



Anticorruption

GE has long taken a leading role in pushing for transparency and integrity in the global marketplace. Our policy against improper payments in business transactions is a key element of our code of conduct—The Spirit & The Letter— and represents a core belief in how we do business.

GE's approach to compliance in this critical area is multifaceted. Among its key features are:


- Corporate policies and procedures that reflect the Company's approach by prohibiting improper payments in every transaction, whether with a government or with a private party
- Extensive controls, including thorough due diligence, careful screening and training on GE policies for third-party intermediaries such as distributors, service providers, and commercial agents and representatives
- Heightened attention to key risk areas such as gifts and entertainment, travel and living expenses, donations, and facilitating payments
- Prompt investigation and remediation of any concerns
- Extensive training of GE employees on improper payments
- Robust internal controls and accounting processes designed to detect and prevent violations of Company policy relating to improper payment risks and to ensure accurate books and records relating to transactions
- Increased emphasis and enhanced due diligence concerning improper risk associated with mergers, acquisitions and joint ventures
- Strategic use of Corporate Audit Staff to identify and assess potential improper payment


The Importance of Strong Anticorruption Compliance

Greater attention is being paid to the effectiveness of corporate compliance programs in preventing improper payments. The Justice Department and the SEC have issued a resource guide on the US Foreign Corrupt Practices Act (FCPA) that endorses a strong compliance program. The UK Bribery Act and the US Sentencing Guidelines similarly highlight the need for a strong program. As part of the compliance program at GE, operating with a strong anti-corruption program is a critical component in how we do business.

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Anticorruption (Cont'd)

Never before have the risks been greater. Aggressive enforcement of the FCPA by the SEC and the US Department of Justice remains the norm. Enforcement is not limited to companies; individuals increasingly face prosecution and lengthy terms of imprisonment for breaking the law. Prosecutors continue to broaden their reach across the commercial sector, focusing on healthcare, energy, oil and gas, software, financial services and telecommunications, and across developing and emerging markets such as those in China, India, Russia, Mexico, Brazil, the Middle East, and Africa, where GE has a notable presence.

These trends are not limited to the United States. Global enforcement of anticorruption laws is increasing, enforcement actions are increasingly coordinated and interconnected, and sometimes a single transaction can expose a company to prosecution in multiple jurisdictions. GE closely monitors these developments to ensure that our global compliance program and internal controls address these evolving risks and enforcement trends. The Company is firmly committed to ethical behavior in all of our business practices.

