

California Transparency in Supply Chains Act



Updated September 2024

GE Vernova requires its suppliers to adhere to GE Vernova's Integrity Guide for Suppliers, Contractors, Consortium Partners and Consultants (the "Integrity Guide"), which governs all facets of our relationships with suppliers. The Integrity Guide requires suppliers to adhere to the same level of responsible business conduct in the areas of Human and Labor Rights, and Environment, Health and Safety (EHS), that we require of our own operations. The Integrity Guide requires suppliers to respect human rights, to prohibit any form of forced labor, including indentured labor, or other forms of human trafficking, and to seek to ensure that workers are not subject to any form of compulsion, coercion or exploitation. All business partners receive a copy of the Integrity Guide supplemented with a training video available in multiple languages.

At GE Vernova, we require our suppliers to adhere to GE Vernova's Integrity Guide for Suppliers, Contractors, and Consultants.

Every prospective supplier undergoes due diligence prior to signing an agreement with GE Vernova

Our supply chain is large and diverse. We have established a Sustainability Framework that includes a leading goal to partner with suppliers to promote and uphold human rights in our value chain. This goal aims to prioritize advancing safe, responsible, and equitable working conditions across our value chain. We respect the fundamental dignity of those who may be affected directly by our operations, products, and services, or indirectly through our business relationships. By holding suppliers to the same standards we hold ourselves to, we can positively influence the lives of workers across our value chain.

We buy raw materials and components that are incorporated into the products and services that we sell (direct materials). Given the nature of our products and services, and the complexity of the global supply chain, modern slavery risks inherently may exist within our business relationships. As such, every prospective supplier undergoes due diligence prior to signing an agreement with GE Vernova. We perform various levels of due diligence on suppliers based on detailed risk criteria, such as the supplier's location, type and amount of work, and/or product being provided. With GE Vernova sourcing from all over the world, due diligence is critical in determining whether we pursue or continue a relationship with an entity.

Below we respond to the five areas listed under the California Transparency in Supply Chains Act.

Verification

Our Supply Chain monitoring program is multifaceted, and risk based. Suppliers are prioritized for detailed pre-engagement and subsequent periodic on-site assessments based on risk-based factors, including but not limited to, country risks, the supplier's past performance, whether we become aware of any reason to believe that the supplier is not meeting expectations set out in our Integrity Guide.

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Verification (continued)

For supplier due diligence, upstream direct business partners follow the Know Your Supplier (KYS) process, where each supplier is individually assessed based upon risk criteria. Suppliers providing labor services undergo the risk assessment and due diligence under KYS, as well as a pre-qualification assessment that focuses on safety and human rights. The assessment evaluates the provider's labor and wage practices, age and nature of workers, recruitment tactics, and safety qualifications to perform the scope of work. In addition to the KYS process, we evaluate certain high-risk suppliers providing direct materials incorporated into our products through our Supplier Responsibility Governance ("SRG") audit program, as detailed below. We maintain an "eyes always open" policy to be alert to potential violations of our standards in interactions with our suppliers.

Audits

The purpose of our SRG audit program is to assess and improve our supply chain, particularly working and labor conditions in our value chain. SRG assesses a potential supplier's practices regarding human rights, as well as ethics, compliance, sustainability, and environmental, health, and safety issues. An SRG audit is performed before a direct material supplier's first engagement with GE Vernova, with monitoring thereafter. Almost all on-site assessments are conducted in high-risk countries for human rights. When on-site audits are required by the SRG program, they are conducted by either specially trained GE Vernova personnel (including highly qualified internal auditors, sourcing professionals), or a limited number of third-party firms specifically instructed on GE Vernova standards. Our auditors use a global questionnaire and risk-weighted metrics, following GE Vernova standards to perform verification and auditing procedures. Audits are repeated on a one-to-five-year basis, depending on factors that include results of past audits. Audits are supplemented by periodic spot checks and anonymous desk-side reviews of our audit records by inspectors from other business units or from our corporate EHS team. While audits are not unannounced, they are supplemented by "eyes always open" reviews when suppliers' facilities are visited by our sourcing personnel.

Certification

GE Vernova suppliers agree to abide by our human rights principles by signing on to the Integrity Guide. The Integrity Guide requires suppliers to respect human rights, to prohibit any form of forced labor, including indentured labor, or other forms of human trafficking, and to seek to ensure that workers are not subject to any form of compulsion, coercion or exploitation. The Integrity Guide also prohibits the employment of workers under sixteen (16) years of age full-stop, and the employment of workers under eighteen (18) years of age for hazardous work (or the local legal age, where higher). We further require that our first-tier suppliers cascade the requirements of the Integrity Guide to their sub-tier suppliers. The Integrity Guide lists specific prohibitive practices that are indicators of human trafficking, and it specifically prohibits activities associated with human trafficking, such as withholding passports, charging recruitment fees and misleading recruitment. Furthermore, the Integrity Guide imposes certain affirmative obligations on suppliers such as reimbursement of return transportation costs and providing workers with written contracts in a language they understand. The Integrity Guide encourages reports of violations of the policy through telephone, email and in-person channels and strictly forbids any form of retaliation against those who do so.

Accountability

We record, track, and monitor all SRG audit findings in our proprietary reporting tool, which is supplemented with information from regional databases. Suppliers are expected to address findings within 60 days, with GE Vernova auditors verifying the elimination of or appropriate mitigation of such risks. When issues are identified, our goal is to work with and coach the suppliers to bring their practices into compliance with our requirements as this is in the best interest of the workers. However, we may suspend or terminate our relationship with a supplier if the supplier is uncooperative or findings are not properly addressed. Finally, we are continually evaluating new methods to assess and manage risks in our supply chain to ensure we are effectively addressing evolving challenges and risks. We will continue to assess how to improve our existing program.

Training

For our Human Rights program to be successful, our employees, suppliers, and business partners need to understand the issues and our expectations. Therefore, we require: (i) all employees to review and acknowledge The Spirit and The Letter (The S&L) Code of Conduct annually, and complete The S&L refresher training bi-annually and (ii) employee groups in higher risk jobs to take advanced training. We also provide businesses with learning modules on human rights and forced labor. Our learning modules explain the core principles of human rights, describe our company-wide policies and programs, and, most importantly, set forth our employees' role in identifying and reporting possible signs of modern slavery when they are at our operations, supplier facilities, or customer sites. In addition, some businesses host a spotlight campaign or Human Rights Month to reinforce our values and commitment to human rights principles, along with relevant learning resources and materials for their role. We further provide specialized training to auditors supporting the SRG program and deliver specific training on human rights issues and on-site due diligence requirements to employees who interact with and/or audit suppliers. We reinforce these lessons through a variety of communications, including leadership messages, newsletters, integrity campaigns, videos, and infographics. We provide direct material suppliers online compliance training that includes a module explaining our position on human rights, with an in-depth focus on forced labor—how to recognize it, how extensive the problem is globally, and what suppliers must do or avoid doing to comply with our forced labor policy. Entities of Particular Concern are provided with training on forced labor prevention expectations for those engaged in energy construction projects, where low-skilled, migrant labor is likely to be working. Depending on the business relationship, we may conduct additional training or follow up discussions to ensure compliance expectations are understood and met.