



# GE Aviation Global Sourcing SEPM Manual



Released: March 8, 2021

GE AVIATION PROPRIETARY INFORMATION The information contained in this document is GE Aviation proprietary information and is disclosed in confidence. It is the property of GE Aviation and shall not be used, disclosed to others or reproduced without the express written consent of GE Aviation, including, but without limitation, it is not to be used in the creation, manufacture, development, or derivation of any repairs, modifications, spare parts, designs, or configuration changes or to obtain FAA or any other government or regulatory approval to do so. If consent is given for reproduction in whole or in part, this notice and the notice set forth on each page of this document shall appear in any such reproduction in whole or in part. The information contained in this document may also be controlled by the U.S. export control laws. Unauthorized export or re-export is prohibited.

# Message to Suppliers

Dear Valued Suppliers,

We're excited to roll out updates to our Supplier Expectations and Performance Management (SEPM) program this year. Our global supply base is an integral part of our business, and as we continue to adjust to market demands and capacity fluctuation, we need your partnership more than ever to help us deliver on time, every time. GE Aviation places tremendous value on the trust, credibility, and reputation it has with customers, regulators, and other key stakeholders. Our culture is driven by customers determining our success.

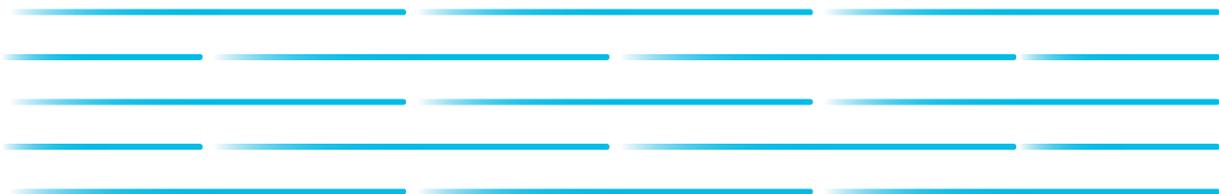
With these updates, you will now receive an improved composite rating aimed at driving accountability and transparency. Our composite rating consists of input in the following areas: Safety, Compliance, Quality, Delivery, Commercial, and Readiness. We believe the enhanced SEPM program will be easier to understand and navigate and will further strengthen our relationship with you. We must adopt systematic solutions to enable suppliers' holistic health.

To further foster our relationship, we must work together to achieve transparency. It is imperative that we share a clear understanding of focus areas so we can track and celebrate progress. It will take disciplined problem-solving approaches, proactive engagement, and strong cooperation to achieve our goals. Through collaboration, robust management practices, operating rhythms, and swift action, I'm confident we will execute successfully.

Thank you for your ongoing engagement and commitment to being world-class.

Sincerely,

Mike Wagner  
GE Aviation's Sourcing Leader



# Content

	Doing Business with GE Aviation .....	3
	Supplier Health .....	5
	Voice of the Customer (VOC) .....	7
	Quality .....	11
	Delivery .....	13
	Performance Management .....	15
	Continuous Improvement .....	16
	Digital Commitment & Access .....	17
	Communication and Engagement .....	18





# Doing Business with GE Aviation

## About Us

From the turbosupercharger to the world's most powerful commercial jet engine, GE Aviation's history of powering the world's aircraft features more than 100 years of innovation. As the business has expanded its offerings to include systems and services, GE Aviation has become a manufacturer and service provider across the aviation industry. GE Aviation continues to look toward the future and is developing new technologies today that will inspire aviation tomorrow. Close partnerships with suppliers are critical to delivering on commitments to customers.

## Purpose & Leadership Behaviors

*GE Aviation Employee Purpose:* We invent the future of flight, lift people up, and bring them home safely.

*GE's Leadership Behaviors:* Act with Humility, Lead with Transparency, and Deliver with Focus... always with unyielding integrity.



Act with Humility — We embrace a culture of respect which values inclusive teams and perspectives, we actively listen to internal and external sources, and we learn from our shortcomings as much as we celebrate our wins.

Lead with Transparency — We embrace candor, saying what we think, not what people want to hear; we share information so we can solve problems; and we contribute to each other's development in a constructive way.

Deliver with Focus — We put safety first; we prioritize our work, maximizing our impact; we measure performance through the lens of our customers; and we are committed to continuous improvement, always in search of a better way.

These behaviors are how we bring our Purpose to life in our daily work. These are meant to be actionable, practical, and aspirational, helping align our actions toward our lean journey, delivering long-term growth, and ultimately building a world that works.

## World-Class Performance

As the world-leading provider of jet engines, components, and integrated systems for commercial and military aircraft, GE Aviation relies on our supply chain to meet the rigorous demands of our customers across the globe. This can only be done through advancements in manufacturing and technology from a highly capable base of suppliers operating at world-class performance levels in Quality, Delivery, and Cost-competitiveness.

## Values

GE Aviation infuses compliance and governance into every aspect of its business. We are committed to maintaining a world-class compliance culture throughout GE Aviation, everywhere we operate around the world. We recognize integrity and compliance is a competitive advantage, and we are proud to have been honored as one of the world's most ethical companies. Likewise, suppliers are responsible for ensuring their employees, representatives, and subcontractors comply with the standards of conduct required of GE Aviation's Suppliers. These standards are described in the GE Aviation's Integrity Guide for Suppliers, Contractors, and Consultants.



## Risk-Based Assessments

Suppliers shall execute a confidentiality agreement prior to exchanging proprietary information, and thereafter, cooperate in risk-based assessments per GE Aviation's Know Your Supplier policies and procedures. Examples of assessments can be, but are not limited to, any of the following: PQA, SRG, Capacity, and Capability.

## Contracting

To do business with GE Aviation, suppliers are expected to comply with requirements specified in GE Aviation's contractual documents. Such requirements are essential to conducting business in the manner demanded by customers, operators, and regulators. Requirements may include, but are not limited to, the following: Federal Acquisition Regulation (FAR) provisions, Defense Federal Acquisition Regulation (DFAR) provisions, quality provisions, export control provisions and environmental provisions.

## System Integration

Suppliers are expected to cooperate in instituting and using all GE Aviation's-specified information systems, including billing, payment, order management, quality management and performance management. Use of GE Aviation's information systems must be in compliance with the supplier's user agreements and only for the purposes set forth therein.

Each employee in GE Aviation's community is expected to make a personal commitment to integrity; we also expect and require high ethical conduct from all our suppliers. A company's strong commitment to integrity is a requirement for being GE Aviation's supplier and is the foundation for our mutually beneficial business relationship.

## Inclusion & Diversity

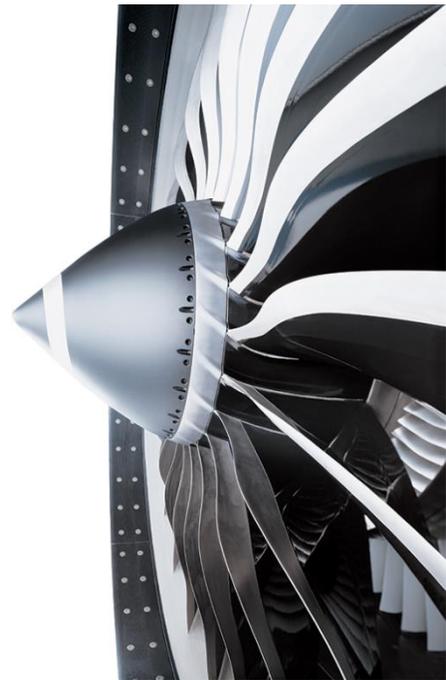
GE Aviation's Supplier Diversity Program was launched in 1974 to ensure we focus on doing what is right for our communities and our company. We not only engage suppliers for high-quality goods and services, but also seek to enhance economic opportunity. We believe supplier diversity results in supply chain management excellence and growth for all. GE Aviation is constantly striving to build on its Supplier Diversity Program by identifying Small, Disadvantaged, Women-Owned, Veteran-Owned, Service Disabled Veteran-Owned and HUBZone businesses for subcontracting opportunities, and to provide them maximum practicable opportunities consistent with efficient contract performance. GE Aviation uses the Federal Government's definitions for these classes of businesses, as stated in the Federal Acquisition Regulation Part 19.

## Sustainability

At GE Aviation, sustainability means aligning our business strategy to meet societal needs, while minimizing environmental impact and advancing social development. Our sustainability efforts are one component of our industry-leading strategies for assessing and mitigating risks and evolving our environmental, social and governance practices. As one of the world's leading infrastructure companies, we embrace our unique potential to help solve some of the most difficult sustainability challenges.

Among our priorities are products containing one or more of the following: tin, tantalum, tungsten and gold. These materials can play as conflict minerals, financing deadly armed groups that can instigate conflict and human rights abuses. GE Aviation strives to ensure its supply chain fulfills its commitment to respect all its critical priorities, through responsible sourcing practices, as required by its contractual documents.

GE supports the aviation industry goals targeting carbon neutral growth to achieve a reduction in net aviation CO2 emissions of 50% by 2050.





# Supplier Health

## Supplier Health at GE Aviation

Supplier Expectations and Performance Management (SEPM) is a holistic process designed to assess Supplier Health while facilitating transparency and accountability with world-class performance levels. GE Aviation will work with suppliers to set improvement targets, action plans, and monitor progress. This manual will outline the ratings and measurements we will utilize for supplier interaction. GE Aviation believes in the importance of continuous improvement and commits to meet the needs of our customers. We expect the same out of our suppliers.

GE's Supply Chain Online Resource Environment (SCORE) platform serves as the portal for Supplier Health information, including the input ratings and measurements. GE Aviation expects suppliers to use SCORE and GE Aviation's provided information as the basis for action plans, reviews, and other activities completed with GE Aviation.

## Performance Ratings

A supplier's rating profile is based on key performance indicators that will serve as the measurements to understand current performance and monitor improvement efforts. It will enable GE Aviation and the supplier to address gaps to identify improvement opportunities with tailored action plans. These plans will be submitted and tracked in the Supplier Rating System within SCORE.

Each Supplier's performance will be represented in a Rosetta layout culminating in an overall Composite Rating:



The Composite Rating represents the overall performance of a supplier, factoring input from the following six components:

- 1) Safety
- 2) Compliance
- 3) Quality
- 4) Delivery
- 5) Commercial
- 6) Readiness



While every component has a Voice of Customer rating, which is a qualitative input from the responsible GE sponsor, the Quality and Delivery components will each have two quantitative metrics factored into their rating. The quantitative metrics impacting Quality will be Quality Event Management (QEM) and Material Review Board (MRB). The quantitative metrics impacting Delivery will be On-Time Delivery (OTD) and Part Number Delivery Health (PNDH). Metric thresholds can be found in SCORE and may be adjusted as overall supply chain performance improves.

For suppliers consisting of multiple locations, each individual supplier location, referred to as child suppliers, will receive individual Composite Ratings.

### Composite Color

The color of a Supplier’s Composite Rating provides GE Aviation and the Supplier with a high-level overview of how that supplier is performing in relation to our expectations:

Green = Meets targets

Yellow = Improvement needed

Red = Critical issues exist that require immediate attention and actions to address the issues

### Composite Rating:

The Composite Rating color is based off the lowest rating from the six components, all of which can be either Green, Yellow, or Red. As the worst rated section is improved, the composite rating will shift to highlight the next highest area of concern. An example of this can be seen below:



As you can see from this sample Rosetta, a Quality VOC is driving a Red Quality Rating, as well as a Red Composite Rating. Once this VOC action item is completed, the Quality Rating would shift back to Green and the Composite Rating would shift to Yellow due to the Delivery PNDH metric being Yellow. The Supplier’s Rosetta would look as follows:





# Voice of the Customer (VOC)

## Performance Expectations

GE Aviation understands there are many factors impacting the relationship with its Suppliers. The Voice of Customer (VOC) allows GE Aviation to account for engagements and critical actions that may not be covered in the metrics. Suppliers should respond quickly and accurately to all requests and be proactive in identifying issues and solutions.

## Process Requirements

Through the Supply Chain Online Resource Environment (SCORE), suppliers earn qualitative ratings from GE Aviation. The intent of these ratings is to drive an open and honest dialogue between the two companies regarding issues that are impacting the relationship, both positively and negatively. VOCs will be entered when an action or behavior change is needed to align to performance expectations. As VOCs are entered, they will be assigned a color of Green, Yellow, or Red due to their severity, and linked to an action plan with timing for resolution. Suppliers will have the ability to document progress made within the action. All supplier VOCs will default to Green until a rating is submitted. In the event of a critical issue needing immediate attention and resolution, a Red VOC may also be submitted through the Safety, Compliance, or Quality components which may issue a "PO Hold" resulting in no new POs or Schedules being issued to the supplier.

## Rating Summary

A VOC rating is included for all six components of the Rosetta:

- Safety
- Compliance
- Quality
- Delivery
- Commercial
- Readiness

## Safety VOC

GE Aviation expects that all suppliers will comply with applicable environmental, health and safety (EHS) laws and regulations. Suppliers must provide workers a safe and healthy workplace and operate in such a way to not adversely affect the local community.

If a Safety related observation or issue is identified by any GE personnel through a site visit, conversation with the supplier, or any media communication, it is the expectation that the GE employee log the issue into the Safety VOC section with an appropriate severity rating of Green, Yellow, or Red, depending upon the risk to employee safety or environmental concern.

Examples of Safety related VOC actions include but not limited to:

- Unsafe work conditions
- Poor equipment maintenance
- Lack of equipment guarding
- Improper storage of flammable or toxic materials
- Chemical spills or lack of proper labeling
- Site damage from fire or other industrial interruption.

Suppliers are expected to work to resolve any Safety VOC Action quickly and to the satisfaction of the GE contact.



### **Compliance VOC**

As a leading manufacturer and service provider of jet and turboprop engines, as well as integrated systems for commercial, military, business and general aviation aircraft, GE Aviation works closely with our suppliers to deliver on commitments to customers. All suppliers must agree to comply with GE Aviation's Integrity Guide <https://www.gesupplier.com/html/SuppliersIntegrityGuide.htm> as part of our contracting process. We expect our suppliers and their employees, workers, representatives and subcontractors to obey laws that require them to treat workers fairly, provide a safe and healthy work environment, protect the environment, and comply with prohibitions against forced, prison or indentured labor and against subjecting workers to any form of compulsion, coercion or human trafficking.

We expect suppliers to comply with current applicable policies, procedures, and regulations. These may be viewed on our "Doing Business with Aviation" website: <https://www.geaviation.com/company/doing-business-aviation>. These and other requirements are also detailed in Purchase Agreements and/or Purchase Orders as agreed to by GE Aviation and the supplier, including the following:

- Cybersecurity
- US Government FAR/DFAR
- Data Protection
- Supply Chain Security
- International Trade Compliance
- Small Business Reporting
- Reputation Guidelines
- Conflict Minerals Reporting

If a compliance issue is identified by any GE personnel, a Voice of Customer rating will be submitted and tied to an action plan for resolution. It is GE's expectation that the supplier will work to resolve the matter quickly and to the satisfaction of their GE contact.

### **Quality VOC**

This rating is assigned by the supplier's GE Quality contact and is based on the holistic view of inputs such as: Process Capability (Statistical Process Control), Print-To-Planning Reviews, Process Failure Mode and Effects Analysis (PFMEA), Error Proofing, Quality Improvement Plans (QIP), and Cost of Poor Performance.

The VOC ratings will be assessed in the following categories and may be reevaluated at any time as improvements are made or new issues arise:

- **Responsiveness:** Measurement of response time to and effective implementation of quality documentation requirements such as CQEs, eCAV, eCAM, QEM, etc.
- **Quality System:** Extent that supplier quality system strives for best in class, level of quality controls in place and robustness of Root Cause and Corrective Actions with consideration of potential for systemic issues, Assessment of sub-tier oversight program and requirement flow down process, and timeliness in scheduling audits and assessments.
- **Quality Culture:** Level that supplier proactively works to continuously improve their quality, discusses potential issues or investigations, timeliness of escape notifications, strength of adherence to processes and procedures, and the extent to which supplier keeps up with industry changes.
- **GE's Initiatives:** Level of participation in and support of GE's initiatives (i.e., FTY, SPC, APQP, etc.), and extent of impact from projects being worked.

Other areas may be captured in the Voice of Customer rating, including metrics found below-the-line in the Quality component of the Supplier Rating System such as IncCID, Assembly Escapes, and Customer Returns.

### **Delivery VOC**

GE Aviation's customers expect us to deliver on time, every time. Every part matters. Our ability to deliver is highly dependent upon our supply base's ability to do the same. GE Aviation expects its suppliers to adopt a zero-defect culture, that includes delivery.

In addition to the two quantitative metrics of OTD and PNDH (which are detailed in the Delivery section of this manual), there are other metrics that will be monitored and could result in the supplier's GE delivery contact entering an action within the Delivery VOC section of the rating.



Examples of Delivery VOC actions include:

Overall Delinquency: The total amount that is past due per the Material Requirement Date (including any associated buffer). This is measured in three ways: total quantity delinquent, total cost delinquent, and average weeks behind.

Span: This measures delivery variance to the requirement date. Variance is expressed in terms of days.

Lead Time: As we continue to increase our speed to market, we must drive shorter lead times in all areas of our supply chain. GE Aviation expects suppliers to drive creative solutions to reduce lead time to meet demand schedules through process technology, lean, and better execution. Suppliers are expected to maintain competitive lead times and continuously develop supply chain flexibility required by our industry and end-user customers. Suppliers are expected to enter accurate and up-to-date lead times, and any other vital information into the Supplier Collaboration Portal (currently ACES). This information must be kept current.

Commit Participation: Suppliers are expected to enter delivery commitments. To facilitate this requirement, GE Aviation has been collaborating to develop improved systems for data sharing, which can assist suppliers with automating the commit process. Commit Participation represents the percentage of parts with populated delivery commitments for the following five weeks in the Supplier Collaboration Portal (ACES), divided by total number of parts with hardware due. GE Aviation expects the commits to be updated with the most accurate date as soon as new information becomes available. If a part is delinquent, the supplier is expected to load commits through the date on which it will fully recover or “get well” from any delinquency.

Frequency of Material Shortages: Multiple and chronic escalation issues that directly impact GE operations or customers.

### **Commercial VOC**

GE Aviation seeks financially stable and enduring businesses that will partner with us in meeting demanding customer requirements. GE Aviation monitors business cost competitiveness, as well as financial and risk measures.

Examples of Commercial VOC actions include:

Dynamic Value Competitiveness: While suppliers are expected to be cost competitive on their parts and use a continuous improvement mindset, there should be an overarching business value productivity mindset. Suppliers are expected to bring prospects to the table, request help when needed and demonstrate a willingness to find new ways to bring incremental value to the business relationship.

Screening: Through a third-party service provider, GE regularly monitors supplier financial health. As a function of that monitoring, suppliers are expected to share necessary financial information to support the review. Failure to partner with GE in this monitoring may impact work package allocations.

Cost Collaboration: Suppliers are expected to work with GE and sub-tiers helping our customers achieve their business objectives efficiently. Suppliers are expected to have the right processes, tools, and people in place to enable identification, support, and pursuit of cost-reduction opportunities. Suppliers are expected to ask for help and be a partner in collaborative work. Having no plan is not acceptable.

Over and Above Costs: GE Aviation measures over and above costs as all the costs that GE Aviation spends after a contract is negotiated to ensure the supplier is meeting their contractual obligations. Examples of items that will be tracked are, but not limited to: GE Aviation helping with a supplier’s supply chain, take or pay situations, supplier change management, and expedite fees.



## **Readiness VOC**

As new products launch or additional business is awarded, GE Aviation focuses on risk-prevention activities across manufacturing, engineering, quality, and operations to ensure core production elements are ready to meet customer demand. GE Aviation's focus is to provide supplier teams with the right instructions and training for a successful launch. Readiness initiatives include, but are not limited to: site visits, surveys, assessments, and audits. Transparency into supplier operations is vital to assess readiness efforts.

Readiness VOC ratings may be issued in the following areas:

Capacity & Capability: Through remote or on-site engagements, GE will periodically verify a supplier has the operational, process, and technical capability to support the current demand, or the potential to handle new business. Failure to support these initiatives, or lack of execution on critical action plans, may result in a poor rating and potentially lead to the inability to participate in future quotations.

Readiness Exercises: Suppliers will work closely with their operators to capture critical information about optimal production methods. Suppliers will engage with feedback during pilots using drafted manufacturing instructions to enable quick revisions and updates. Suppliers will also work with training leaders to train operators in advance of production runs. Through these actions, GE Aviation expects suppliers to drive continuous improvement and align future capacity health.

Sales & Operations Planning (S&OP): Sales & Operations Planning (S&OP) is the process to improve GE Aviation's readiness efforts. Supplier's capacity and capability data for key production constraints will be compared to customer demand and reviewed by senior GE Aviation leadership. Through a data-driven, iterative process, GE Aviation and its suppliers will collaborate more closely to identify and address issues in advance. In turn, this will fully optimize the production planning process for both the supplier and GE Aviation.





# Quality

## Quality Metrics

GE Aviation and its suppliers must deliver the best quality in the industry while meeting all cost and delivery goals. Suppliers are expected to elevate any concerns and take actions, when necessary. GE Aviation expects its suppliers to adopt a zero-defect culture and live up to the expectations defined in discrete quality programs (S1000, S1001, S1002, AS13100).

## Rating Summary

The Quality Rating is comprised of two quantitative measurements:

- Quality Event Management (QEM)
- Material Review Board (MRB)

## Quality Event Management (QEM)

When material does not meet design intent and has been inadvertently released from a source to GE Aviation, a QEM is generated. The QEM metric is calculated using the DPMO (Defects per Million Opportunities) methodology. The DPMO score is then converted using a logarithmic scale to normalize the distribution resulting in a score from 0 - 100. All calculations use data from the previous 12-month time period.

### QEM calculation:

$$\text{DPMO} = (\text{NC pieces} / \text{total pieces produced}) * 1,000,000$$

**QEM score** is based on a logarithmic scale from 0 to 100

The detailed QEM calculation can be found in SCORE by clicking the link directly under the metric.

### QEM Color:

The latest color thresholds can be found in SCORE by clicking the link directly under the metric.

## Material Review Board (MRB)

When a nonconformance (NC) is created by a supplier, the supplier can submit a waiver request through the Material Review Board (MRB) via the eNMS application. GE Aviation will then disposition the part for potential use. The MRB metric is calculated using the DPMO (Defects per Million Opportunities) methodology. The DPMO score is then converted using a logarithmic scale to normalize the distribution resulting in a score from 0 - 100. All calculations use data from the previous 12-month time period.

### MRB calculation:

$$\text{DPMO} = (\text{NC pieces} / \text{total pieces produced}) * 1,000,000$$

**MRB score** is based on a logarithmic scale from 0 to 100

The detailed MRB calculation can be found in SCORE by clicking the link directly under the metric.



**MRB Color:**

The latest color thresholds can be found in SCORE by clicking the link directly under the metric.

**Overall Quality Color**

The color of the Quality component is determined by the QEM and MRB metrics, along with the VOC rating. The worst-rating between the three will result in the overall Quality rating reflecting that color. If all three ratings are Green, the rating will be Green. If the metrics are any combination of Green and Yellow, the rating will be Yellow. If any individual metric is Red, the rating will be Red.





# Delivery

## Delivery Metrics

The expectation of every supplier is sustained delivery performance to GE Aviation's manufactured required date (MRD). GE Aviation is focused on shortening the overall product delivery cycle time from customer order to product delivery.

## Rating Summary

The Delivery Rating is comprised of two quantitative measurements:

- On-Time Delivery (OTD)
- Part Number Delivery Health

### ***On-Time Delivery (OTD%)***

The On-Time Delivery (OTD) metric measures performance for OTD and days late for a rolling 26-week period. The number correlates to the on-time delivery percentage. A part is considered on-time if it is received on or before the Material Requirement Date (MRD). The OTD calculation is not inclusive of compressed quantities within lead time.

Within the Supplier Rating System (SRS), two OTD scores will be visible: Adjusted and Raw. The primary (larger) number, which determines the OTD color rating, is based off the Adjusted score.

#### ***OTD calculation:***

$$OTD = (\# \text{ of pieces received on time}) / (\# \text{ of pieces required})$$

#### ***OTD Color:***

The latest color thresholds can be found in SCORE by clicking the link directly under the metric.

### ***Part Number Delivery Health***

Part Number Delivery Health (PNDH) measures the percentage of part numbers that are on-time. Every week, a Supplier's performance is measured across the total active part numbers over a rolling 26-week period. This is represented as a percentage of active part numbers on-time. An active part is defined as a part that has schedules that are authorized to ship during that period.

#### ***PNDH calculation:***

$$PNDH = (\# \text{ of active part numbers that have no delinquent schedules}) / (\# \text{ of active part numbers})$$

#### ***PNDH Color:***

The latest color thresholds can be found in the Supply Chain Online Resource Environment (SCORE) by clicking the link directly under the metric.



## **Adjusted Scores**

GE Aviation expects that suppliers will support all GE Aviation's schedule quantities and dates. However, GE Aviation recognizes that there are situations that are not in a supplier's control. To that end, GE Aviation is providing each supplier with the data that goes into each score.

If the supplier believes that they should not be held accountable for a certain line item, they are to bring it to the attention of their GE Sourcing contact along with robust support of their position. After discussion, GE Aviation will have the ability to exclude any lines that have been agreed upon that should not be accounted for through the SCORE system. Each score will be recalculated without the excluded data to create an adjusted score.

## **Overall Delivery Color**

The color of the Delivery component is determined by the OTD, PNDH, and VOC metrics. The worst-rated metric between the three will result in the overall Delivery rating reflecting that color. If all three ratings are Green, the rating will be Green. If the metrics are any combination of Green and Yellow, the rating will be Yellow. If any individual metric is Red, the rating will be Red.

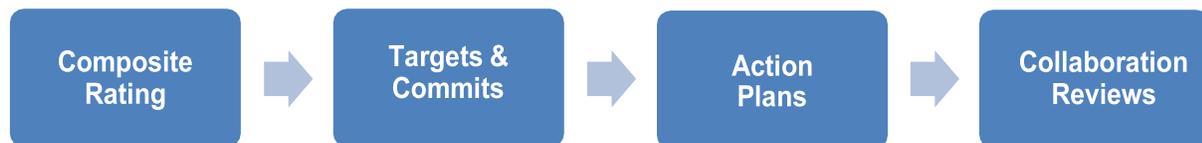




# Performance Management

## Performance Management Process

Composite Ratings are the first step in the Supplier Management journey. Progress toward improved performance is the foundation of the Supplier Expectations & Performance Management process. Suppliers will work with their respective GE Aviation representatives to evaluate current ratings, set goals, create plans, and monitor progress toward identified goals. The graphic below outlines the process.



The Composite Rating factors into the operating rhythm frequency for collaboration reviews. These rhythms will take place throughout the year as defined by your GE contact. At GE Aviation's discretion, select suppliers may be required to participate more frequently in collaboration reviews. Suppliers are expected to collaborate with GE Aviation and execute on requirements.

## Performance Implications

The ratings, rhythms, and action plans are essential pieces of this process. GE Aviation expects 100% participation from the supply base. All suppliers are expected to support review meetings at the frequency requested by a Sourcing representative. The frequency will be determined by the rating of the supplier and the needs of GE Aviation.

If a Supplier is not able to meet the requirements and standards of GE Aviation for an extended period, GE Aviation may begin working to minimize the portfolio of work, including the possibility of completely exiting the Supplier. It is imperative that each supplier take ownership of their performance and implement effective corrective actions to drive improvement. GE Aviation wants to ensure that all suppliers get the support needed from GE Aviation, and in needed cases, will implement collaboration reviews as outlined in the continuous improvement section of this document.





# Continuous Improvement

## Action Plans

GE Aviation and suppliers will work together to develop action plans in areas where improvement is needed, as well as identify the effect the action plan will have on the metrics. Any VOC created by GE Aviation will be linked to an action plan, however additional actions that do not impact a supplier's metrics may be tracked due to their nature. To improve transparency and communication, the latest release of the Supplier Rating System allows Suppliers to create action plans with the goal of highlighting actions the supplier is driving, or assistance that may be needed from GE. GE Aviation and suppliers are expected to regularly discuss the status of the action plans and identify any issues with completing the action plan in an expeditious manner. Suppliers are expected to be able to speak to any deviation of the actual versus projected effects of each action item.

## Data Requirements

Data is the cornerstone of the SEPM process. It is required to support the development, delivery, and quality terms in GE Aviation's contracts. Suppliers will provide data requested by any of GE Aviation's representatives including but not limited to transactional information, operational information, and technical data. To facilitate this exchange of data, Suppliers will share data as directed by GE Aviation to support stable operations. GE Aviation and its suppliers will collaborate on how to effectively automate the data transfer process. Some requests for data may include:

- Raw material on PO
- Capacity planning for key constraints
- First-time yields
- Part attribute data
- Inventory on hand & WIP data
- Other relevant requests

The expectation of GE Aviation is that the SCORE platform will be continuously improved to provide better visibility and data sharing. The SEPM process is expected from both parties to be a collaboration and discussion. The data shared by GE Aviation and the supplier is intended to help that process.

## Collaboration Reviews

Suppliers are expected to support any meeting that is requested. Depending on the rating of the supplier and the needs of the business, GE Aviation will request different levels of engagement. The scope of these reviews could be site specific, sub-business, or business level reviews. They will be either remote, onsite, or at GE Aviation's headquarters in Evendale, Ohio. Content could include root cause analysis of problems, the status of current actions, development of additional actions, discussion of changes, and other items. Your GE contact will set the expectation of content for the review and required attendees.





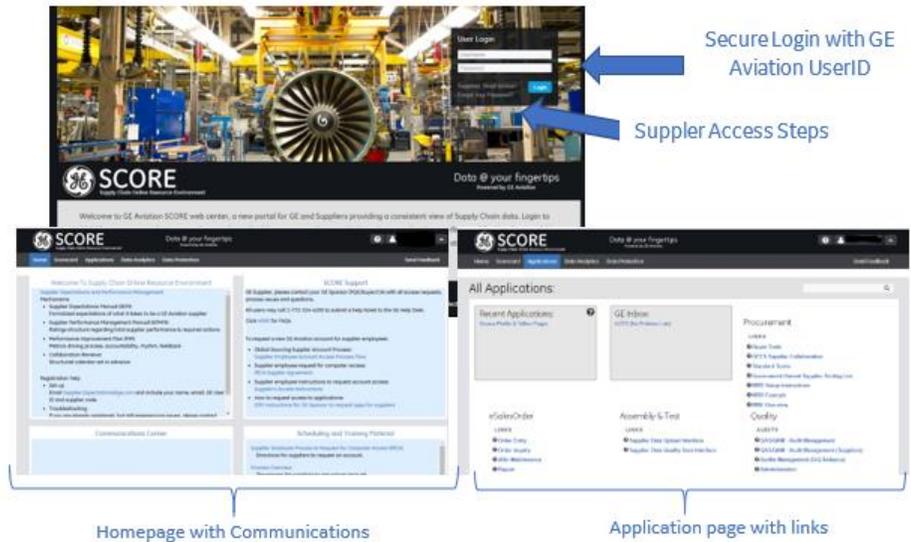
# Digital Commitment & Access

## Overview

GE Aviation believes commitment to a digital way of working is key for the supply chain to enhance operational efficiency and effectiveness. Digital solutions break down barriers to coordination challenges, process capability issues and integration complexities. Breaking down these barriers yields the differentiated value GE Aviation and its suppliers need to win in the marketplace.

GE Aviation is continuing to evolve our digital solutions to support two-way interactions. GE Aviation expects the supplier to collaborate with GE on optimal solutions and invest in digital enhancements to stay current to digital opportunities.

## SCORE Homepage and Login Screen



SCORE Portal location: <https://score.geaviation.com/portalserver/scwcm/index>

## Requesting GE Aviation’s System Access

Please reach out to your GE Sponsor and they can submit the access request on your behalf.

The following process map is provided as a reference for suppliers to follow:

<https://score.geaviation.com/loginform/scw/RFCAProcessMap/index.html>





# Communication and Engagement

## Overview

GE Aviation's ability to deliver value to customers and key stakeholders hinges on its ability to manage the total supply chain effectively, which is only made possible through coordinated execution. GE Aviation expects suppliers to actively engage and communicate.

GE Aviation expects suppliers to identify issues early and take swift action to address them. As we continue to adjust to market demands and capacity fluctuation, any single issue can cause a major disruption. Suppliers are expected to proactively communicate any issue within their supply chains. This can include issues or changes with sub-tier suppliers, unplanned equipment downtime, process changes or any other event that could impact delivery or performance.

## Source Profile (SProfile)

GE Aviation commits to working with suppliers to make data available and achieve two-way communication with supplier. Through the SEPM process, both supplier and GE Aviation will have improved transparency to hold each other accountable.

It is vital to keep all supplier contact information updated in Source Profile (SProfile) located in SCORE, for proper line of communication with GE Aviation. The expectation of suppliers is to update their GE contacts on changes needed in SProfile.

To update contact information: *Click on SCORE>Applications> Source Profile and Yellow Pages>(search supplier and click in right hand corner)> Update Source Contact.*

