

May 2022



Dear Supplier:

GE Energy Power Conversion ("GEPC") is committed to high standards of business conduct in everything we do and we expect the same standards from our suppliers/subcontractors. The purpose of this letter is twofold. First, we wish to remind you, a trusted member of GEPC's supply chain, of our commitment to global fair employment practices. Second, we must inform you of a series of recent enhancements to the *U.S. Government's Federal Acquisition Regulations*, which will immediately apply to you as a supplier/subcontractor to GEPC under specific U.S. Government contracts.

GEPC's longstanding *Supplier Integrity Guide for Suppliers, Contractors and Consultants*, and its corporate policies related to fair employment practices include not only our unyielding commitment to protecting human rights, but also our ongoing commitment to preventing human trafficking and forced labor anywhere in the world. GEPC's commitment is consistent with the U.S. Government's zero-tolerance policy against these activities.

In accordance with the new Federal requirements, GEPC has updated its existing policy on the prohibition of human trafficking and has further developed a compliance plan which shall be enforced. GEPC expects its suppliers/subcontractors, as applicable, will update their policies and compliance programs as necessary to ensure compliance.

As part of its compliance plan, GEPC's RFQ requirements:

- 1) require all suppliers/subcontractors that are supplying items to a government funded contract to identify whether any portion of the subcontract will be performed outside of the United States, and
- 2) require suppliers/subcontractors to certify that they are in compliance with the Federal regulations prior to receiving any government funded award.

GEPC will also be conducting periodic remote and on-site supplier audits.

The following changes may affect you as a supplier/subcontractor to GEPC:

- 1) Federal Acquisition Regulation (FAR) Requirements: 52.222-50 (NOV 2021) and 52.222-56 (OCT 2020)**

Amendments to the above-mentioned FARs require contractors and subcontractors to ensure that they and their employees, subcontractors, and agents do not engage in a wide range of trafficking-related activities, such as procuring commercial sex acts, requiring employees pay recruitment fees, confiscating employees' identity papers (such as Passports, Driver's Licenses, etc.), or failing to pay return transportation costs. Further, receipt of "credible information" of a violation of any of these prohibitions requires immediate notification to the U.S. Government.

Federal contractors/ subcontractors with contracts or subcontracts performed outside the United States involving services or supplies exceeding US\$550,000 must meet additional

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requirements. Specifically, those contractors/subcontractors are obligated to develop and maintain detailed anti-trafficking compliance programs and certify, upon award and annually thereafter, to their anti-trafficking efforts. The certification further requires applicable contractors/subcontractors to have in place an appropriate compliance plan and confirm, after conducting "due diligence", that (1) neither they nor any of their employees or subcontractors have engaged in trafficking-related activities, or, (2) if violations have been found, appropriate remedial actions, up to and including termination, have been taken. Contractors furnishing commercially available off-the-shelf items (COTS items) are exempt from the requirement to implement a formal trafficking compliance plan.

2) Defense FAR Supplement (DFARS) Requirements: 252.203-7004 AUG 2019)

Under new DFARS rules contractors and subcontractors performing a noncommercial contract or subcontract exceeding US\$6 million (whether within or outside the U.S.) are required to display hotline posters regarding fraud, waste, and abuse. Moreover, all solicitations for acquisitions that exceed US\$6 million must include this requirement unless the solicitation is for commercially available off-the-shelf items (COTS items).

GEPC expects all of its suppliers/subcontractors to familiarize themselves with these new requirements to ensure compliance (where applicable). The full text of each clause may be accessed electronically at

Additional Resources:

- GE Integrity Guide for Suppliers, Contractors and Consultants - <http://www.gesupplier.com/html/SuppliersIntegrityGuide.htm>
- US Department of State's Office to Monitor and Combat Trafficking in Persons - <http://www.state.gov/j/tip>
- US Department of Labor, Child Labor, Forced Labor & Human Trafficking - <https://www.dol.gov/agencies/ilab/our-work/child-forced-labor-trafficking> US Department of Defense, Combating Trafficking in Persons - ctip.defense.gov

GEPC recognizes the complexity of these new regulations and appreciates your commitment to understanding and implementing the actions that may be required by your businesses.

If you have additional questions regarding this matter after review of all available resources, please feel free to contact GEPC's representative:

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