RE: GE HealthCare’s business operations in Russia

April 7, 2023

Dear B4Ukraine Coalition,

The following is GE HealthCare’s response to B4Ukraine Coalition’s inquiry regarding our activities and relationships in Russia.

GE HealthCare’s medical imaging and diagnostic products are critical for supporting healthcare professionals and their patients worldwide. In Russia, we continue to provide and service essential medical equipment, such as imaging devices and bedside monitors which can help to save patient’s lives, while working closely with proper authorities in the U.S., E.U., and other countries to ensure compliance with all current laws and regulations.

Our operations in Russia are relatively small, representing roughly 2% of total company revenue. While we continue to provide medical products, support, services for civilian use—in accordance with applicable sanctions—we have suspended all new investments in Russia and discontinued sales and services to all military customers in Russia. As with all potential ongoing work with Russia, we review our activities on a regular basis to ensure compliance both with our own internal policy and with all laws and regulations.

GE HealthCare and the GE Foundation are proud to have donated $5.5M in medical equipment and humanitarian aid to support the Ukrainian people. Our donations included handheld ultrasound devices, mobile X-ray units, ventilators and patient monitors.

Sincerely,

Frank R. Jimenez
Peter J. Arduini  
President and Chief Executive Officer  
GE HealthCare  
500 West Monroe Street,  
Chicago, Illinois, 60661,  
United States of America

RE: GE HealthCare’s business operations in Russia

March 24, 2023

Dear Mr. Arduini,

We write to you as B4Ukraine, a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. We expect companies to demonstrate opposition to Russia’s war of aggression, public support for the people, democracy, and territorial integrity of Ukraine, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs). At stake is not only the sovereignty and territorial integrity of a democratic Ukraine, but also the continuity of the rules-based international order and the prosperity of the global economy.

We request an urgent dialogue regarding potential inconsistencies between GE HealthCare’s stated policies on human rights and the company’s ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

We acknowledge that GE HealthCare has policies in place to guide the company toward ethical behaviour. The GE Human Rights Statement of Principles clearly indicates the company’s commitment to human rights.¹ According to the company:

“Respect for human rights is the heart of GE’s culture of integrity. Our commitment is grounded in the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the United Nations Global Compact.”²

GE HealthCare’s respect for human rights is further emphasised in the company’s Human Rights Report, which states:

“Respecting human rights around the world has long been a part of our culture of unyielding integrity and is embedded in our environmental, social, and governance priorities.”³

² Ibid.
It has been over one year since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, and forcible transfer of civilians). More than 22,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times.

On September 21, President Vladimir Putin escalated the war by announcing a “partial mobilisation” of the Russian population. The accompanying legislation (Article 9 of Federal Law No. 31-FZ) mandates all organisations, including the 1,500 international companies that are currently operating on a full or limited scale in Russia, to conduct military registration of the staff if at least one of the employees is eligible for military service. They must also assist with delivering the military summons to their employees, ensure the delivery of equipment to assembly points or military units, and provide information, buildings, communications, land plots, transport, and other material means of support to the war effort.

A new decree issued by President Vladimir Putin on March 3, 2023, enables the Russian government to suspend shareholders’ rights and implement external management in companies that don’t fulfil state defence contracts under conditions of martial law. By specifying the process of appointing Russian government representatives to manage businesses that fail to meet state orders, the latest Decree effectively creates a scenario of “partial nationalization.”

This legislation entails new and significant legal risks for companies remaining in Russia, including potential civil and criminal liability under comprehensive sanctions regimes and recent international jurisprudence holding corporations and their officers responsible for human rights abuses abroad.

Companies may also be exposed to financially material risks through operational restrictions, such as limitations of future government contracts.7

In response to this unprovoked and unjustified war8 many companies have left Russia, according to the Kyiv School of Economics Institute’s (KSE) #LeaveRussia company tracker. However, GE HealthCare has decided to continue some of its operations in the country, while suspending new investments.

Prior to the invasion, GE HealthCare had significant business operations in Russia, including the joint venture with Nycomed for the sales, marketing and distribution of medical diagnostic contrast agents.9

In March 2022, GE issued a statement announcing that it is suspending its Russian operations, while continuing to provide “essential medical equipment and support existing power services to people in the region.”10 The company contributed to the humanitarian aid efforts in Ukraine, pledging financial aid, as well as equipment to support Ukraine and neighbouring countries.11

However, GE HealthCare has come under scrutiny for continuing some of its operations in Russia. The company has reportedly continued to offer “training to medical professionals in Russia on the safe and effective use of its imaging and monitoring equipment”, in addition to “lawful product sales for civilian use, support and services.”12 We understand that GE HealthCare claims that their products and services are essential:

“GE HealthCare’s medical imaging and diagnostic products are critical for supporting healthcare professionals and their patients worldwide [...] We continue to provide and service essential medical equipment, while working closely with the proper authorities to ensure compliance with restrictions as well as all laws and regulations.”13

However, the ‘essentiality’ argument is under increasing scrutiny. We are writing now to seek clarification on several points regarding GE HealthCare’s policy on essential goods/services, as follows:

Can GE HealthCare provide its definition and list of goods/services it considers essential in light of the particular circumstances of this conflict?

Has GE HealthCare considered whether its goods can be replaced with local substitutes?

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8 The UN General Assembly condemned Russia’s “aggression against Ukraine” and demanded that Moscow “unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders.”
12 Ibid.
13 Ibid.
Has GE HealthCare considered all the circumstances and complexities of the war in Ukraine in determining to continue providing these goods/services within Russia?

We are requesting a clarification from GE HealthCare on whether it intends to continue operating in the Russian market. These activities and the tax contribution to the Russian economy risk enabling and financing Russia’s violations of IHL and human rights law during the ongoing invasion and occupation of Ukraine and violating GE HealthCare’s commitment to abiding by the UNGPs. It remains to be seen how directly GE HealthCare will be impacted by the partial nationalisation, partial mobilisation, and the heightened legal, regulatory, operational, and financial risks associated with companies being required to provide direct support to the internationally sanctioned Russian military.

We seek to understand how GE HealthCare has conducted and continues to conduct heightened human rights due diligence and how the findings of such a process have resulted in these continued business activities and relationships. As noted by the UNGPs:

...the more severe the abuse, the more quickly the enterprise will need to see change before it takes a decision on whether it should end the relationship. In any case, for as long as the abuse continues and the enterprise remains in the relationship, it should be able to demonstrate its own ongoing efforts to mitigate the impact and be prepared to accept any consequences – reputational, financial or legal – of the continuing connection.

In consideration of the above points and B4Ukraine’s Declaration, we request an urgent dialogue with GE HealthCare’s relevant senior management and staff to discuss the company’s ongoing activities and relationships in Russia, associated risks to the people of Ukraine and the company, and potential steps to prevent/mitigate these risks. Please contact B4Ukraine at contact@b4ukraine.org to schedule a call. We kindly ask for your response by 5:00pm CET, April 7th, 2023.

Please do not hesitate to get in touch if you require any further information.

Sincerely,

The B4Ukraine Coalition

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