

# GE Environmental Report – China (2010)

GE always puts EHS (Environment, Health & Safety) in an important place. GE has specific requirements to protect the environment and the responsibilities regarding health and safety of its employees, which include: (a) to meet the requirements of China's laws and GE's policies for its operation products; (b) to work to eliminate hazards and provide a safe workplace for employees; (c) to conduct environmental due diligence and EHS impact assessment for any new investment, joint venture, product, service projects in China; (d) to reduce the usage and discharge of toxic or harmful substances and disclose China's Environmental Report publicly, and (e) constantly to improve GE EHS management system and promote EHS awareness and management capabilities in China.

Compliance with China's EHS laws and regulations is the principle, which GE always sticks to, and also is a basic requirement for GE China's productions, operations and investments. In China, GE establishes local EHS regulatory guidance and self-assessment checklists according to the state's regulations, which helps GE increase business in China's market and ensures compliance in the period of China's fast economic growth.

Starting in 2004 GE began collecting the greenhouse gas (GHG) emission data from its worldwide operations. In 2006, GE began gathering waste generation data from its operating facilities globally as well as collecting its global water consumption data. In 2009, GE China released the "2008 GE China Environmental Report" for the first time and disclosed environmental emissions including GHG in order to demonstrate GE's support for transparency of environmental information.

This report presents key environmental index and data from GE's operating facilities in 2010.

## Data Sources

In 2010, GE had 21 controlled manufacturing facilities (solely owned or have majority share) in China. The facility number in 2010 decreased by 5 compared to the 2009 facility number. From 2009 to 2010, 4 out of the missing 5 facilities were integrated into one facility respectively from the same business group, and the other facility was shut down. This Report compiles the data of environmental discharges and water use in 2010 from the 21 facilities' Pollutant Discharge Registration Forms that have been submitted to government agencies. Greenhouse gas (GHG) emission data are collected from GE's internal reporting system.

Since the publication of "2009 GE China Environmental Report", we have taken into account real changes in environmental discharges caused by increasing production capacity, or affected by acquisitions and divestments when accounting environmental data. And because GE businesses in China's market and production capacity continue to develop, we introduced the concept of "Environmental Release Intensity" in 2009, ratios of environmental data versus GE China Output\*, which reflect the environmental effects per an unit of production revenue, and the trends of past performance. This report continues to use year-to-year comparisons of Environmental Release Intensities.

Data in this Report excludes GE Advanced Materials Business (Plastics, Silicone and Quartz), facilities which have been sold from 2007 to 2008.

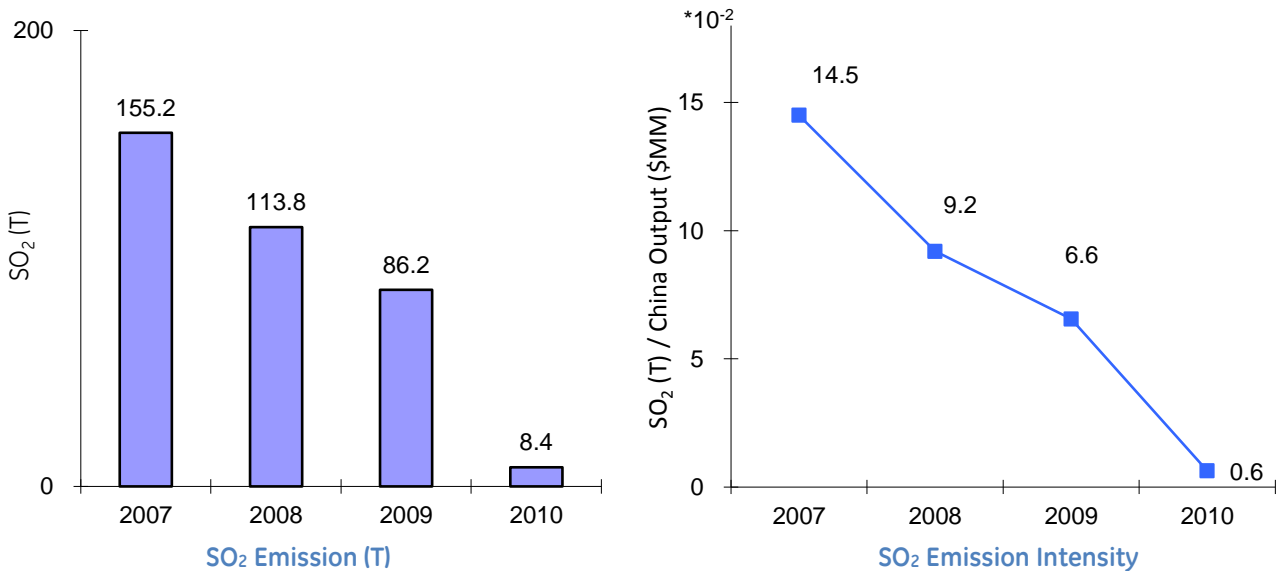
The below environmental data are in units of metric tons, or ratio of environmental data versus GE China Output.

*\*China Output: revenues from all GE China facilities' production, including sales in China and overseas, but imports to China and China's service revenues excluded.*

## Key Environmental Indicators

### Air Emission - SO<sub>2</sub>

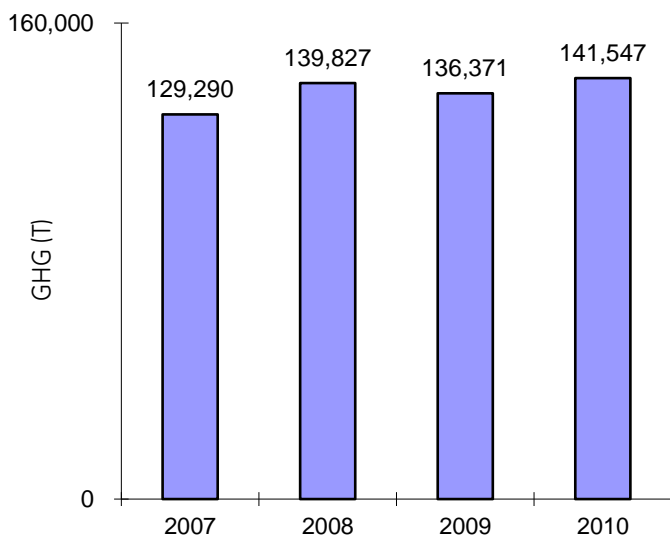
In 2010, the sulfur dioxide (SO<sub>2</sub>) emissions from GE China facilities were only 8.4 metric tons, a 90.3% sharp reduction compared to 2009. After years of air emission reduction, the sulfur dioxide emissions in 2010 decline to 5.4% of the emissions in 2007. This was mainly the result of continuously replacing coal or heavy oil-fueled kilns and combustion equipment with the ones with cleaner energy, which tremendously reduced environmental release loads. Meanwhile, 2010 sulfur dioxide emission intensity largely decreased by 90.9% compared to the prior year.



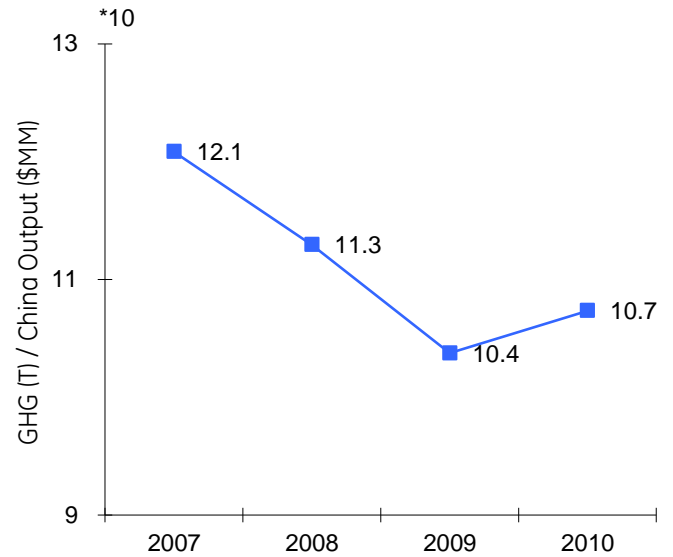
### Air - Greenhouse Gas Emissions

GE China's 2010 greenhouse gas (GHG) emissions were 141,547 metric tons (carbon dioxide equivalent), showing an increase of 3.8% compared to 2009. In 2010 GE China kept investing new projects, and some facilities acquired new manufacturing equipment, which directly contributed more energy consumptions. Because of the lag of expected production increase behind the project investments occurring in 2010, the 2010 GHG emission intensity slightly raised 2.9%.

GE's GHG emissions are primarily from the consumptions of electricity, water and fossil fuels in manufacturing facilities. The GHG data collection and accounting system are verified and approved by external consultants. Since many years ago, GE China facilities have been promoting and conducting "Treasure Hunt" projects, which are great efforts to reduce fossil fuel use and electricity consumption and achieve excellent performance in terms of energy saving. In 2008, GE Global fulfilled the "ecomagination" commitments of GHG emission reduction (GHG intensity 30% reduction by 2008). In 2010, total emissions of GHG from GE's global operations declined by 24% compared to the 2004 adjusted baseline.



GHG Emission (T)

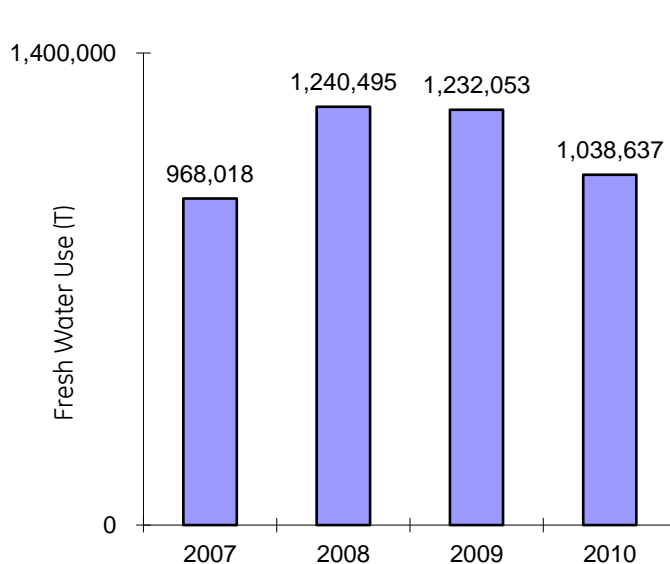


GHG Emission Intensity

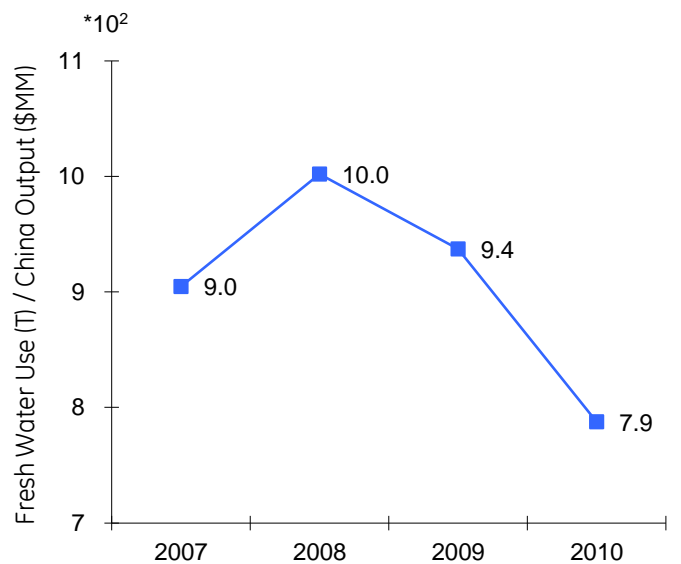
More information on the details of GE's GHG inventory, including methodology, Quality Control/Quality Assurance process, verification of our baseline GHG inventory, and the extent to which GE follows the World Resources Institute (WRI)/World Council for Sustainable Development (WBCSD) GHG Protocol can be found at <http://www.gecitizenship.com/our-commitment-areas/environment-health-safety/environmental-disclosures/greenhouse-gas-emissions/>. To learn more about our ecomagination commitments, please visit [www.ecomagination.com](http://www.ecomagination.com)

### Fresh Water Use

GE China fresh water use in 2010 was 1,038,637 metric tons, 15.7% less than 2009. Meanwhile fresh water use intensity decreased by 16%. The water consumption decline was mainly resulted from the facilities' enhancing water reuse and cooling water systems, improving water valves and water supply pipelines for water saving. Fresh water use includes public potable water, process and domestic water, as well as non-contact cooling waters from freshwater sources.



Fresh Water Use (T)



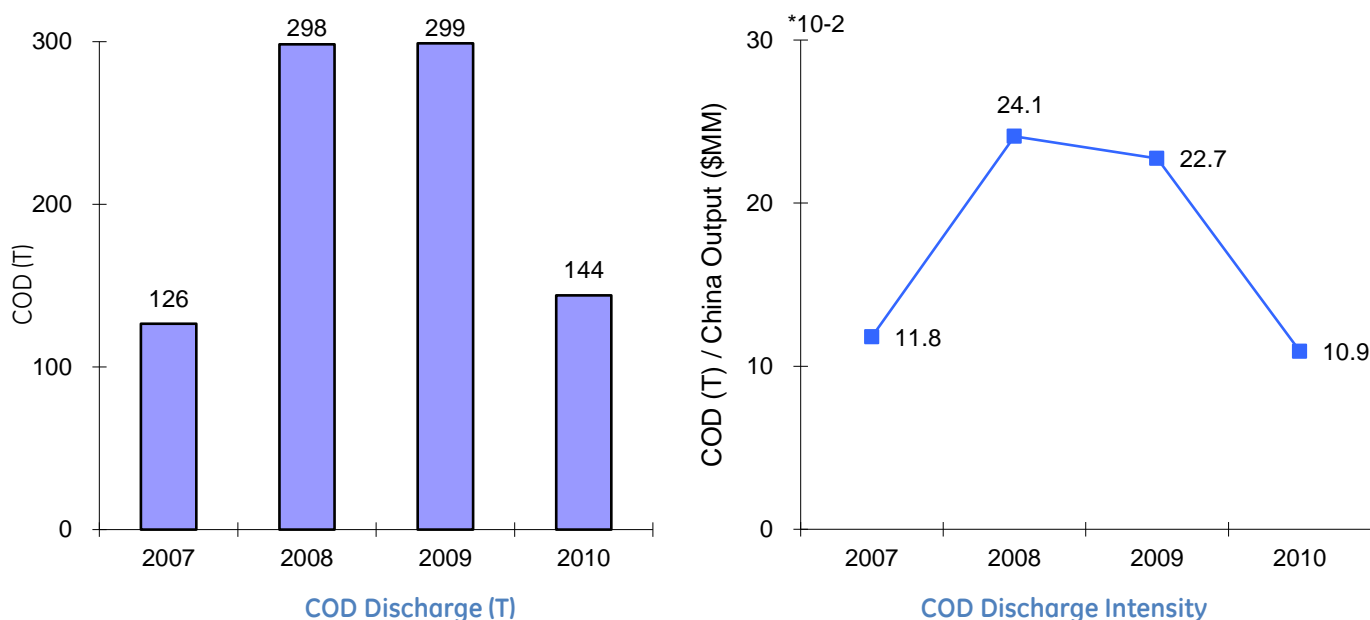
Fresh Water Use Intensity

In 2008, we announced a global water reduction goal for our manufacturing operations – a 20% reduction by 2012 from our 2006 baseline. In early 2009, we further proposed a 25% water reduction goal by 2015. In 2010, GE Global water consumption decreased by 22% compared to the 2006 baseline. During the past few years, we have designed a lot of tools to help facilities implement water saving measures and assess the benefit on water saving, To learn more about this initiative, please visit:

<http://www.gecitizenship.com/our-commitment-areas/environment-health-safety/environmental-disclosures/water-use/>

### Wastewater – COD

Chemical Oxygen Demand (COD) discharged from GE China facilities was 144 metric tons in 2010, dropping down by 51.8% compared to the prior year. The COD discharge intensity in 2010 declined 52% as well. In 2008 GE acquired a filter-paper manufacturing facility, which was relocated to a new location later in 2009 where advanced manufacturing processes with low COD and more water recycling are installed and deployed. In addition, other China facilities proactively conducted a number of wastewater projects on enhancing treatment efficiency and stabilization by upgrading wastewater treatment plants (WWTP) and ameliorating biochemical process.

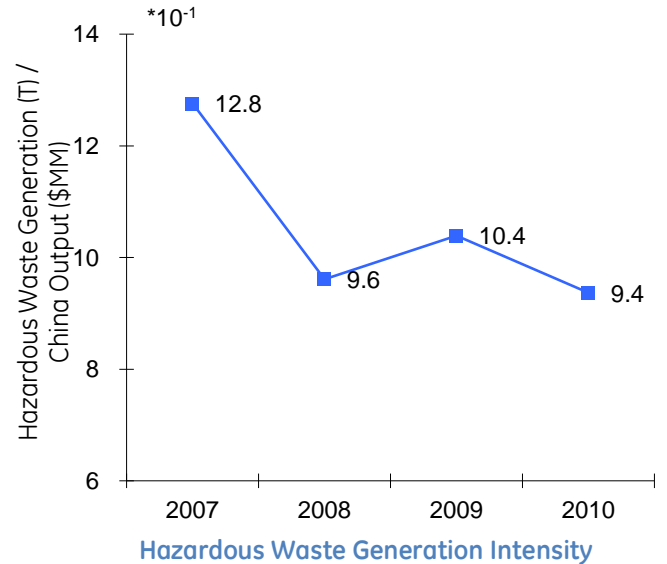
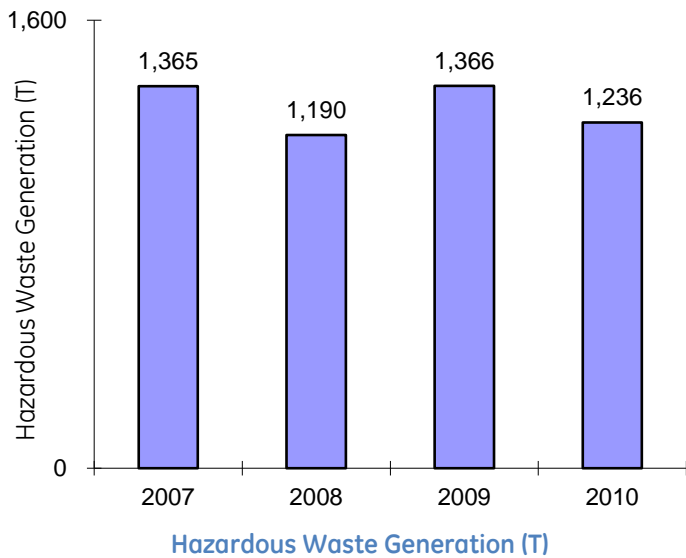


In 2010, 143.7 out of 144 (99.8%) metric tons of COD from the China facilities were discharged into the municipal wastewater treatment plants for secondary treatment before entering environmental waters.

### Hazardous Waste

In 2010, GE China facilities generated 1,236 metric tons of hazardous waste, decreasing 9.5% compared to 2009. The 2010 hazardous waste generation intensity shows a 9.5% reduction. Many of the China facilities in 2010 made great efforts on waste management and handling practices, focusing hazardous waste identification and segregation, in order to avoid unnecessary hazardous waste generation from general waste being stained by chemicals. Moreover, raw material inputs and manufacturing process were adjusted and re-allocated based upon

waste best practices for further reducing waste generation. GE China is implementing a waste vendor qualification program, requiring all the facilities to use hazardous waste vendors who are not only government-licensed but also qualified by GE Corporate's internal protocols. The program aims to reduce potential secondary pollution from waste disposal and mitigate other environmental risks by evaluating waste vendor's site condition, disposal facility, pollution control device and financial profile.



In 2010, GE China sites continued to receive numerous major EHS awards and recognitions from governments, including 5 special awards for outstanding accomplishments in environmental management and pollution control. Energy Hangzhou site was recognized as "2011 Advanced Facility of Environmental Protection" by local government, as a result of its strict compliance with environmental regulations, excellent achievements in routine inspections, continuous improvements, as well as zero-pollution, zero-penalty, and zero-complaint. Furthermore, Energy Hangzhou site has gained the title of "Green-grade Company" for three consecutive years from local EPB's (Environmental Protection Bureau) environmental performance rating, which set a good external image of GE's environmental management. The Hangzhou site also was invited by Hangzhou EPB to share onsite hazardous waste management experience with government officials in a municipal environmental protection meeting.

Continuously reducing environmental emissions and promoting energy saving for years, GE China Lighting attained brilliant achievements of environmental protection. After transforming coal-fired kiln into heavy-oil kiln few years ago, the Lighting facilities replaced heavy-oil with natural gas in 2010, which significantly reduced SO<sub>2</sub> emissions. As a result, Lighting Jiading site was awarded with the honor of "Advanced Facility of Pollution Reduction", and received RMB 224,000 as finance award. In addition, this kiln transformation also reduced GHG emissions of 4,500 metric tons (carbon dioxide equivalent) every year. In terms of energy saving, Lighting Jiading site encouraged all employees to involve "Treasure Hunt" activities, beginning from every process detail and spreading to workshops then the whole site. Energy saving ideas were collected via the site's Employee Suggestion System, which generated many good proposals from workshop operators. For instance, a small energy-saving project for flare machine saved 66% of natural gas consumption.

Another excellent environmental project in 2010 was the renovation project for upgrading anodizing and

electroplating wastewater treatment facility in GE Aviation Suzhou site. State-of-the-art electroplating wastewater treatment was introduced to the project, which not only fully met the national industrial wastewater discharge standards but also reduced chromium discharge by more than 90%, and further reused 60% of process water and 90% save energy from adjusting frequency of negative pressure ventilation system. Because of its role model in terms of energy conservation, the Suzhou site was highly commended by Suzhou Industrial Park EPB, and awarded RMB 450,000 as environmental fund. With the EPB's coordination, the Aviation Suzhou site led several community involvement projects to promote environmental protection awareness in local middle schools, and involve students to participate in onsite environmental practices. Due to the outstanding environmental community involvement by the Aviation Suzhou site, Suzhou Industrial Park EPB specially granted the site's event organizer with a title of "Advanced Individual of Suzhou Industrial Park Environmental Protection Promotion".

In 2010, GE China facilities did not have any environmental pollution accident, or any exceedance incident by government supervision monitoring.