

Risk Factors Comparison 2025-02-03 to 2024-02-02 Form: 10-K

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RISK FACTORS. The following discussion of the material factors, events and uncertainties that may make an investment in the Company speculative or risky contains "forward- looking statements," as discussed in the Forward- Looking Statements section. These risk factors may be important to understanding any statement in this report or elsewhere. The risks described below should not be considered a complete list of potential risks that we face, and additional risks not currently known to us or that we currently consider immaterial may also negatively impact us. The following information should be read in conjunction with the MD & A section and the consolidated financial statements and related notes. The risks we describe in this report or in our other SEC filings could, in ways we may not be able to accurately predict, recognize or control, have a material adverse effect on our business, reputation, financial position, results of operations, cash flows and stock price, and they could cause our future results to be materially different than we presently anticipate.

STRATEGIC RISKS. Strategic risk relates to the Company's future business plans and strategies, including the risks associated with ~~our planned separation of GE Aerospace and GE Vernova into independent companies;~~ the global macro- environment and conditions in our sectors; **dynamics in the global energy transition commercial aviation sector**; competitive threats; the demand for our products and services and the success of our 2023 FORM 10-K 27 investments in technology and innovation; **impacts our portfolio of businesses government spending, programs and contracts; climate change; our recent spin- offs;** capital allocation decisions; **acquisitions, dispositions, acquisitions, joint ventures and restructuring activity other inorganic investments**; intellectual property; and other risks. ~~Strategic plan~~ We may encounter challenges to executing our plan to separate GE Aerospace and GE Vernova into independent companies, or to completing the plan within the timeframes we anticipate, and we may not realize some or all of the expected benefits of the separations. In November 2021, we announced our plan to form three independent public companies from our (i) Aerospace business, (ii) HealthCare business and (iii) portfolio of energy businesses, including our Renewable Energy and Power businesses, which we plan to combine and refer to as GE Vernova, to better position those businesses to deliver long- term growth and create value for customers, investors, and employees. The GE HealthCare business separation in January 2023 was, and the planned GE Vernova business separation is expected to be, effected through spin- offs by GE that are intended to be tax- free for the Company and its shareholders for U. S. federal income tax purposes and with all three resulting companies having investment- grade credit ratings. The GE Vernova separation transaction will be subject to the satisfaction of a number of customary conditions, including, among others, final approvals by GE's Board of Directors, receipt of tax rulings in certain jurisdictions and / or tax opinions from external counsel, the filing with the SEC and effectiveness of a Form 10 registration statement, and establishment of the capital structures and credit ratings for both GE Vernova and the remainder of GE following the spin- off. A failure to satisfy required conditions, or disruptions in market conditions, could delay the completion of the GE Vernova separation transaction for a significant period of time or prevent it from occurring at all. Additionally, the GE Vernova separation transaction is complex in nature, and business, market or other developments or changes may affect our ability to complete the separation transaction as currently expected, within the anticipated timeframe or at all. These or other developments could cause us not to realize some or all of the expected benefits, or to realize them on a different timeline than expected. If we are unable to complete the GE Vernova separation, we will have incurred costs without realizing the benefits of such transaction. In addition, the terms and conditions of the required regulatory authorizations and consents that are granted, if any, may impose requirements, limitations or costs, or place restrictions on the conduct of GE Vernova or GE Aerospace as independent companies. In addition, although we intend for the GE Vernova separation transaction to be tax- free to the Company and its shareholders for U. S. federal income tax purposes, we expect to incur non- U. S. cash taxes on the preparatory restructuring and may also incur non- cash tax expense including potential impairments of deferred tax assets. Moreover, there can be no assurance that the GE Vernova spin- off will qualify as tax- free for U. S. purposes for the Company or its shareholders. If either of the separation transactions were ultimately determined to be taxable, we would incur a significant tax liability, while the distributions to the Company's shareholders would become taxable and the new independent companies might incur income tax liabilities as well. Furthermore, there can be no assurance that each separate company will be successful as a standalone public company. Whether or not the GE Vernova separation transaction is completed, our businesses may face material challenges in connection with executing this plan, including the diversion of management's attention from ongoing business concerns and impact on the businesses of the Company; appropriately allocating assets and liabilities among GE Aerospace and GE Vernova; maintaining employee morale and retaining and attracting key management and other employees; retaining existing or attracting new business and operational relationships, including with customers, suppliers, employees and other counterparties; assigning customer contracts, guaranties and other contracts and instruments to each of the businesses, and obtaining releases from the counterparties to those contracts or beneficiaries of those instruments as required; providing financial or credit support for new business; assigning intellectual property to each of the businesses; establishing transition service agreements and standalone readiness for key functions; and potential negative reactions from investors or the financial community. In particular, to support the GE Vernova businesses in selling products and services globally, GE often enters into contracts on behalf of GE Vernova or issues parent company guarantees or trade finance instruments supporting the performance of what currently are subsidiary legal entities transacting directly with customers, in addition to providing similar credit support for some non- customer- related activities of GE Vernova (collectively, GE credit support). For GE credit support that is not novated to GE Vernova with a release of GE, the failure of GE Vernova (or of a subsequent acquiror of all or a portion of GE Vernova's business) to perform under any relevant contract following the spin- off could result in claims for damages or

other relief against GE. The total amount of GE Vernova business that the GE credit support relates to is significant, and GE will likely continue to have exposure that is based on the continued performance of the relevant contracts for some years following completion of the spin-off. See the Other Items-Parent Company Credit Support section within MD & A for additional information. In addition, GE for the past several years has been undertaking various restructuring and business transformation actions (including workforce reductions, global facility consolidations and other cost reduction initiatives and the GE HealthCare separation) that have entailed changes across our organizational structure, senior leadership, culture, functional alignment, outsourcing and other areas. These pose risks in the form of personnel capacity constraints and institutional knowledge loss that could lead to missed performance or financial targets, loss of key personnel and harm to our reputation, and these risks are heightened with the additional interdependent actions that have been and will continue to be needed to complete the planned separation of GE Vernova. Moreover, completion of the GE HealthCare separation resulted, and completion of the GE Vernova separation will result, in independent public companies that are smaller, less diversified companies with more limited businesses concentrated in their respective industries than GE was prior to the separation transactions. As a result, each company will be more vulnerable to global economic trends, geopolitical risks, demand or supply shocks, and changing industry or market conditions, which could have a material adverse effect on its business, financial condition, cash flows and results of operations. In addition, the diversification of revenues, costs, and cash flows will diminish, such that each company's results of operations, cash flows, working capital, effective tax rate, and financing requirements may be subject to increased volatility and its ability to execute capital allocation plans, fund capital expenditures and investments, pay dividends and meet debt obligations and other liabilities may be diminished. Each of the separate companies will also incur ongoing costs, including costs of operating as independent public companies, that the separated businesses will no longer be able to share. Additionally, we cannot predict whether at the time of separation or over time the market value of our common stock and the common stock of each of the new independent companies after the separation transactions will be, in the aggregate, less than, equal to or greater than the market value of our common stock prior to the separation transactions. Investors holding our common stock 2023 FORM 10-K 28 may also sell the common stock of any of the new independent companies that do not match their investment strategies, which may cause a decline in the market price of such common stock.

Global macro- environment- Our financial performance and growth are subject to risks related to global economic, political and geopolitical developments or other disruptions to the economy or our business sectors. We operate in virtually every part of the world, serve customers in many over 160 countries around the world and received receive 57% a significant portion of our revenues revenue for 2023 from outside the United States. Our Accordingly, our operations and the execution of our business plans and strategies are subject to the effects of global economic trends, geopolitical risks and demand or supply shocks from events such as war or international conflict, a major terrorist attack, natural disasters or actual or threatened public health pandemics or other emergencies. Our operations and performance are also affected by local and regional economic environments, supply chain constraints and policies in the U. S. and other markets that we serve, including factors such as inflationary pressures in many markets, increased interest rates from recent historic lows, economic growth rates, the availability of skilled labor, monetary policy, exchange rates and, currency volatility, commodity prices and sovereign debt levels. For example, inflationary or other pressures that have caused and may continue to cause many of our material and or labor costs to increase can, which adversely affects affect our profitability and cash flows, particularly when we are unable to increase customer contract values or pricing to offset those pressures. Deterioration of economic conditions or outlooks, such as lower rates of investment, lower economic growth, recession or fears of recession in the U. S., China, Europe or other key markets, may adversely affect the demand for or profitability of our products and services, and the impact from developments outside the U. S. on our business performance can be significant given the extent of our global activities. Increased geopolitical tensions and outbreaks of armed conflict can also adversely impact our businesses business, both directly or by adversely affecting economic activity globally or in particular regions or countries. For example, Russia's invasion of Ukraine in early 2022 and related political and economic consequences, such as sanctions and other measures imposed by the European Union, the U. S. and other countries and organizations in response, have caused and may continue to cause disruption and instability in global markets, supply chains and industries that negatively impact our businesses business, financial condition and, results of operations and cash flows and pose reputational risks. More recently, there is risk of wider conflict in the Middle East that could have significant adverse impacts on the region and business activity in addition to the humanitarian and other consequences of the current conflict. Further In addition, political changes and trends such as populism, protectionism, economic nationalism and sentiment toward multinational companies, as well as tariffs, export controls, restrictions on outbound investment or other trade barriers, sanctions, technical or local content regulations, currency controls or changes to tax or other laws and policies, have been and may continue to be disruptive and costly to our businesses business. These can interfere with our global operating model, supply chain, production costs, customer relationships and competitive position. Further escalation Escalation of tariffs or any other specific trade tensions, including intensified decoupling between the U. S. and China, or in global trade conflict more broadly could be harmful to global economic growth or to our business in or with China or other countries. In addition, market uncertainty and volatility in various geographies may be magnified as a result of potential shifts in U. S. and foreign trade, economic and other policies following the recent U. S. elections. We also do business in many emerging market jurisdictions where economic, political and legal risks are heightened and the operating environments are complex. Energy transition- The strategic priorities and financial performance of many of our businesses are subject to market and other dynamics related to efforts to reduce greenhouse gas emissions, which can pose risks in addition to opportunities. Given the nature of our businesses and the industries we serve, we must anticipate and respond to market, technological, regulatory and other changes driven by broader trends related to greenhouse gas emission reduction efforts in response to climate change and energy security. These changes present both risks and opportunities for our businesses, many of which provide products and services to customers in sectors like power generation and commercial aviation that have historically been carbon intensive and we expect

will remain important to efforts globally to lower greenhouse gas emissions for decades to come. For example, the significant decreases in recent years in the levelized cost of energy for renewable sources of power generation (such as wind and solar), along with ongoing changes in government, investor, customer and consumer policies, commitments, preferences and considerations related to climate change, in some cases have adversely affected, and may continue to affect, the demand for and the competitiveness of products and services related to fossil fuel-based power generation, including sales of new gas turbines and the utilization and servicing needs for existing gas power plants that are unmitigated with capabilities such as hydrogen or carbon capture. Continued shifts toward greater penetration by renewables in both new capacity additions and the proportionate share of power generation, particularly depending on the pace and timeframe for such shifts across different markets globally, could have a material adverse effect on the performance of our Power business and our consolidated results. While the currently anticipated market growth and power generation share for renewable energy is expected to be favorable for our wind businesses over time, we face uncertainties related to future levels and timeframes of government subsidies and credits (including the impact of the Inflation Reduction Act and other policies), significant price competition among wind equipment manufacturers, dynamics between onshore and offshore wind power, potential further consolidation in the wind industry, competition with solar power-based and other sources of renewable energy and the pace at which power grids are modernized to maintain reliability with higher levels of renewables penetration. The achievement of deep decarbonization goals for the power sector over the coming decades is likely to depend in part on technologies that are not yet deployed or widely adopted today but that may become more important over time (such as hydrogen-based power generation, carbon capture and sequestration technologies, small modular or other advanced nuclear power and grid-scale batteries or other storage solutions). Successfully navigating these changes will require significant investments in power grids and other infrastructure, research and development and new technology and products, both by GE and third parties. Similar dynamics exist in the aviation sector, where greenhouse gas emission reduction over time will require a combination of continued technological innovation in the fuel efficiency of engines; expanded use of sustainable aviation fuels and the further development of hybrid-electric and electric flight and hydrogen-based aviation technologies. For example, the risk of insufficient availability of low carbon fuels (such as sustainable aviation fuels or hydrogen) may compromise the pace and degree of emission reduction within the aviation sector. Our success in advancing greenhouse gas emission reduction objectives across our businesses will depend in part on the actions of governments, regulators and other market participants to invest in infrastructure, create appropriate market incentives and to otherwise support the development of new technologies. The process of developing new high-technology products and enhancing existing products to mitigate climate change is often complex, costly and uncertain, and we may pursue strategies or make investments that do not prove to be commercially successful in the time frames expected or at all. 2023 FORM 10-K 29 A failure by GE or other industry participants to invest successfully in these technological developments, or to adequately position our businesses to benefit from the growth in adoption of new technologies, could adversely affect our competitive position, business, ability to attract and retain talent, results of operations, cash flows and financial condition. In addition, we face increasing scrutiny and expectations from many customers, governments, regulators, investors, banks, project financiers and other stakeholders regarding the roles that the private sector and individual companies play in decarbonization, which can result in additional costs and pose reputational or other risks for companies like GE that serve carbon-intensive industries or relative to progress that we make over time in reducing emissions from our operations or products and achieving our publicly announced ambitions. We anticipate that we will continue to need to make investments in new technologies and capabilities and devote additional management and other resources in response to the foregoing, and we may not realize the anticipated benefits of those investments and actions. Trends related to the global energy transition and decarbonization will affect the relative competitiveness of different types of product and service offerings within and across our energy businesses and our Aerospace business. Important factors that could impact our businesses include the pace of technological developments and related cost considerations, the levels of economic growth in different markets around the world and the adoption and pace of implementation of climate change-related policies (such as carbon taxes, cap and trade regimes, increased efficiency standards, greenhouse gas emission reduction targets or commitments, incentives or mandates for particular types of energy or policies that impact the availability of financing for certain types of projects) at the national and sub-national levels or by customers, investors or other private actors. Commercial aviation sector — Our financial performance is dependent on the condition of the commercial aviation sector and our partners, suppliers and customers in that sector. A Our Aerospace business constitutes a substantial portion of our financial results, and the majority of that business is directly tied to economic conditions in the commercial aviation sector, which is has historically been cyclical in nature. Capital spending and demand for aircraft engines, aviation products and component-aftermarket parts and services by commercial airlines, lessors, other aircraft owners or operators and airframers are influenced by a wide variety of factors, including current and predicted traffic levels, passenger and cargo load factors, aircraft fuel prices, labor costs and other issues, airline consolidation, bankruptcies and restructuring activities, competition, the retirement of older aircraft, changes in production schedules, production capabilities and capacities of airframers, regulatory oversight and changes, environmental regulations, terrorism and related security concerns, aircraft safety concerns incidents, general economic conditions, tightening of credit in financial markets, corporate profitability, cost reduction efforts and remaining performance obligations levels. Any of these factors could have a negative impact on new orders or on our agreements for the sale of our products and services given the long-term nature of those arrangements and could reduce the our sales and profit margins of our Aerospace business. Other factors, including future terrorist actions, aviation safety concerns, public health crises or major natural disasters, could also dramatically reduce the demand for commercial air travel, which could negatively impact the our sales and profit margins of our Aerospace business. As we experienced with the COVID-19 pandemic, our Aerospace business in particular suffered adverse effects from a global health pandemic that led to a significant decline in commercial air traffic, had material adverse effects on our airline and airframer customers and their demand for our products and services and caused other significant dislocations throughout the

aviation sector. Supply chain **capacity shortfalls and** disruptions, **including for new parts** and **services**, other lingering impacts from the pandemic and measures in response continue to pose challenges and risks for our business and **as well as** other industry participants, and future public health crises could cause other disruptions and challenges in the future. **Developments that reduce** We also face risks related to longer-term strategies the aviation sector has implemented and may implement, such as reducing capacity, shifting route patterns or other strategies to mitigate impacts from COVID-19 and the risk of future public health crises, and from potential shifts in the flying public's demand for travel, any of which could adversely affect future growth in commercial air traffic capacity and the demand for or profitability of our products and services. Additionally, because a substantial portion of product deliveries to commercial aviation customers are scheduled for delivery in the future, changes in economic conditions can cause customers to request that orders be rescheduled or canceled. Spare parts sales and aftermarket service trends are affected by similar factors, including usage, pricing, technological improvements, regulatory changes and the retirement of older aircraft. Furthermore, because of the lengthy research and development cycle involved in bringing new engine platforms and other products **in our Aerospace business** to market, we cannot predict the economic conditions that will exist **26 2024 FORM 10-K** when any new product is ready to enter into service. We also have dependencies on our **suppliers and** partners for commercial engine programs to develop, manufacture and service their share of an engine, and on the major airframers that we supply to **timely and** successfully develop, certify and commercialize aircraft that utilize our engines **as well as to successfully sell those aircraft against aircraft powered by our competitors**. A reduction in spending in the commercial aviation sector, or challenges for key industry participants, could have a significant effect on the demand for our products and services, which could have a material adverse effect on our competitive position, results of operations, financial condition or cash flows. Competitive environment- We are dependent on the maintenance of existing product lines and service relationships, **market acceptance by our customers** of new product and service introductions, **competitive pricing and other terms**, and technology and innovation leadership for revenue and earnings growth. The **markets segments** in which we operate are highly competitive in terms of pricing, product and service quality, product development and **introduction time entry into service, product durability**, customer service, financing terms, the ability to respond to shifts in market demand and the ability to attract and retain skilled talent. Our long-term operating results and competitive position also depend substantially upon our ability to **continue** continually develop, introduce, and market new and innovative technology, products, services and platforms, to **improve** develop digital solutions for **or upgrade current** our own operations and our customers, to modify existing products and services, to customize products and services, to maintain long-term customer relationships and to increase our productivity over time as we perform on long-term service agreements. We often enter into long-term service agreements in both our Aerospace and Power businesses in connection with significant contracts for the sale of equipment. In connection with these agreements, **as well as** we must accurately estimate our costs associated with delivering the **ability to develop, introduce, and market new and innovative technology**, products, product durability and reliability, and the provision of services over time in order to be profitable and generate acceptable returns on our investments. A failure to appropriately estimate or plan for or execute our business plans may adversely affect our delivery of products, services and outcomes in line with our projected financial performance or cost estimates, and ultimately may result in excess costs, build-up of inventory that becomes obsolete, lower profit margins and an **and platforms** erosion of our competitive position. In addition, at our Renewable Energy business, the rapid pace of innovation among onshore and offshore wind turbine manufacturers in recent years has led to short product cycles, early market introductions and faster time to market, all of which have led and may continue to lead to quality and execution issues, higher costs and other challenges to achieving profitability for new products. Such risks are especially acute in the nascent offshore wind industry, with higher ramp-up costs and the potential for new product introductions to result in losses both in the short- and long-run. If we are not able to identify and implement initiatives that control and reduce costs and increase **2023 FORM 10-K 30** operating efficiency, or if the cost savings initiatives we have implemented to date do not generate expected cost savings, our financial results could be adversely affected. Our businesses are also subject to technological change and advances, such as growth in industrial automation and increased digitization of the **RISE program suite** operations, infrastructure and solutions that customers demand across all the industries we serve. In addition, our use of emerging and evolving technologies **such as artificial intelligence and machine learning..... the revenues and profitability of our businesses**. In addition, the research and development cycle involved in bringing **new** products **in our businesses** to market is often lengthy, it is inherently difficult to predict the economic conditions or competitive dynamics that will exist when any new product is complete, and our investments, to the extent they result in bringing a product to market, may generate weaker returns than we anticipated at the outset. Our capacity to invest in research and development efforts to **pursue advancement**---- **advance our** in a wide range of technologies, products and services also depends on the financial resources that we have available for such investment relative to other capital allocation priorities. Under-investment in research and development, or investment in technologies that prove to be less competitive in the future (at the expense of alternative investment opportunities not pursued), could lead to loss of sales of our products **and or** services in the future **due to the**; particularly since many of our businesses have long product development cycles **in our business**. The amounts that we do invest in research and development efforts may not lead to the development of new technologies or products on a timely basis or meet the needs of our customers as fully as competitive offerings, **and we may face impairment charges for contract fulfillment costs that are capitalized as nonrecurring engineering costs if we determine recovery of the costs is not probable (see Note 1)**. **Our Business-business portfolio such** as artificial intelligence and machine learning, which we expect to increase over time, presents business, reputational, legal and compliance risks related to data sourcing, design flaws, integration issues, security threats, privacy protections and the ability to develop sufficient protection measures. **Artificial intelligence technologies have rapidly developed and our business may be adversely affected if we cannot successfully integrate these technologies into our business processes and product and service offerings in a timely, cost-effective, compliant and responsible manner.** The introduction of innovative and disruptive technologies in the **segments markets** in which we operate also poses

risks in the form of new competitors (including new entrants from outside our traditional industries, such as competitors from digital technology companies), market consolidation, substitutions of existing products, services or solutions, niche players, new business models and competitors that are faster to market with new or more cost-effective products or services. Existing and new competitors frequently offer parts or services for our installed base, and if the customers that purchase our equipment and products and services select our competitors' services or if we otherwise fail to maintain or renew service relationships, this can erode the revenues and profitability of our businesses. Our success in meeting depends on achieving our strategic, operational and financial objectives, including through can depend on our performance in evaluating and executing on acquisitions, integrations, dispositions and joint ventures and other inorganic investments. With respect to acquisitions and business integrations, dispositions, separations and joint ventures and other inorganic investments, we may not complete announced transactions on a timely basis or at all, including as a result of regulatory approvals, achieve expected returns, financial or operational synergies or other benefits on a timely basis or at all as a result of changes in strategy, integration challenges, investment risk or other factors. Over Acquisitions may require us to use more financial, operational and the other past several years resources on integration and implementation activities than we expect have also been pursuing a variety of dispositions, and as discussed above we are in may not be able to successfully integrate the businesses midst of executing our or assets acquired plan to separate GE Aerospace and GE Vernova into our existing operations independent companies. In January 2023, we spun off our or HealthCare realize the expected economic or operational benefits of the acquisition. Further, acquired business businesses may present risks as GE HealthCare, and unforeseen difficulties that can arise GE currently holds a 13.5% equity interest in GE HealthCare integrating operations and systems and in retaining and assimilating employees. Declines in the value of equity interests (such as our interest in GE HealthCare) or other assets that we sell can diminish the cash proceeds that we realize, and our ability and timing to sell can depend on market conditions and the liquidity of the relevant asset or other restrictions. We may dispose of businesses or assets at a price or on terms that are less favorable than we had anticipated, or with purchase price adjustments or the exclusion of assets or liabilities that must be divested, managed or run off separately. Dispositions or other business separations also often involve continued financial or operational involvement in the divested business, such as through continuing equity ownership, retained assets or liabilities, transition services agreements, commercial agreements, guarantees, indemnities or other current or contingent financial or operational obligations or liabilities. Under these arrangements, performance by the divested businesses or other conditions outside our control could materially affect our future financial results. Evaluating or executing on all types of potential or planned portfolio transactions can divert senior management time and resources from other pursuits. We also participate in a number of joint ventures with other companies or government enterprises in various markets around the world, including joint ventures where we have a lesser or minimal degree of control over the business operations, which expose us to additional operational, financial, reputational, legal or compliance risks. Furthermore, as our and our joint venture partners' strategies change or general conditions involving a joint venture and its intended purposes evolve, we may not be able to exit or wind down any unfavorable joint ventures on acceptable terms, without financial or other concessions to our joint venture partners or at all. Recent spin-offs- The completed GE HealthCare and GE Vernova separations entail certain risks and potential liabilities, including the risk that one or both is determined to be a taxable transaction. The GE HealthCare and GE Vernova separations were effected through spin-offs that were intended to be tax-free for the Company and its shareholders for U. S. federal income tax purposes. If either of the GE HealthCare or GE Vernova separation transactions were ultimately determined to be taxable, the Company would incur a significant tax liability, and the distributions to the Company's shareholders would become taxable and the new 28 2024 FORM 10-K independent companies might incur income tax liabilities. In addition, the Company may not achieve the anticipated benefits of the GE Vernova and GE HealthCare separations and may be exposed to additional risks, including potential liabilities pursuant to agreements entered into in connection with the spin-offs, the credit support provided to GE Vernova (see the Other Items – GE Vernova Parent Company Guarantees section within MD & A) and the various restructuring and business transformation actions that have brought changes across the Company's organizational structure, senior leadership, functional alignment, outsourcing and other areas. Any of these risks could result in a material adverse effect on the Company's business, reputation, results of operations, financial condition and cash flows. Intellectual property- Our intellectual property portfolio may not prevent competitors others from independently developing products and services comparable similar to or duplicative competitive to ours, and we the value of our intellectual property may be negatively impacted by intellectual property enforcement or external dependencies. Our patents and other intellectual property may not prevent competitors others from independently developing or selling products and services comparable similar to or duplicative of competitive to ours, and there can be no assurance that the resources invested by us to protect our intellectual property will be sufficient to or that our intellectual property portfolio will adequately deter infringement, misappropriation or other improper use of our technology, particularly in certain markets outside the U. S. where strong intellectual property protection laws and related enforcement mechanisms are lacking may not be as well-developed. Trademark licenses of the GE brand in connection with dispositions, including in connection with the separation separations of GE HealthCare in January 2023 and the planned separation of GE Aerospace and GE Vernova into independent companies, may negatively impact the overall value of the brand in the future. We also face potential competition in some countries where we have not invested in a patent an intellectual property portfolio. If we are not able to protect our intellectual property, the value of our brand and other intangible assets may be diminished, and our business may be adversely affected. We also face attempts, both internally from insider threats and externally from cyber-attacks, to gain unauthorized access to our IT systems or products for the purpose of improperly acquiring our trade secrets or confidential business information. In addition, we have observed an increase in the use of social engineering tactics by bad actors attempting to obtain access systems storing certain of our trade secrets and other confidential business information or credentials to access systems with our intellectual property. The theft or

unauthorized use or publication of our trade secrets and/or other confidential business information as a result of such incidents could adversely affect our competitive position and the value of certain of our investment investments in research and development. In addition, we are subject to the enforcement of patents or and other apparent intellectual property rights by third parties, including aggressive and opportunistic enforcement claims by non-practicing entities. Regardless of the their merit of, responding to such claims, responding to infringement claims can be expensive and time-consuming. We also GE has in the past, and may in the future be, found to infringe third-party rights, which could result in us being enjoined from offering some of our products and services or bringing to market new products and services, and require us to pay substantial damages or enjoin us from offering some of our products and services. The value of, or our ability to use, our intellectual property may also be negatively impacted by dependencies on third parties, such as our ability to obtain or renew on reasonable terms, or at all, licenses that we need in the future, or our ability to secure or retain ownership or rights to use data in certain software analytics or services offerings.

OPERATIONAL RISKS. Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of our business. It includes risks related to product safety, quality and performance; supply chain and business disruption; operational execution across product and service life cycles; and information management and data protection and security, including cybersecurity. Product safety and quality- Our products and services are highly sophisticated and specialized, and a major failure or quality issue affecting our products or third-party products with which our products are integrated can adversely affect our business, reputation, financial position, results of operations and cash flows. We produce highly sophisticated products, including commercial and defense aircraft engines, integrated engine components and electric power and aircraft systems, and we provide specialized services for both our own and third-party products that incorporate or use complex or leading-edge technology, including both hardware and software. Many of our products and services involve complex industrial machinery or infrastructure projects, such as commercial jet engines, gas turbines, onshore and offshore wind turbines or nuclear power generation, and accordingly Accordingly, the adverse impact of product quality issues can be significant. Actual or perceived design, production, performance, durability or other quality issues related to new product introductions or existing product lines can result in reputational harm to our business, in addition to the potential need for increased inspections and shop visits, and direct warranty, maintenance and other costs that may arise, including costs associated with project delays. For example, in the third quarter of 2022, we booked a provision due to changes in estimates for existing warranties for the deployment of repairs and other corrective measures to improve overall quality and fleet availability relating to our Onshore Wind business. Quality issues can also result in reputational harm to our businesses, with a potential loss of attractiveness of our products, solutions and services to new and existing customers. A widespread fleet issue could result in revenue loss while the associated product is suspended from operation. This risk is pronounced, for example, in connection with the introduction of new technology in the main components of offshore wind turbines due to the challenges of servicing and performing maintenance on offshore wind turbines and the difficulties associated with sealing up production of new components. In addition, a catastrophic product failure or similar event resulting in injuries or death, widespread outages, a fleet grounding or similar systemic consequences could have a material adverse effect on our business, reputation, financial position, cash flows and results of operations. Even when there have not been a particularly significant or widespread product failures in the field, many of our products and services must function under demanding operating conditions and meet exacting and evolving certification, performance, reliability and durability standards that we, our customers or regulators adopt. Developing and maintaining products that meet or exceed these standards can be costly and technologically challenging, and may also involve extensive coordination of suppliers and highly skilled labor from thousands of workers; a failure to deliver products and services that meet these standards could have significant adverse financial, competitive or reputational effects. Technical, mechanical and other failures occur from time to time, whether as a result of human factors, manufacturing or design defect defects, or operational process or production issue issues attributable to us, our customers, suppliers, third-party integrators or others. In some circumstances we have also incurred, and in the future we may continue to incur, increased costs, delayed payments or lost equipment or services revenue in connection with a significant issue with a third-party's product with which our products are integrated, or if parts or other components that we incorporate in our products have defects or other quality issues. For example, a prolonged aircraft grounding, certification or production delays or other adverse developments with aircraft powered by our engines can pose risk risks to our Aerospace business. There can be no assurance that the operational processes around sourcing, product design, manufacture, performance and servicing that we or our customers or other third parties have designed to meet rigorous regulatory and quality standards will be sufficient to prevent us or our customers or other third parties from experiencing operational process or product failures and other problems, including through human factors, manufacturing or design defects, process or other failures of contractors or third-party suppliers, cyber-attacks or other intentional acts, software vulnerabilities or malicious software, that could result in potential product, safety, quality, regulatory or environmental risks.

2023-2024 FORM 10-K 31 OPERATIONAL RISKS. Operational risk relates to 29 Supply chain- Significant input shortages, supplier capacity constraints, supplier or customer production disruptions, supplier quality and sourcing issues or price increases have increased, and may continue to increase, our operating costs and can adversely impact the competitive positions of our products. Our reliance on third-party suppliers, partners, contract manufacturers and service providers and on commodity markets to secure raw materials, parts, components and sub-systems used in our products exposes us to volatility in the prices and availability of these materials, parts, components, systems and services. As our supply chains are complex and extend into many different countries and regions around the world, we are also subject to global economic and geopolitical dynamics and risks arising from systems associated with exporting components manufactured in particular countries for incorporation into finished products completed in other countries. We operate in a supply-constrained environment and are facing, and may continue to face, supply-chain shortages, inflationary pressures, people shortages of skilled labor,

transportation and external events, logistics challenges and manufacturing disruptions that impact affect the operation of our revenue businesses. It includes risks related to product and service life cycle and execution; product safety and performance; information management and data protection and security, profitability including cybersecurity, and timeliness in fulfilling customer orders. We anticipate supply chain and pressures across our business will continue to challenge and adversely affect our operations and financial performance for some period of time. For example, successfully executing the significant production and delivery ramp-up efforts in connection with the growth of at our Aerospace business from both strong demand for newer engine platforms such as the LEAP and the aviation sector's recovery from the COVID-19 pandemic, depends in part on our suppliers having access to the materials and skilled labor and production capacity they require and making timely deliveries to us, as well as meeting the required safety, quality and performance standards for commercial and military aviation. In addition, some of our suppliers or their sub-suppliers are limited- or sole- source suppliers, and our ability to meet our obligations to customers depends on the performance, product quality, continued product availability and stability of such suppliers. We also have internal dependencies on certain key GE internal manufacturing or other facilities. Disruptions in deliveries, capacity constraints, production disruptions up- or down- stream, price increases, or decreased availability of raw materials or commodities, including as a result of war, natural disasters (including the effects of climate change such as sea level rise, drought, flooding, wildfires and more intense weather events), actual or threatened public health pandemics or emergencies, governmental, legislative or regulatory actions, or other business continuity events, adversely affect our operations and, depending on the length and severity of the disruption, can limit our ability to meet our commitments to customers or significantly impact our operating profit or cash flows. Further, a prolonged disruption at a significant supplier or discontinuation of an important material, part, component or system can require us to identify and qualify a new supplier or develop other manufacturing or production alternatives; this can require substantial time to implement, particularly if it involves new regulatory certifications, and can lead to costs or delays that adversely impact our production timelines, fulfillment of customer contracts, revenue, profitability, cash flows and reputation. Quality, capability, compliance and sourcing issues experienced by third- party providers can also adversely affect our costs, profitability and the quality and effectiveness of our products and services and result in liability and reputational harm. The harm to us could be significant if, for example, a quality issue at a supplier or with components that we integrate into our products results in a widespread quality issue across one of our product lines or our installed base of equipment. In addition, our suppliers may experience cyber- related attacks, which could negatively impact their ability to meet their delivery obligations to us and in turn have an adverse effect on our ability to meet our commitments to customers.

Operational execution- Operational challenges could have a material adverse effect on our business, reputation, financial position, results of operations and cash flows. Our GE's financial results depend on the successful execution of our businesses -- business -- operating plans and commercial arrangements across all steps of the product and service life cycle. We seek to improve the our operations and execution of our businesses on an ongoing basis, and our ability to make the desired improvements is an important factor in our profitability and overall financial performance. For example, we often enter into long- term service agreements in connection with significant contracts for the sale of our products and services (see Note 1). In connection with these agreements, we must accurately estimate our costs associated with delivering the products, product durability and reliability, and the provision of services over time in order to be competitive and profitable and to generate acceptable returns on our investments. A failure to appropriately estimate, plan for or execute our business plans may adversely affect our delivery of products and services in line with our projected financial performance or cost estimates, and ultimately may result in excess costs, build- up of inventory that becomes obsolete, lower profit margins and an erosion of our competitive position. We also face operational risks in connection with launching or ramping newer product platforms, such as the Haliade-X offshore wind turbine platform or new onshore wind turbine models at Renewable Energy, or the LEAP or GE9X engines at Aerospace. Particularly with newer product platforms and technologies, we our businesses seek to reduce the costs of these products over time with through experience, and other measures, including the introduction of new designs, technologies, manufacturing methods and suppliers. Risks related to engineering, our supply chain, the availability of skilled labor, product quality, product durability, the cost of producing complex materials or components, regulatory approvals, timely delivery or other aspects of operational execution can adversely affect our ability to achieve those cost reductions and to meet contract obligations and customers' expectations, profits and cash flows as well as our business plan objectives. A strike or other labor disruption could also adversely affect our production, delivery, financial performance and reputation, and we are due in 2025 to renegotiate expiring labor union contracts. In addition, Many many of our customer contracts are complex and contain provisions that could cause us to incur penalties, be liable for liquidated or actual damages and incur unanticipated expenses with respect to the timely delivery, functionality, deployment, operation, and durability, and availability of our products, solutions and services. Operational failures at any of our businesses that result in product safety or quality problems or potential product, environmental, health or safety other risks, could have a material adverse effect on our business, reputation, financial position, cash flows and results of operations. In addition, our Power and Renewable..... quality, regulatory or environmental risks. Cybersecurity- Increased cybersecurity requirements, vulnerabilities, threats and more sophisticated and targeted attacks computer crime, as well as cybersecurity failures, pose risk to our and many critical third parties' systems, networks, products, solutions, services and data. Increased global cybersecurity requirements, vulnerabilities, threats, computer viruses and more sophisticated and targeted cyber- related attacks such as ransomware, as well as cybersecurity failures resulting from human or technological errors, pose risk to the security of our GE's and its our customers', partners', suppliers' and third- party service providers' infrastructure, products, systems and networks and the confidentiality, availability and integrity of GE Aerospace's and its customers' data, as well as associated financial and reputational risks. The perpetrators of such attacks include sophisticated malicious actors, including states and state- affiliated actors targeting critical infrastructure. The risks in this area continue to grow, and we expect

cyberattacks are expected **will continue** to accelerate on a global basis in frequency and impact as threat actors increasingly use artificial intelligence and other techniques to circumvent security controls, evade detection and remove forensic evidence. As a result, **we may there can be unable to no assurance that our cybersecurity risk management processes, 30 2024 FORM 10-K including our policies and controls, will be effective in** promptly or effectively **detect detecting**, **investigate, containing or remediate-remediating** or **recover from** cybersecurity attacks, which may result in material harm to our systems, information or business. We have experienced, and expect to continue to experience, cyberattacks of varying degrees of sophistication and other **various** cybersecurity incidents, **such** - **Bad actors have attempted and we expect will continue to attempt to use our separation of GE HealthCare in January 2023 and the planned separation of GE Aerospace and GE Vernova into independent companies as an opportunity to launch distributed denial of service attacks and phishing** or increase their number of attacks. **It may take considerable time** against GE's networks and systems, as well as attempt to use social engineering tactics or **for us phishing emails to induce investigate and evaluate the full impact of incidents, particularly for sophisticated attacks. This may inhibit** our employees' ability to **reveal sensitive provide prompt, full and reliable** information **about the incident to or our install malware customers, suppliers, regulators and the public**. A significant cyber-related attack against us, a key third-party system or a network that we use, or in **one of our industries sector**, such as an attack on **power grids, power plants or commercial aircraft** (even if such an attack does not involve **GE our** products, services or systems), could adversely affect our business. The large number of suppliers that we work with requires significant effort for the initial and ongoing verification of the effective implementation of cybersecurity requirements by suppliers. The increasing degree of interconnectedness **between GE and its that we have with our** partners, suppliers and customers also poses a risk to the security of **our GE's** network as well as the larger ecosystem in which **GE we operates- operate**. Our risk mitigation efforts may fail to prevent, detect and limit the impact of cyber-related attacks, and we remain vulnerable to known and unknown cybersecurity threats. The continued adoption of new technologies **across our business and** by our **businesses and our suppliers, including emerging technologies, system migrations and network transitions**, also increases our exposure to cybersecurity threats. **An Any** unknown vulnerability or compromise in our or a third-party product (for example, open source software) **may expose exposes** our systems, networks, software or connected products to malicious actors **and lead that seek** to the misuse or unintended use of our products, **steal loss of GE intellectual property, misappropriation misappropriate** of sensitive, confidential or personal data, **or create** safety risks or unavailability of equipment. **In addition, given the nature of complex systems, software and services like ours, and the scanning tools that we deploy in relation to our networks, infrastructure and products, we regularly identify and track security vulnerabilities. We are not always able to comprehensively apply patches or mitigating measures or ensure that patches are applied before vulnerabilities can be exploited**. We also have access to sensitive, classified, confidential or personal data or information **in certain of our businesses** that is subject to privacy and security laws, regulations or customer-imposed controls. We are vulnerable to security breaches, theft, misplaced, lost or corrupted data, programming errors and misconfigurations, employee errors (including as a result of social engineering / phishing) and / or malfeasance (including misappropriation by insiders or departing employees) that may compromise sensitive, classified, confidential or personal data or information, improper use of our systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of or denial of access to information, defective products, production downtimes and operational disruptions. In addition, **our suppliers may be the victim of a cybersecurity cyber-related** incident that **impacts our partners, suppliers or customers** could compromise **our systems and impact** our intellectual property, personal data or other confidential information, or result in production downtimes and operational disruptions that could cause us to breach our commitments to customers. **An Any** unknown security vulnerability or malicious software in a product used by a **partner or supplier** to deliver a service or embedded in a **supplier's** product that is later integrated into a GE **Aerospace** product could lead to a vulnerability in the security of GE **Aerospace's** product or, if used internally in **our the GE** network environment, to a compromise of the GE **Aerospace** network, which may lead to the loss of information or operational disruptions. Cybersecurity-related and data privacy and protection laws and regulatory regimes are evolving, can vary significantly by country and present increasing compliance challenges, and we from time to time receive, and in the future will likely receive, regulatory inquiries about specific incidents or aspects of our cybersecurity framework; these dynamics increase our costs, affect our competitiveness and can expose us to fines or other penalties and reputational risks. In addition, cybersecurity incidents can result in other negative consequences, regardless of whether the direct effects of an incident are significant, including damage to our reputation or competitiveness, restoration and remediation costs, increased digital infrastructure or related costs that are not covered by insurance, and costs or fines arising from litigation or regulatory investigations or actions. While we carry cyber insurance, we cannot be certain that our coverage will be adequate for liabilities actually incurred, that insurance will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim.

Supply chain- Significant raw material or..... to meet our commitments to customers. FINANCIAL RISKS. Financial risk relates to our ability to meet financial goals and obligations and mitigate exposure to broad market risks. **In addition to the risks to financial performance that most of the items described throughout our risk factors pose, financial risks including include** credit risk; funding and liquidity risks, **such as risk related to our credit ratings and our availability and cost of funding;** and volatility in foreign currency exchange rates, interest rates and commodity prices. **We also face financial risks associated with our run-off insurance and banking operations**. Credit risk is the risk of financial loss arising from a customer or counterparty failure to meet its contractual obligations, **and we face credit risk arising from both our industrial businesses and from our remaining financial services operations**. Liquidity risk refers to the potential inability to meet contractual or contingent financial obligations (whether on- or off- balance sheet) as they arise, and could potentially impact our financial condition, cash flow or overall safety and soundness. Customers and counterparties- Global economic, industry- specific or other developments that weaken the financial condition **or**, soundness **or continuity** of significant customers, governments, **government programs** or other parties we deal with can adversely affect our business, results of operations and cash flows. **The Our**

business and operating results of our businesses have been, and will continue to be, affected by worldwide economic conditions, including conditions in the aerospace and defense sector. Aviation Activity in our sector activity is also particularly influenced by the actions of a small group of large original equipment manufacturers, as well as large airlines in various geographies. We have significant business with, and credit exposure to, some of our largest aviation customers and accordingly our Aerospace business performance can be adversely affected by challenges that individual customers or the industry faces related to factors such as competition, regulatory oversight and certifications, the need for cost reduction, financial stability and soundness, and supply chain or labor shortages or disruptions, the cost of jet fuel, the availability of aircraft leasing and financing alternatives, interest rates the satisfaction of certification or other regulatory requirements for aircraft in various jurisdictions, the retirement of older aircraft and other dynamics affecting the original equipment and aftermarket service markets, or by a significant disruption of air travel such as what occurred during the COVID air transportation travel demand. Further, power generation, renewable energy changes in the relative value of various national currencies (especially the reduction in the valuation of a home currency against the value of currencies used to purchase and maintain aircraft and aircraft engines) may impact our customers and other industries industry participants we serve. Existing or potential customers may delay or cancel plans to purchase our products and services, including large infrastructure projects, and may not be able to fulfill their obligations to us in a timely fashion or at all as a result of business deterioration, cash flow shortages or difficulty obtaining funding financing for particular projects or due to macroeconomic conditions, geopolitical disruptions, changes in law or other challenges affecting that the they strength of the global economy 2024 FORM 10- K 31 face. The airline industry has historically been, for example, is highly cyclical, and sustained economic growth and political stability in both developed and emerging markets are principal factors underlying long- term air traffic growth; the current macroeconomic and geopolitical environment and the potential for recession or armed conflict pose risks to the rate of that growth. Aviation sector activity is also particularly..... occurred during the COVID- 19 pandemic. A potential future disruption in connection with a terrorist incident, war, cyberattack, actual or threatened public health pandemic or emergency or recessionary economic environment that results in the loss of business and leisure traffic could also adversely affect these our customers, their ability to fulfill their obligations to us in a timely fashion or at all, demand for our products and services and the viability of a customer's business. (See also Risk Factors- Commercial aviation sector.) In our Power and Renewable Energy businesses, our customers also face a variety of challenges, including in connection with decarbonization, industry consolidation, competition and shifts in the availability of financing for certain types of power projects or technologies (such as prohibitions on financing for fossil fuel-based projects or technologies); these dynamics can also have a significant impact on the operating results and outlooks for our businesses. In addition, our customers include numerous governmental entities within and outside the U. S., including the U. S. federal government. Sustained and state increased funding from government customers supports research, new product development, production and local entities aftermarket business for our defense business, and a variety of domestic and international political, macroeconomic and geopolitical factors, including recession, can materially affect our customers' ability to secure budget support and fund these activities year after year. We also at times face greater challenges collecting on receivables with customers that are sovereign governments or located in emerging markets. If there is significant deterioration in the global economy, in our industries sector, in financial markets or with particular significant counterparties, our results of operations, financial position and cash flows could be materially adversely affected. Run- off insurance and banking operations- We continue to have exposure to our run- off insurance operations and Bank BPH mortgage portfolio in Poland. While in recent years we have greatly reduced the scope of GE 2's former financial services operations, we continue to retain significant exposure to legacy insurance and other financial services operations that will run off over a long period of time and, in the event of future adverse developments, could cause funding or liquidity stress. For example, it is possible that results of our statutory testing of insurance reserves in future years will require additional capital contributions to our insurance subsidiaries, even after we make the expected capital contribution made in the first quarter of 2024 that will complete completed the contributions in connection with the statutory permitted practice approved in 2018 by the Kansas Insurance Department (KID). Our statutory testing of insurance reserves is subject to a variety of assumptions, including assumptions about the discount rate (which is sensitive to changes in market interest rates), morbidity, mortality and future long- term care premium increases. Future adverse changes to these assumptions (to the extent not offset by any favorable changes to these assumptions) could result in an increase to future policy benefit reserves and, potentially, to the amount of capital we are required to contribute to our insurance subsidiaries (as discussed in the Other Items- Insurance section within the MD & A). In addition, we have exposure to various financial counterparties that pose credit and other risks in the event of insolvency or other default. For example, a portion of our run- off insurance operations' assets are held in trust accounts associated with reinsurance contracts. For our UFLIC subsidiary, such trust assets are currently held in trusts for the benefit of insurance company subsidiaries of Genworth, which has stated 2023 FORM 10- K 34 in the past that it will not bolster the capital position of its insurance subsidiaries. Solvency or other concerns about Genworth or its insurance company subsidiaries may cause those subsidiaries or their regulators to take or attempt to take actions that could adversely affect UFLIC, including control over assets in the relevant trusts. It is also possible that additional contingent liabilities and loss estimates for Bank BPH, in connection with the ongoing litigation in Poland related to its portfolio of residential mortgage loans denominated in or indexed to foreign currencies (see Note 24), will need to be recognized (or loss estimates may increase in the future) and will become payable require additional capital contributions. Regulatory requirements and agreements with respect to our run- off insurance operations and Bank BPH require us to maintain adequate levels of capital and could require additional infusion of capital if the required levels are not maintained. Though we may consider strategic options to accelerate the further reduction in the size of these remaining financial services operations, such options may not be viable or attractive because of the associated cash payments, financial charges or other adverse effects. There can be no assurance that future liabilities, losses or impairments to the carrying value of assets within our financial services operations would not materially and adversely affect

our GE's business, financial position, cash flows, or results of operations or capacity to provide financing to support orders at the businesses. Borrowings & liquidity — We may face risks related to the refinancing of our debt levels, particularly in severely adverse market conditions, and future credit downgrades could adversely affect our liquidity, funding costs and related margins. We have significantly reduced our debt levels over the past several years through liability management actions, and we intend to maintain a sustainable investment-grade long-term credit rating. Existing debt may adversely impact our ability to obtain new debt financing on favorable terms in the future, but particularly if coupled with downgrades of our credit ratings or a deterioration of capital markets conditions more generally. There there can be no assurance that we will not face future credit rating downgrades as a result of factors such as the a change in business strategy or performance of our businesses, reduced diversification of GE's businesses following the planned separation into three independent companies or changes in rating application or methodology, and future Future downgrades could adversely affect our cost of funds, liquidity and competitive position. Further, our swap, forward and external conditions in option contracts are executed under standard master agreements that typically contain mutual downgrade provisions that provide the financial and ability of the counterparty to require termination if the credit markets may limit our availability ratings of the applicable GE entity were to fall below specified ratings levels. Refinance our debt at particular times or on commercially reasonable terms. In addition, if we are unable to generate cash flows in accordance with our plans or face unforeseen needs for capital, we may adopt changes to our capital allocation plans (such as plans related to the timing or amounts of investments or capital expenditures, share repurchases or dividends) or take other actions. Further, our pension and other post-retirement benefit obligations are exposed to economic factors, such as changes in interest rates, investment performance of plan assets, and health care costs, which could adversely impact our leverage and liquidity. For additional discussion about our credit ratings, financial conditions and related considerations, refer to the Capital Resources and Liquidity section within MD & A. Postretirement benefit plans — Increases in pension, healthcare and life insurance benefits obligations and costs can adversely affect our earnings, cash flows and further progress toward our leverage goals. Our results of operations, cash flow and financial condition may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. GAAP requires that we calculate income or expense for the plans using actuarial valuations, which reflect assumptions about financial markets, interest rates and other economic conditions such as the discount rate and the expected long-term rate of return on plan assets. We are also required to make an annual measurement of plan assets and liabilities, which may result in a significant reduction or increase to equity. The factors that impact our pension calculations are subject to changes in key economic indicators, and future decreases in the discount rate or low returns on plan assets can increase our funding obligations and adversely impact our financial results. In addition, although GAAP expense and pension funding contributions are not directly related, key economic factors that affect GAAP expense, such as sustained market volatility, would also likely affect the amount of cash we would be required to contribute to pension plans under ERISA. Such factors could also result in a failure to achieve expected returns on plan assets. In addition, there may be upward pressure on the cost of providing healthcare benefits to current and future retirees. There can be no assurance that the measures we have taken to control increases in these costs, or that the assignment of assets and liabilities with respect to certain U. S. and non-U. S. benefit plans in connection with GE's separation into three independent companies, will succeed in limiting cost increases, and continued upward pressure could reduce our profitability. For a discussion regarding how our financial statements have been and can be affected by our pension and healthcare benefit obligations, see Note 13. LEGAL AND COMPLIANCE RISKS. Legal and compliance risk relates to risks arising from the government and regulatory environment, legal proceedings and compliance with integrity policies and procedures, including matters relating to financial reporting and the environment, health and safety. Government and regulatory risk includes the risk that the government or regulatory actions will impose additional cost on us or require us to make adverse changes to our business models or practices. Regulatory — We are subject to a wide variety of laws, regulations and government policies that require ongoing compliance efforts and may change in significant ways. Our businesses — business are is subject to regulation under a wide variety of U. S. federal and state and non-U. S. laws, regulations and policies that require ongoing compliance efforts. There can be no assurance that laws, regulations and policies will not be changed or interpreted or enforced in ways that will require us to modify our business models and objectives or affect our returns on investments by restricting existing activities and products, subjecting them to escalating costs or prohibiting them outright. In particular, recent trends globally toward increased protectionism, import and export controls, required licenses or authorizations to engage in business dealings with certain countries or entities, the use of tariffs, restrictions on outbound investment and other trade barriers can result in actions by governments around the world that have been and may continue to be disruptive and costly to our businesses — business, and can interfere with our global operating model and weaken our competitive position. In addition, changes in environmental and climate change laws, regulations or policies (including carbon emissions pricing and taxes, emission emissions standards or sustainable finance, among others) affecting the power or aviation aerospace and defense sectors — sector could lead to additional costs or compliance requirements, a need for additional investment in product designs, require carbon offset investments or otherwise negatively impact our businesses — business or competitive position. Other legislative and regulatory areas of significance for our businesses — business that U. S. and non-U. S. governments have focused and continue to focus on include cybersecurity, data privacy and sovereignty, artificial intelligence, anti-corruption, competition law, public procurement law, compliance with complex trade controls and economic sanctions laws, technical regulations or local content requirements that could result in market access criteria that our products cannot or do not meet, restrictions related to per- and polyfluoroalkyl substances (PFAS), foreign exchange intervention in response to currency volatility and currency controls that could restrict the movement of liquidity from particular jurisdictions. Potential changes to tax laws, including changes to taxation of global income, may have an effect on our subsidiaries' structure, operations, sales, liquidity, cash flows, capital requirements, effective tax rate and performance. For example, legislative or regulatory measures by 2023 FORM 10-K 35 U. S. federal, states — state or non-U. S. governments, or rules, interpretations or audits under new or existing

tax laws such as global minimum taxes or other changes to the treatment of global income, could increase our cash tax costs and effective tax rate. Regulation or government scrutiny may impact the requirements for marketing our products and slow our ability to introduce new products, resulting in an adverse impact on our business. Furthermore, we make sales to U. S. and non-U. S. governments and other public sector customers, and we participate in various governmental financing programs, that require us to comply with strict governmental regulations. As a U. S. government contractor, we are also subject to risks relating to U. S. government audits and investigations that in the past have led, and in the future may lead, to cash withholds, fines, damages or other penalties under civil or criminal laws. Inability to comply with applicable regulations could adversely affect our status with government customers or our ability to participate in projects, and could have collateral consequences such as suspension or debarment. Suspension or debarment, depending on the entity involved and length of time, can limit our ability to bid for new U. S. government contracts or business with other government-related customers, or to participate in projects involving multilateral development banks, and this could adversely affect our results of operations, financial position and cash flows. Legal proceedings- We are subject to a variety of legal proceedings, disputes, investigations and legal compliance risks, including contingent liabilities from businesses that we have exited or are inactive. We are subject to a variety of legal proceedings, commercial disputes, legal compliance risks and environmental, health and safety compliance risks in virtually every part of the world. We, our representatives and the our industries industry in which we operate are subject to continuing scrutiny by regulators, other governmental authorities and private sector entities or individuals in the U. S., the European Union, China and other jurisdictions, which have led or may, in certain circumstances, lead to enforcement actions, adverse changes to our business practices, fines and penalties, required remedial actions such as contaminated site clean-up or other environmental claims, or the assertion of private litigation claims and damages that could be material. For example, since our acquisition of Alstom's Thermal, Renewables and Grid businesses in 2015, we are subject to legacy legal proceedings and legal compliance risks that relate to claimed anti-competitive conduct or corruption by Alstom in the pre-acquisition period, and payments for settlements, judgments, penalties or other liabilities in connection with those matters have resulted and will in the future result in cash outflows. In addition, while in December 2020 we entered into a settlement to conclude a previously disclosed SEC investigation of GE, we remain subject to shareholder lawsuits related to the Company's financial performance, accounting and disclosure practices and related legacy matters from several years ago. We have observed that these These types of proceedings involving related to claims about past financial performance and reporting pose particular reputational risks for the Company, as well as any future claims that may arise can cause new allegations about past or current misconduct, even if unfounded, to may have a more significant impact on our reputation and how we are viewed by investors, customers and others than. We also from time to time are involved in commercial discussions, disputes or proceedings in which, given they the otherwise would nature of our business that often involves large equipment and service orders and long-term commercial relationships, the claims asserted can be for significant amounts. The estimation of legal reserves or possible losses involves significant judgment and may not reflect the full range of uncertainties and unpredictable outcomes inherent in litigation, disputes and investigations, and the actual losses arising from particular matters may exceed our current estimates and adversely affect our financial results of operations. The risk management and compliance programs we have adopted and related actions that we take may not fully mitigate legal and compliance risks that we face, particularly in light of the global and diverse nature of our operations and the current enforcement environments in many jurisdictions. For example, when we investigate potential noncompliance under U. S. and non-U. S. law involving GE our employees, partners or third parties we work with, in some circumstances we make self-disclosures about our findings to the relevant authorities who may pursue or decline to pursue enforcement proceedings against us in connection with those matters. We are also subject to material trailing legal liabilities from businesses that we have exited or are inactive. We also expect that additional legal proceedings and other contingencies will arise from time to time. Moreover, we sell products and services in growth markets where claims arising from alleged violations of law, product failures or other incidents involving our products and services are adjudicated within legal systems that are less developed and less reliable than those of the U. S. or other more developed markets, and this can create additional uncertainty about the outcome of proceedings before courts or other governmental bodies in those markets. See Note 24 for further information about legal proceedings and other loss contingencies. LEGAL PROCEEDINGS. Refer to Legal Matters and Environmental, Health and Safety Matters in Note 24 to the consolidated financial statements for further information relating to our legal proceedings matters.