
Oil & Gas	1,134	2,071	2,092
Energy Management	1,259	2,197	1,943
Healthcare	5,439	6,411	7,004
Transportation	190	224	295
Home & Business Solutions	2,419	2,454	2,557
Capital	237	214	181
GGO & Corporate	833	1,043	1,143

Our Sustainability Programs at a Glance

People

Focus Areas	Our Key Initiatives	Our Goals
Accessible Healthcare	 Healthymagination Capacity building of county doctors Telemedicine pilot 	 Cover more therapeutic areas and underdeveloped regions in capacity building programs Pilot more innovative healthcare delivery models
Health, Safety & Well-being	 Health management system & HealthAhead program EHS Women's Network 	 Drive healthier employees and a stronger GE culture: zero occupational health accidents, zero work-related fatalities 100% of GE sites are HealthAhead certified Assess EHS impacts of 100% of new activities and products
Learning & Development	 A comprehensive training system GE Crotonville Leadership Development Center (China) 	Provide opportunities for over 5,000 employees each year to attend GE Crotonville Leadership Development Center (China)
Community Development	 Education, environmental protection, healthcare, elderly care and community building NGO Partnerships (JA China, Adream) 	 Contribute 30,000 volunteer hours every year Launch youth education volunteering pilot in Sichuan and Shanghai with Adream Foundation
Disaster Relief	Gift Matching ProgramCash and in-kind donations	In the event of natural disasters in China, GE will support recovery efforts through cash and in-kind donations

Planet

Focus Areas	Our Key Initiatives	Our Goals
Energy Consumption	 Energy management processes to control energy & water use, reduce CO₂ emissions from travel and site impacts GE natural resource maps and energy treasure hunts to unearth opportunities for energy savings at our sites and in our supply chain Conduct Life Cycle Analysis of our products to identify opportunities for energy efficiency 	 Improve our energy intensity by 50% by 2015 over a 2004 baseline Achieve a year-over-year improvement in energy intensity of 5%. Reduce absolute GHG emissions by 2.5% year-over-year in absolute emissions reductions and 25% by 2015 from 2004 levels
Resource Optimization	Rigorous materials recycle and reuse	Reduce freshwater consumption by 25% by 2015
EHS, Supplier & Customer Capacity Building	Capacity building for customers and suppliers to help develop their compliance assurance processes and improve energy and materials efficiency through good EHS practices	 Through the Strategic Partnership Program (SPP) continue to support supplier EHS capacity to meet GE standards in China Assess EHS impacts on new activities and products
Promoting Innovation in Energy Efficiency	 Funding small, innovative "Cleantech 100" companies Ecomagination initiatives that develop energy efficient products 	

Economy

Focus Areas	Our Key Initiatives	Our Goals
Compliance	Employee TrainingCompliance Roadshows	 100% new hires receive compliance training All business units conduct regular compliance training 0 fines and 0 notices of non-compliance for EHS
Public Policy	Advising governmentLeveraging academia and trade associations	Support the development of a sound policy environment that enables China's sustainable development

GRI Index

		GRI4.0 Index		
Category	Indicator	Description of Indicator	Dislcosure Yes (1), Partially (0.5)	Location in the Report (page number)
Strategy and Analysis	G4-1	CEO/Chair Statement	1	A Message from the CEO (2)
	G4-2	Impacts, Risks, Opportunities	1	GE in China (3)
	G4-3	Company name	1	Cover (0)
	G4-4	Company brand, products and services	1	GE in China (3)
	G4-6	Main countries of operation	0.5	GE in China (3)
	G4-8	Markets served (e.g. sectors, customers)	1	GE in China (3)
	G4-9	Scale of company (e.g. employees, sales)	1	GE in China (3)
	G4-10	Employee profile	1	GE in China (3)
Organizational Profile	G4-12	Description of company supply chain	0.5	Working with Our Partners and Government to Promote Health & Safety (19) Environment Health & Safety (28) Building a Culture of Compliance (31) Increasing EHS Standards across Our Supply Chain in China (33)
	G4-14	Precautionary approach / principle	1	Sustainability at GE China (4-5)
	G4-16	Membership of associations	0.5	Engaging in Public Policy Development (34)
Identified Material Aspects	G4-18	Process for defining report content	1	Our Focus & Purpose of the Report (2) Materiality (5)
and Boundaries	G4-19	Material issues / aspects identified	1	Sustainability at GE China (4-5)
	G4-24	Stakeholders engaged	1	Driving Sustainability through Stakeholder Engagement & Collaboration (5)
	G4-25	Basis for identification of stakeholders	1	Driving Sustainability through Stakeholder Engagement & Collaboration (5)
Stakeholder Engagement	G4-26	Approach to stakeholder engagement	1	Driving Sustainability through Stakeholder Engagement & Collaboration (5)
	G4-27	Issues raised in stakeholder engagement	1	Driving Sustainability through Stakeholder Engagement & Collaboration (5)
	G4-28	Reporting period	1	Cover (0)
	G4-29	Date of previous report	1	Contents (0)
Report Profile	G4-31	Reporting contact point	1	Purpose of the Report (2)
	G4-32	In accordance option chosen	1	Contents (0)
	G4-34	Governance structure	1	Building a Culture of Compliance (31)
Governance	G4-35	Report the process for delegating authority for sustainability topics from the highest governance body to senior executives and other employees.	1	Building a culture of Transparency through Open Reporting (32)
	G4-37	Governance and stakeholder engagement	1	Driving Sustainability through Stakeholder Engagement & Collaboration (5)
	G4-42	Governance and sustainability	1	A Message from the CEO (2) Sustainability at GE China (4-5)
Ethics and Integrity	G4-56	Values, principles and codes	1	Our Commitment to Integrity (5) Economy (31)
	G4-57	Ethics and compliance processes	1	Economy (31-34)
	G4-58	Hotlines and whistleblowing processes	1	Building a culture of Transparency through Open Reporting (32)

				Economy (31)
Economic	G4-EC1	Direct economic value	1	Our Economic Impact (34)
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	1	Diversity at GE (23)
	G4-EC7	Development and impact of infrastructure investments and services supported	1	Learning and Development (21) GE in the community (22)
	G4-EC8	Significant indirect economic impacts, including the extent of impacts	1	Greener Cleaner China (7-10) Accessible Healthcare (12-15) Economy (31)
	G4-EC9	Procurement practices	0.5	Working with Our Partners and Government to Promote Health & Safety (19) Environment Health & Safety (28) Building a Culture of Compliance (31) Increasing EHS Standards across Our Supply Chain in China (33)
	DMA	Disclosures on Management Approach	1	Planet (25)
	G4-EN1	Materials used by weight or volume	1	Energy & Climate (26-27) Resource Management (27-28)
	G4-EN2	Recycled materials use	1	Water & Waste Management (28)
	G4-EN3	Energy consumption within company	1	Emissions Reductions at China Technology Center; Our Energy Achievements (27)
	G4-EN5	Energy intensity	1	Planet (25) Energy & Climate (26-27)
	G4-EN6	Reduction of energy consumption	1	Energy & Climate (26)
	G4-EN7	Reduction of product / service energy use	1	Our Ecomagination Goals (27) Resource Management (27-28)
	G4-EN8	Water withdrawal	1	Resource Management (27-28)
	G4-EN9	Water sources affected by withdrawal	1	Resource Management (27-28)
	G4-EN10	Water recycling and reuse	1	Resource Management (27-28)
	G4-EN15	Direct greenhouse gas emissions (Scope 1)	1	Energy & Climate (26)
	G4-EN16	Energy indirect greenhouse gas emissions(Scope 2)	1	Energy & Climate (26)
Environmental	G4-EN18	Greenhouse gas emissions Intensity	1	Energy & Climate (26)
	G4-EN19	Reduction of Greenhouse Gas Emissions	1	Energy & Climate (26)
	G4-EN21	NOx, SOx, and other air emissions	1	Energy & Climate (26)
	G4-EN22	Total water discharge	1	Resource Management (27-28)
	G4-EN23	Total waste	1	Water & Waste Management (28)
	G4-EN25	Hazardous waste	1	Water & Waste Management (28)
	G4-EN26	Water discharge	1	Resource Management (27-28)
	G4-EN27	Mitigation of product impacts	1	Greener Cleaner China (7-10)
	G4-EN32	Supplier environmental screening	0.5	Working with Stakeholdes on Energy Management (29) Increase EHS Standards across Our Supply Chain in China (33)
	G4-EN33	Supply chain environmental impacts	0.5	Water Consumption at GE China Manufacturing Sites (27) Working with Stakeholdes on Energy Management (29)
	G4-EN34	Environmental grievance mechanisms	0.5	Building a Culture of Compliance (31)

	DMA	Disclosures on Management Approach	1	People (17)
Social: Labor Practices and Decent Work	G4-LA1	Employee hires and turnover	0.5	Diversity and Inclusivity (20)
	G4-LA2	Employee benefits	0.5	Focusing on Employee Health, Safety & Well- being (18) Learning & Development (21)
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender	1	Focusing on Employee Health, Safety & Well- being (18) Employee Health & Safety (29)
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	0.5	Focusing on Employee Health, Safety & Well- being (18)
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	0.5	Learning and Development (21)
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	1	Learning and Development (21)
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	0.5	Learning and Development (21)
	G4-LA12	Diversity of governance bodies	1	Diversity at GE (23)
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	0.5	Building a culture of Transparency through Open Reporting (32)
	DMA	Disclosures on Management Approach	1	People (17)
	G4-HR1	Human rights screening of investments	0.5	Working with Our Partners to Enhance Compliance Standards (33)
Social: Human Rights	G4-HR3	Discrimination	0.5	Diversity at GE (23)
Social: Human kignis	G4-HR10	Supplier human rights screening	0.5	Working with Our Partners and Government to Promote Health & Safety (19) Working with Our Partners to Enhance Compliance Standards (33)
	DMA	Disclosures on Management Approach	1	GE in the Community (22)
Social: Society	G4-SO1	Local community engagement	1	GE in the Community (22-23)
	G4-SO2	Impacts on local communities	1	GE in the Community (22-23)
	G4-SO3	Anti-corruption risk	1	Economy (31)
	G4-SO4	Anti-corruption training and communication	1	Economy (31-34)
	G4-SO6	Political contributions	1	Engaging in Public Policy Development (34)
	G4-SO9	Supplier social impact screening	0.5	Increasing EHS Standards across Our Supply Chain in China (33)
	G4-SO10	Social impacts in supply chain	1	Increasing EHS Standards across Our Supply Chain in China (33)
	G4-SO11	Social impact grievance mechanisms	0.5	Building a culture of Transparency through Open Reporting (32)

Contact Information

CHINA HEADQUARTERS

Zhangjiang High-tech Park, Pudong, Shanghai, China, 201203 (021) 3877-7888

CORPORATE HEADQUARTERS

General Electric Company 3135 Easton Turnpike Fairfield, CT, USA 06828 001203373-2211 Visit GE online at www.ge.com and in China at www.ge.com/cn

FEEDBACK

Your feedback on GE's report is appreciated. Please e-mail your comments to Cathy.Chen@ge.com

