

DEFENCE COMPANIES INDEX (DCI) ON ANTI-CORRUPTION AND CORPORATE TRANSPARENCY 2020

FINAL ASSESSMENT

THE BOEING COMPANY

The following pages contain the detailed scoring for this company based on publicly available information.

The table below shows a summary of the company's scores per section:

Section	Number of Questions*	Score Based on Publicly Available Information
1. Leadership and Organisational Culture	4	7/8
2. Internal Controls	6	12/12
3. Support to Employees	7	13/14
4. Conflict of Interest	4	7/8
5. Customer Engagement	7	7/14
6. Supply Chain Management	5	7/10
7. Agents, Intermediaries and Joint Ventures	10	9/20
8. Offsets	4	4/8
9. High Risk Markets	4	4/8
10. State-Owned Enterprises	0	N/A
TOTAL		70/102
BAND		B

*This column represents the number of questions on which the company was eligible to receive a score; i.e. where the company did not receive a score of N/A.

1. Leadership and Organisational Culture

Question
1.1. Does the company have a publicly stated anti-bribery and corruption commitment, which is authorised by its leadership?
Score
2
Comments
<p>There is evidence that the company publishes a clear anti-bribery and corruption commitment, which details its stance against any form of bribery and corruption within the organisation. There is evidence that this commitment was directly authorised and endorsed by the company's senior leadership.</p>
Evidence
<p>[34] Updated - Ethics and Compliance – Anti-Corruption (Webpage) 01/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption Anti-Corruption Program At Boeing, the safety, quality and integrity of the work we do matters to passengers flying aboard our commercial airplanes, astronauts operating at the edge of space, and members of the armed forces who rely on our products and services to complete their missions. Ethical business conduct is at the very core of how we do business. At Boeing, there is zero tolerance for corruption or bribery, and we empower all employees across the company to Speak Up in support of an open and accountable workplace culture. – Diana Sands, senior vice president, Boeing Office of Internal Governance & Administration</p> <p>Boeing strictly forbids bribery and corruption of any kind. It is imperative that we compete on the merits alone. Integrity is a core company value and in support of it, Boeing publishes an internal policy inclusive of anti-corruption and anti-bribery requirements and expectations applicable to employees, board of directors, and other stakeholders.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 27/02/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.5] We believe it is imperative that we compete on merits alone and strictly forbid bribery and corruption of any kind. Integrity is a Boeing Enduring Value and in support of it, we provide employees and other stakeholders with clear guidance and detailed procedures to ensure compliance with the Foreign Corrupt Practices Act (FCPA) and other global anti-corruption laws and regulations. This guidance is clear: we must never sacrifice our ethical principles to win or keep business — no business is worth the sacrifice. From our most senior leadership to our newest employees, we are committed to integrity as a core element of everything we do.</p> <p>[5] Vision (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/vision.page Enduring Values</p> <p>At Boeing, we are committed to a set of core values that not only define who we are, but also serve as guideposts to help us become the company we would like to be. And we aspire to live these values every day.</p> <ul style="list-style-type: none"> - Integrity We take the high road by practicing the highest ethical standards and honoring our commitments. We take personal responsibility for our own actions.

Question

1.2. Does the company have a comprehensive anti-bribery and corruption policy that explicitly applies to both of the following categories:

- a) All employees, including staff and leadership of subsidiaries and other controlled entities;**
- b) All board members, including non-executive directors.**

Score

1

Comments

There is evidence that the company publishes an anti-bribery and corruption policy, which specifically prohibits commercial bribery and directly addresses facilitation payments. This policy applies to all employees and board members as described in (a) and (b) in the question.

However, the company receives a score of '1' because there is no publicly available evidence that its anti-bribery and corruption policy prohibits payments to public officials.

Evidence

[3] Ethics and Compliance – Code of Conduct (Webpage)

Accessed 17/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/conduct>

Code of Conduct

The Boeing Code of Conduct establishes behavioral expectations for Boeing employees at all levels of the company – wherever they are in the world. Along with Boeing's Enduring Values, the code serves as the foundation for our workplace culture and provides the basis for the way we conduct business.

While we are committed to performing all business in accordance with relevant laws and regulations and provide our employees with a robust set of internal policies, we believe that it is our commitment to operating with integrity that ensures our long-term business success.

[4] Ethics and Compliance – Anti-Corruption (Webpage)

Accessed 17/08/2019

https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption

Anti-Corruption Program

Boeing strictly forbids bribery and corruption of any kind. It is imperative that we compete on the merits alone. Integrity is a core company value and in support of it, Boeing publishes an internal policy inclusive of anti-corruption and bribery requirements and expectations applicable to employees, Board of Directors, and other stakeholders. Boeing also provides employees and other stakeholders detailed procedures to ensure compliance with the U.S. Foreign Corrupt Practices Act and other global anti-corruption laws and regulations; requires annual training related to ethics and compliance; and provides guidance and instructions on various reporting mechanisms. This guidance is clear that we must never sacrifice our ethical principles to win or keep business—that no business is worth it.

Competing Globally with Honesty, Integrity and Compliance

Boeing's anti-corruption program is organized into nine areas, and reflects the company's commitment to competing globally with honesty, integrity and in full compliance with all applicable laws and regulations. Detailed policies and procedures govern each area and demonstrate the company's zero tolerance for corruption, applicable to employees at all levels and in every location where we operate. We work with our partners, including through Boeing-appointed board members, to ensure that the joint ventures in which we participate adopt similar policies and procedures to govern their respective operation. Program risk is assessed throughout the year, and results are shared at the company's executive council and board levels. Assessment results are used to make improvements to further strengthen the program and sustain effectiveness.

- Business Courtesies, Giving and Receiving
- Employment Decisions
- Financial Controls, and Books and Records
- Grants, Business Donations, Sponsorships, Memberships
- International Consultants

- Mergers and Acquisitions
- Non-sale Agreements (including Teaming Agreements)
- Non-U.S. Political Contributions
- Supplier Relationships

[35] Updated Ethical Business Conduct Guidelines (Document)

Accessed 01/05/2020

https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf

[p.19] We believe it is imperative that we compete on merits alone and strictly forbid bribery and corruption of any kind. Although the Foreign Corrupt Practices Act (FCPA) includes an exception for facilitation payments, other anti-bribery laws do not.

Therefore, Boeing prohibits facilitation payments on its behalf except in those rare circumstances where it is deemed necessary, compliant after legal review, and properly documented. Integrity is a Boeing Enduring Value and in support of it, we provide employees and other stakeholders with clear guidance and detailed procedures to ensure compliance with the FCPA and other global anticorruption laws and regulations.

[1] Ethical Business Conduct Guidelines (Document)

Accessed 04/03/2020

https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf

[p.5] At the beginning of each year, we all sign the Boeing Code of Conduct, demonstrating our personal accountability for making the best decisions for our work, our customers and our company. The code establishes expectations of conduct at all levels of the company — wherever we are in the world. Along with the Boeing's Enduring Values, the code serves as the foundation for our workplace culture and provides the basis for the way we conduct business.

Key points

- Signing the Boeing Code of Conduct annually reinforces our personal commitment to our Enduring Values and the Boeing Behaviors.
- The Boeing Code of Conduct establishes behavioral and ethical expectations for employees at all levels of the company — wherever we are in the world.

[...]

FAQ

Q: Who is required to sign the Boeing Code of Conduct?

A: All Boeing employees, including part-time employees and employees of Boeing subsidiaries, at both US and non-US locations, sign. Interns, contract labor and industry assist individuals must also read, review and certify (by signing) that they understand and will comply with the code of conduct.

[p.6] The Boeing Code of Conduct outlines expected behaviors for all Boeing employees.

[p.19] We believe it is imperative that we compete on merits alone and strictly forbid bribery and corruption of any kind. Integrity is a Boeing Enduring Value and in support of it, we provide employees and other stakeholders with clear guidance and detailed procedures to ensure compliance with the Foreign Corrupt Practices Act (FCPA) and other global anti-corruption laws and regulations. This guidance is clear: we must never sacrifice our ethical principles to win or keep business — no business is worth the sacrifice. From our most senior leadership to our newest employees, we are committed to integrity as a core element of everything we do.

[6] Proxy Statement (Document)

Accessed 17/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf

[p.18] Codes of Conduct

The Board expects directors, officers and employees to act ethically, including by adhering to all applicable codes of conduct, at all times.

[7] Code of Conduct – Employees (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/english.pdf

[p.1] The Boeing Code of Conduct outlines expected behaviors for all Boeing employees. Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in full compliance with all applicable laws and regulations, and consistent with Boeing's enduring values. In conducting its business, integrity must underlie all company relationships, including those with customers, suppliers, communities and among employees. The highest standards of ethical business conduct are required of Boeing employees in the performance of their company responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, reputation or otherwise cause embarrassment to the company. Employees will demonstrate their commitment to the enduring values, will treat each other with respect and will refrain from any type of harassment, including sexual harassment.

As an employee of The Boeing Company, I will ensure that:

- I will not engage in any activity that might create a conflict of interest for me or the company.
- I will not take advantage of my Boeing position to seek personal gain through the inappropriate use of Boeing or non-public information or abuse my position. This includes not engaging in insider trading.
- I will follow all restrictions on use and disclosure of information. This includes following all requirements for protecting Boeing information and ensuring that non-Boeing proprietary information is used and disclosed only as authorized by the owner of the information or as otherwise permitted by law.
- I will observe fair dealing in all of my transactions and interactions.
- I will protect all company, customer and supplier assets and use them only for appropriate company approved activities.
- Without exception, I will comply with all applicable laws, rules and regulations.
- I will promptly report any illegal or unethical conduct to management or other appropriate authorities (i.e., Ethics, Law, Security, EEO).

Every employee has the responsibility to ask questions, seek guidance and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.

[8] Code of Ethical Business Conduct for Members of the Board of Directors (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/conduct_for_directors.pdf

[p.1] The Board of Directors (the "Board") of The Boeing Company (the "Company") has adopted the following Code of Ethical Business Conduct (the "Code") for directors of the Company ("Directors"). This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to help them continue to effectively recognize and deal with ethical issues, enhance existing mechanisms to continue the reporting of unethical conduct, and help to continue to foster and sustain a culture of honesty and accountability. Each Director must comply with the letter and spirit of this Code. Only the Board, based upon the recommendation of the Governance, Organization and Nominating ("GON") Committee, may grant a waiver of this Code and any such waiver shall be promptly disclosed.

Directors who also serve as officers of the Company should read this Code in conjunction with the Company's Ethical Business Conduct Guidelines.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the GON Committee, who may consult with inside or outside legal counsel as appropriate.

[9] Corporate Governance Principles (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/corporate-governance-principles.pdf

[p.7] Boeing expects all directors, officers and employees to act ethically at all times and adhere to the policies comprising the Company's codes of ethical conduct. Boeing has adopted a code of ethical business conduct for directors as well as a code of conduct for all employees. All finance employees are subject to an additional code of conduct. Copies of these codes are available at www.boeing.com/corp_gov/. Only the Board, based upon the recommendation of the GON Committee, may grant a waiver of any code of conduct provision for a director or executive officer and any such waiver shall be promptly disclosed.

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Question
1.3. Does the board or a dedicated board committee provide oversight of the company's anti-bribery and corruption programme?
Score
2
Comments
<p>Based on publicly available information, there is evidence that a designated board committee – the Audit Committee – is ultimately responsible for oversight of the company's ethics and compliance programme, which includes anti-bribery and corruption. The company indicates that this body is responsible for reviewing reports from management on the performance of the ethics and compliance programme and ensuring that required changes are made. The Audit Committee also reports at least annually to the board on the implementation and effectiveness of programme.</p>
Evidence
<p>[9] Corporate Governance Principles (Document) Accessed 17/08/2019 http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/corporate-governance-principles.pdf [p.2] Board Responsibilities</p> <p>Oversight Responsibilities The Board's oversight responsibilities include:</p> <p>[...]</p> <p>(5) approving policies of corporate conduct that continue to promote and maintain the integrity of the Company.</p> <p>[p.3] In addition, the Board shall be knowledgeable about the content and operation of Boeing's ethics and compliance program, and shall exercise oversight with respect to the program's implementation and effectiveness.</p> <p>[p.5] Board Committees</p> <p>The Board has established the following standing committees to assist the Board in discharging its responsibilities:</p> <ul style="list-style-type: none"> • Audit <p>[...]</p> <p>The Audit Committee regularly meets in executive session with representatives of the Company's independent auditors. The Audit Committee also meets on a regular basis with the Company's vice president responsible for carrying out the internal audit function. The Audit Committee shall ...</p> <p>[p.6] ... report to the Board, no less than annually, with respect to the implementation and effectiveness of Boeing's ethics and compliance program to support the Board's oversight responsibility.</p> <p>[10] The Boeing Company Audit Committee Charter (Document) Accessed 27/02/2020 http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf [p.1] PURPOSE</p> <p>The Audit Committee (the "Committee") is established by the Board of Directors (the "Board") of The Boeing Company (the "Company") for the primary purpose of assisting the Board in oversight of:</p> <ol style="list-style-type: none"> 1. Integrity of the Company's financial statements, 2. Company's compliance with legal and regulatory requirements, 3. Independent auditor's qualifications and independence, 4. Company's processes for assessing key strategic, operational and compliance risks, and

5. Performance of the Company's internal audit function and independent auditor.

[p.2] RESPONSIBILITIES

In furtherance of the Committee's purpose as set forth above, the Committee's responsibilities include the following:

1. Appoint, retain, compensate, oversee, and replace, if necessary, the independent auditor, which auditor will report directly to the Committee. The Committee shall present its conclusions with respect to the independent auditor to the Board.
2. Review and pre-approve both audit and non-audit services to be provided by the independent auditor. The Committee Chair may pre-approve audit or non-audit services to be performed by the independent auditor according to the procedures approved by the Committee, provided that any such approvals are presented to the Committee at its next scheduled meeting.
3. Review and advise on the selection and removal of the VP-Corporate Audit. Additionally, the Committee will review, recommend changes to, and approve the Internal Audit Charter.
4. Obtain and review, on an annual basis, a formal written report prepared by the independent auditor describing:
 - The firm's internal quality-control procedures;
 - Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and
 - [p.3] All relationships between the independent auditor and the Company (for purposes of assessing the auditor's independence), including discussion and evaluation of such relationships, and recommending that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.

[...]

6. Review with the independent auditors, internal auditors, and members of senior management the adequacy and effectiveness of the Company's internal controls and financial reporting processes, including any significant deficiencies or material weaknesses, as well as significant changes in internal controls reported by the independent auditor or management.

[...]

11. Discuss with management the Company's policies, practices and guidelines with respect to risk assessment and risk management, including assessing key strategic, operational and compliance risks.

[...]

14. Meet with the SVP-OIG to review the Company's ethics and business conduct programs and the Company's compliance with related laws and regulations.

[...]

20. Report regularly to the Board with respect to the implementation and effectiveness of the Company's ethics and compliance programs to support the Board's oversight responsibility.

[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf

[p.16] Audit Committee Risk Oversight

- Evaluate overall risk assessment and risk management practices
- Perform central oversight role with respect to financial statement, disclosure, and compliance risks
- Receive regular reports from our Senior Vice President, Office of Internal Governance and Administration with respect to compliance with our ethics and risk management policies

- Meet in executive session after every committee meeting with Deloitte & Touche LLP, our independent auditors, as well as periodically with our Chief Financial Officer, Vice President, Corporate Audit, our Senior Vice President, Office of Internal Governance and Administration, and our Executive Vice President and General Counsel to discuss financial and/or compliance risks, and report any findings to the Board
- Lead the Board's oversight of cybersecurity risk

[12] Compliance (Webpage)

Accessed 17/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/compliance>

As outlined in Boeing's Audit Committee Charter, the senior vice president of the Office of Internal Governance and Administration reports at least annually to the Audit Committee on Boeing's compliance with its risk management processes, as well as regular reporting on the company's Ethics and Business Conduct programs. More details on reporting and oversight functions of the CRMB can be found in the Audit Committee Charter, published on the Boeing Corporate Governance page.

Question
1.4. Is responsibility for implementing and managing the company's anti-bribery and corruption programme ultimately assigned to a senior executive, and does he or she have a direct reporting line to the board or board committee providing oversight of the company's programme?
Score
2
Comments
<p>There is evidence that a designated senior individual – the Senior Vice President of the Office of Internal Governance and Administration – has ultimate responsibility for implementing and managing the company's anti-bribery and corruption programme. The company indicates that this individual has a direct reporting line to the Audit Committee which provides oversight of the ethics and compliance programme. There is evidence of reporting and feedback activities between this person and the Audit Committee as part of the company's reporting structure.</p>
Evidence
<p>[10] The Boeing Company Audit Committee Charter (Document) Accessed 17/08/2019 http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf <p>[p.2] RESPONSIBILITIES</p> <p>In furtherance of the Committee's purpose as set forth above, the Committee's responsibilities include the following:</p> <p>[p.3] 13. At least annually receive reporting by the SVP-OIG on the Company's compliance with its risk management processes, and by the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.</p> <p>[p.4] 15. Meet with the SVP-OIG to review the Company's ethics and business conduct programs and the Company's compliance with related laws and regulations.</p> <p>[11] Executive Biography of Diana Sands (Webpage) Accessed 17/08/2019 http://www.boeing.com/company/bios/diana-sands.page Diana Sands is senior vice president of the Office of Internal Governance and Administration for The Boeing Company and a member of the company's executive council. She is responsible for the advancement and effective implementation of Boeing's internal governance policies and plans. Sands also chairs the company's Enterprise Services council which is responsible for driving cross-functional alignment of all internal services and providing optimized service delivery globally.</p> <p>As the company's chief ethics & compliance officer, Sands leads Boeing's ethics, compliance, corporate audit and trade controls activities. In this governance role, Sands reports to the chairman and chief executive officer and to the audit committee of the board of directors.</p> <p>[6] Proxy Statement (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf <p>[p.16] Audit Committee Risk Oversight</p> <p>[...]</p> <ul style="list-style-type: none"> • Receive regular reports from our Senior Vice President, Office of Internal Governance and Administration with respect to compliance with our ethics and risk management policies • Meet in executive session after every committee meeting with Deloitte & Touche LLP, our independent auditors, as well as periodically with our Chief Financial Officer, Vice President, Corporate Audit, our Senior Vice President, Office of Internal Governance and Administration, and our Executive Vice President and General Counsel to discuss financial and/or compliance risks, and report any findings to the Board </p> </p>

[12] Compliance (Webpage)

Accessed 17/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/compliance>


Complying with external regulations and our own strong internal policies and procedures is not only the right thing to do — it is vital to the ongoing success of our company. To ensure we maintain effectiveness and continually enhance this area, compliance monitoring and assessments are built into all levels of the business.

Senior leaders of every Boeing business and function are responsible for identifying, analyzing, raising and addressing key compliance issues. They do this through the Compliance Risk Management Board (CRMB), which is chaired by the senior vice president of the Office of Internal Governance and Administration, as well as involvement from other senior executive leaders. The CRMB's oversight enables the company to identify risk areas and ensure consistent actions across the company in order to remain compliant. It also facilitates cross-enterprise discussion to support proactive management of emergent risks.

As outlined in Boeing's Audit Committee Charter, the senior vice president of the Office of Internal Governance and Administration reports at least annually to the Audit Committee on Boeing's compliance with its risk management processes, as well as regular reporting on the company's Ethics and Business Conduct programs. More details on reporting and oversight functions of the CRMB can be found in the Audit Committee Charter, published on the Boeing Corporate Governance page.

Managers are responsible for compliance within the areas they oversee, and along with all employees, receive annual training on compliance risk areas tailored to their specific work. This includes training for a range of topics such as U.S. Defense Department procurement rules, proper handling of sensitive information and anti-corruption. Each year, managers complete an online compliance training questionnaire for their respective employees. Based on manager responses, the system generates individualized training plans that support the kind of work the employee performs.

2. Internal Controls

Question
2.1. Is the design and implementation of the anti-bribery and corruption programme tailored to the company based on an assessment of the corruption and bribery risks it faces?
Score
2
Comments
Based on publicly available information, there is evidence that the company has a formal bribery and corruption risk assessment procedure that informs the design of the anti-bribery and corruption programme. There is evidence to indicate that risk assessments are reviewed by the board on an annual basis and that the results are used to update specific parts of the company's anti-bribery and corruption programme.
Evidence
<p>[4] Ethics and Compliance – Anti-Corruption (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption Program risk is assessed throughout the year, and results are shared at the company's executive council and board levels. Assessment results are used to make improvements to further strengthen the program and sustain effectiveness.</p> <p>[12] Compliance (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/compliance</p>  <p>Complying with external regulations and our own strong internal policies and procedures is not only the right thing to do — it is vital to the ongoing success of our company. To ensure we maintain effectiveness and continually enhance this area, compliance monitoring and assessments are built into all levels of the business. Senior leaders of every Boeing business and function are responsible for identifying, analyzing, raising and addressing key compliance issues. They do this through the Compliance Risk Management Board (CRMB), which is chaired by the senior vice president of the Office of Internal Governance and Administration, as well as involvement from other senior executive leaders. The CRMB's oversight enables the company to identify risk areas and ensure consistent actions across the company in order to remain compliant. It also facilitates cross-enterprise discussion to support proactive management of emergent risks.</p> <p>As outlined in Boeing's Audit Committee Charter, the senior vice president of the Office of Internal Governance and Administration reports at least annually to the Audit Committee on Boeing's compliance with its risk management processes, as well as regular reporting on the company's Ethics and Business Conduct programs. More details on reporting and oversight functions of the CRMB can be found in the Audit Committee Charter, published on the Boeing Corporate Governance page.</p>

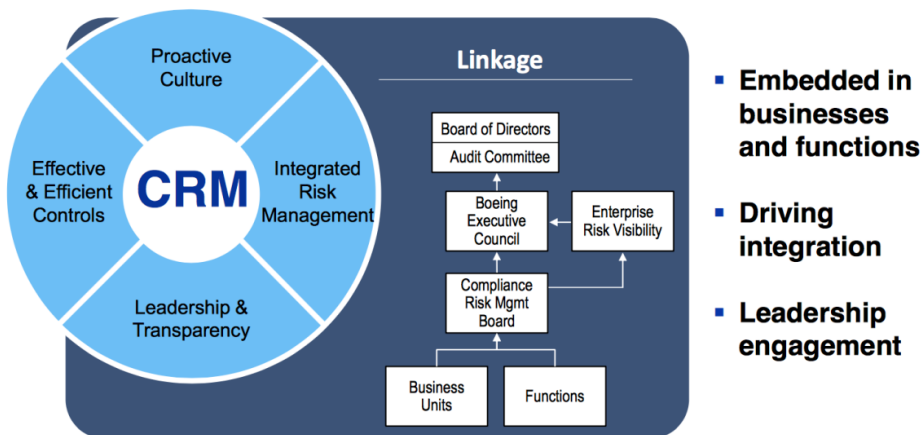
Managers are responsible for compliance within the areas they oversee, and along with all employees, receive annual training on compliance risk areas tailored to their specific work. This includes training for a range of topics such as U.S. Defense Department procurement rules, proper handling of sensitive information and anti-corruption. Each year, managers complete an online compliance training questionnaire for their respective employees. Based on manager responses, the system generates individualized training plans that support the kind of work the employee performs.

[13] Boeing Compliance Risk Management (Webpage)

Accessed 17/08/2019

https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/crmb_charter.pdf

Boeing Compliance Risk Management



Open and accountable culture enabling business performance

[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf

[p.16] Audit Committee Risk Oversight

- Evaluate overall risk assessment and risk management practices
- Perform central oversight role with respect to financial statement, disclosure, and compliance risks

[10] The Boeing Company Audit Committee Charter (Document)

Accessed 27/02/2020

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf

[p.1] PURPOSE

The Audit Committee (the "Committee") is established by the Board of Directors (the "Board") of The Boeing Company (the "Company") for the primary purpose of assisting the Board in oversight of:

[...]

4. Company's processes for assessing key strategic, operational and compliance risks

[...]

11. Discuss with management the Company's policies, practices and guidelines with respect to risk assessment and risk management, including assessing key strategic, operational and compliance risks.

[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf

[p.16] Risk Oversight

We believe taking calculated risks is a critical element of Boeing's commitment to its customers and shareholders, as well as its mandate to be the best in aerospace and an enduring global industrial champion. However, we believe avoiding imprudent risks and mitigating the many strategic, technological, operational, and compliance risks we face every day is equally critical to Boeing's long-term success. Senior management is responsible for day-to-day management of risk, including the creation of appropriate risk management policies and procedures. The Board is responsible for overseeing management in the execution of its risk management responsibilities and for assessing the Company's approach to risk management. The Board regularly assesses significant risks to the Company in the course of reviews of corporate strategy and the development of our long-range business plan, including significant new development programs.

As part of its responsibilities, the Board and its standing committees also regularly review strategic, operational, financial, compensation, and compliance risks with senior management.

Audit Committee Risk Oversight

- Evaluate overall risk assessment and risk management practices
- Perform central oversight role with respect to financial statement, disclosure, and compliance risks

Question
2.2. Is the company's anti-bribery and corruption programme subject to regular internal or external audit, and are policies and procedures updated according to audit recommendations?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company's ethics and compliance programme is subject to annual review, supplemented with periodic audits and external assessments. The company indicates that it conducts continuous monitoring of its compliance programme to maintain its effectiveness, and states that such processes are built into all levels of the business. There is evidence that the company's board-level Audit Committee reviews the results of these assessments and there is evidence that the company's Senior Vice President of the Office of Internal Governance and Administration is responsible for making updates and improvements to the programme on this basis.</p>
Evidence
<p>[34] Updated - Ethics and Compliance – Anti-Corruption (Webpage) Accessed 01/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption Our anti-corruption program is organized into nine risk areas and includes extensive controls. These controls are tested annually through a self-assessment process as well as periodic risk-based corporate audits and external assessments to assess risk, ensure effectiveness, and identify potential enhancement opportunities.</p> <p>[12] Compliance (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/compliance Complying with external regulations and our own strong internal policies and procedures is not only the right thing to do — it is vital to the ongoing success of our company. To ensure we maintain effectiveness and continually enhance this area, compliance monitoring and assessments are built into all levels of the business.</p> <p>[...]</p> <p>As outlined in Boeing's Audit Committee Charter, the senior vice president of the Office of Internal Governance and Administration reports at least annually to the Audit Committee on Boeing's compliance with its risk management processes, as well as regular reporting on the company's Ethics and Business Conduct programs.</p> <p>[6] Proxy Statement (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf [p.14] The Audit Committee oversees our independent auditor and accounting and internal control matters. Its principal responsibilities include oversight of:</p> <ul style="list-style-type: none"> • the integrity of our financial statements; • our compliance with legal and regulatory requirements; • our independent auditor's qualifications and independence; • the performance of our internal audit function; • the performance of our independent auditor; and • our risk assessment and risk management processes. <p>At each meeting, representatives of Deloitte & Touche LLP, our independent registered public accounting firm, are present to review accounting, control, auditing, and financial reporting matters. In addition, during certain meetings, the Audit Committee meets in executive session with our Chief Financial Officer, General Counsel, Senior Vice President, Office of Internal Governance and Administration, Vice President, Corporate Audit, and representatives of Deloitte & Touche LLP.</p> <p>[p.16] Audit Committee Risk Oversight</p>

- Evaluate overall risk assessment and risk management practices
- Perform central oversight role with respect to financial statement, disclosure, and compliance risks
- Receive regular reports from our Senior Vice President, Office of Internal Governance and Administration with respect to compliance with our ethics and risk management policies
- Meet in executive session after every committee meeting with Deloitte & Touche LLP, our independent auditors, as well as periodically with our Chief Financial Officer, Vice President, Corporate Audit, our Senior Vice President, Office of Internal Governance and Administration, and our Executive Vice President and General Counsel to discuss financial and/or compliance risks, and report any findings to the Board
- Lead the Board's oversight of cybersecurity risk

[10] The Boeing Company Audit Committee Charter (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf

[p.2] RESPONSIBILITIES

In furtherance of the Committee's purpose as set forth above, the Committee's responsibilities include the following:

1. Appoint, retain, compensate, oversee, and replace, if necessary, the independent auditor, which auditor will report directly to the Committee. The Committee shall present its conclusions with respect to the independent auditor to the Board.
2. Review and pre-approve both audit and non-audit services to be provided by the independent auditor. The Committee Chair may pre-approve audit or non-audit services to be performed by the independent auditor according to the procedures approved by the Committee, provided that any such approvals are presented to the Committee at its next scheduled meeting.
3. Review and advise on the selection and removal of the VP-Corporate Audit. Additionally, the Committee will review, recommend changes to, and approve the Internal Audit Charter.
4. Obtain and review, on an annual basis, a formal written report prepared by the independent auditor describing:
 - The firm's internal quality-control procedures;
 - Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and

[p.3]

- All relationships between the independent auditor and the Company (for purposes of assessing the auditor's independence), including discussion and evaluation of such relationships, and recommending that the Board take appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.
5. Discuss with the independent auditor any difficulties or problems encountered in performing the audit, including management's response, as well as any significant disagreements between management and the independent auditor.
 6. Review with the independent auditors, internal auditors, and members of senior management the adequacy and effectiveness of the Company's financial controls and financial reporting processes.
 7. Meet periodically with management, the VP-Corporate Audit, and the independent auditors in separate executive sessions.
 8. Review the Company's internal audit plan, including the responsibilities, budget, and staffing of the Company's internal audit function, and receive regular reporting from the VP-Corporate Audit on audit activities and trends.

Question
2.3. Does the company have a system for tracking, investigating and responding to bribery and corruption allegations or incidents, including those reported through whistleblowing channels?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company has a system in place to track, investigate and respond to bribery and corruption allegations or incidents, which includes those reported through whistleblowing channels. There is evidence that the company takes steps to ensure the independence of its investigations, as well as committing to establish root causes, put in place remediation plans and implement procedures to report investigative findings to senior management and the Audit Committee.</p> <p>In addition, the company's procedure stipulates documentation and actions to be taken at every step of the case, from receipt to final outcome, and it commits to keeping individuals informed of the outcome of investigations if they so wish. There is evidence that the company's Audit Committee reviews summary information of all allegations and investigations on a bi-monthly basis.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.22] How to Report Concerns</p> <p>[...]</p> <p>Those who report potential wrongdoing and provide contact information are kept informed of the investigative process as well as the outcome.</p> <p>[p.23] Investigations Corporate Investigations is the investigative team within the Office of Internal Governance & Administration, led by the Senior Vice President. Investigations are conducted by experienced professionals whose primary responsibility is conducting workplace investigations. Investigators continually advance their skills after the structured onboarding process through continuing education where they are kept abreast of investigative best practices by pursuing and maintaining external ethics, investigation and compliance certifications.</p> <p>Investigation independence is maintained by ensuring the chain of management involved in the subject matter under investigation has no influence over the investigative findings. A pre-defined investigative process enables Boeing to promptly respond to concerns raised and to conduct objective, thorough and timely investigations.</p>

Investigation Process for Corporate Investigations



Quality of investigations are assured through a robust quality review and monitoring process. Investigative procedures are evaluated annually through management reviews and a control self-assessment. Bi-monthly, the Senior Vice President of the Office of Internal Governance and Administration discloses significant concerns and findings to the Audit Committee of the Board of Directors.

[p.24] Root Causes and Remediation

Investigators are committed to preventing future wrongdoing by identifying factors that contribute to misconduct when wrongdoing is substantiated. During the course of an investigation, Investigators look for various types of individual, social, cultural or systematic factors that may have contributed to employee wrongdoing. Investigators partner with Ethic Advisors to conduct trend analysis and put in place remediation plans where appropriate.

[p.25] Ethics Metrics

[...]

All concerns are investigated to the fullest extent possible.

[10] The Boeing Company Audit Committee Charter (Document)

Accessed 27/02/2020

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf

[p.2-3] RESPONSIBILITIES

In furtherance of the Committee's purpose as set forth above, the Committee's responsibilities include the following:

[...]

13. At least annually receive reporting by the SVP-OIG on the Company's compliance with its risk management processes, and by the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.

[...]

17. Establish and maintain procedures for:
 - a. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - b. The confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

[4] Ethics and Compliance – Anti-Corruption (Webpage)

Accessed 17/08/2019

https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption

Anti-Corruption Program

[...]

Our anti-corruption program is organized into nine areas and includes extensive controls tested regularly to ensure effectiveness. Employees are encouraged to report concerns and potential issues. Confidential and anonymous reporting methods are provided. Retaliation against reporting parties is strictly prohibited, and action is taken against violators of anti-retaliation policies. The company also makes its employees aware of their federally protected whistleblower rights which are designed to protect employees against retaliation for reporting potential wrongdoing by a U.S. contractor or subcontractor.

Question
2.4. Does the company have appropriate arrangements in place to ensure the quality of investigations?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company assures itself of the quality of its internal investigations, including those reported through whistleblowing channels. The company clearly states that staff tasked with conducting investigations are properly qualified and trained to perform the function. There is evidence that any complaints about the handling of concerns and investigations are overseen by an appropriate senior management officer and a procedure is in place to handle the escalation of complaints. The company indicates that its investigations procedure is subject to ongoing evaluation with a management review conducted on an annual basis.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.23] Investigations</p> <p>Corporate Investigations is the investigative team within the Office of Internal Governance & Administration, led by the Senior Vice President. Investigations are conducted by experienced professionals whose primary responsibility is conducting workplace investigations. Investigators continually advance their skills after the structured onboarding process through continuing education where they are kept abreast of investigative best practices by pursuing and maintaining external ethics, investigation and compliance certifications.</p> <p>Investigation independence is maintained by ensuring the chain of management involved in the subject matter under investigation has no influence over the investigative findings. A pre-defined investigative process enables Boeing to promptly respond to concerns raised and to conduct objective, thorough and timely investigations.</p> <p>Quality of investigations are assured through a robust quality review and monitoring process. Investigative procedures are evaluated annually through management reviews and a control self-assessment. Bi-monthly, the Senior Vice President of the Office of Internal Governance and Administration discloses significant concerns and findings to the Audit Committee of the Board of Directors.</p> <p>[p.25] Root Causes and Remediation</p> <p>Investigators are committed to preventing future wrongdoing by identifying factors that contribute to misconduct when wrongdoing is substantiated. During the course of an investigation, Investigators look for various types of individual, social, cultural or systematic factors that may have contributed to employee wrongdoing. Investigators partner with Ethic Advisors to conduct trend analysis and put in place remediation plans where appropriate.</p> <p>Investigation Appeals</p> <p>Concerns with the investigative process or outcome of an investigation can be raised by contacting Ethics and Business Conduct or a Corporate Investigations Manager. Investigation managers follow a defined appeals process to evaluate concerns raised and to ensure investigations were conducted in an objective, thorough and timely manner. The Director of Corporate Investigations oversees the appeals process and reserves the right to determine eligibility of appeals. When appropriate, investigative findings will be amended or the investigation will be re-opened.</p> <p>Appeals related to employee corrective action (ECA), are generally outside of the scope of the investigation appeals process. Non-union and non-executive employees personally affected by management actions and/or decisions can appeal ECA decisions through the company's ECA appeals process and/or the alternative dispute resolution (ADR) process, as applicable. Union employees can appeal ECA decisions through the applicable bargaining unit grievance process. Legal challenges to an investigation are coordinated with the Law Department.</p>

[p.25] Ethics Metrics

[...]

All concerns are investigated to the fullest extent possible. Our team of dedicated ethics professionals is committed to listening and taking action to support a transparent and inclusive workplace environment.

[10] The Boeing Company Audit Committee Charter (Document)

Accessed 27/02/2020

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf

[p.2-3] RESPONSIBILITIES

In furtherance of the Committee's purpose as set forth above, the Committee's responsibilities include the following:

[...]

17. Establish and maintain procedures for:

- a. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- b. The confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

[4] Ethics and Compliance – Anti-Corruption (Webpage)

Accessed 17/08/2019

https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption



Anti-Corruption Program

[...]

Our anti-corruption program is organized into nine areas and includes extensive controls tested regularly to ensure effectiveness. Employees are encouraged to report concerns and potential issues. Confidential and anonymous reporting methods are provided. Retaliation against reporting parties is strictly prohibited, and action is taken against violators of anti-retaliation policies. The company also makes its employees aware of their federally protected whistleblower rights which are designed to protect employees against retaliation for reporting potential wrongdoing by a U.S. contractor or subcontractor.

Question
2.5. Does the company's investigative procedure include a commitment to report material findings of bribery and corruption to the board and any criminal conduct to the relevant authorities?
Score
2
Comments
Based on publicly available information, there is evidence that the company commits to report material findings from investigations to the board. There is evidence that a senior manager in the law department is responsible for ensuring that the disclosure of criminal offences to relevant authorities is evaluated and acted upon if necessary.
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.23] Investigation Process for Corporate Investigations</p> <p>[...]</p> <p>Inform a senior manager of the law department about criminal offenses for evaluation and referral to the relevant authorities when appropriate.</p> <p>Quality of investigations are assured through a robust quality review and monitoring process. Investigative procedures are evaluated annually through management reviews and a control self-assessment. Bi-monthly, the Senior Vice President of the Office of Internal Governance and Administration discloses significant concerns and findings to the Audit Committee of the Board of Directors.</p> <p>[6] Proxy Statement (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf [p.16] Audit Committee Risk Oversight</p> <p>[...]</p> <ul style="list-style-type: none"> • Receive regular reports from our Senior Vice President, Office of Internal Governance and Administration with respect to compliance with our ethics and risk management policies • Meet in executive session after every committee meeting with Deloitte & Touche LLP, our independent auditors, as well as periodically with our Chief Financial Officer, Vice President, Corporate Audit, our Senior Vice President, Office of Internal Governance and Administration, and our Executive Vice President and General Counsel to discuss financial and/or compliance risks, and report any findings to the Board <p>[10] The Boeing Company Audit Committee Charter (Document) Accessed 27/02/2020 http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf [p.2] RESPONSIBILITIES</p> <p>[...]</p> <ol style="list-style-type: none"> 4. Obtain and review, on an annual basis, a formal written report prepared by the independent auditor describing: <ul style="list-style-type: none"> • The firm's internal quality-control procedures; • Any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; <p>[...]</p>

12. At least annually receive reporting by the SVP-OIG on the Company's compliance with its risk management processes, and by the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.

Question																
2.6. Does the company publish high-level results from incident investigations and disciplinary actions against its employees?																
Score																
2																
Comments																
There is evidence that the company publishes high-level data from ethical investigations involving employees at all levels. This data includes the number of reports received (including those reported through whistleblowing channels), the number of investigations launched and the number of disciplinary actions as a result of investigation findings. There is evidence that this data is published on an annual basis covering cases for the last 12 months.																
Evidence																
<p>[35] Updated Ethical Business Conduct Guidelines (Document) Accessed 01/05/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.25] Ethics and Business Conduct Metrics</p> <p>As part of our ongoing commitment to transparency, Boeing provides information on key Ethics metrics. Information on this page reflects the reporting period of November 2018 through October 2019 for employees at all levels including executives and Board of Directors. Data is updated annually. At Boeing, we know that every interaction matters. We are committed to creating an open and accountable workplace environment where all employees feel empowered to speak up and raise concerns.</p> <p>Boeing's Ethics and Business Conduct organization provides employees with channels and resources to report matters when they believe they have observed misconduct. Each year, we release information about our inquiries and investigations to support a culture based on integrity. This data would include inquiries related to anti-bribery or corruption laws, whether the allegations involve individuals employed directly by Boeing or third parties with whom we conduct business. Boeing has zero tolerance for retaliation against employees or third parties who come forward to raise issues or concerns. All concerns are investigated to the fullest extent possible. Our team of dedicated ethics professionals is committed to listening and taking action to support a transparent and inclusive workplace environment.</p>  <table><tr><th>Metric</th><th>Count</th></tr><tr><td>Conflict of Interest Determinations</td><td>2,133</td></tr><tr><td>Inquiries</td><td>3,807</td></tr><tr><td>Investigative Requests*</td><td>3,915</td></tr><tr><td>Total contacts to Ethics and Business Conduct</td><td>9,855</td></tr></table> <p>*Of the investigations that had enough information to investigate, approximately 41 percent were substantiated.</p> <p>Conflicts of Interest</p> <p>Approximately 22 percent of contacts to Ethics and Business Conduct are about potential conflicts of interest. Top COI categories include:</p>  <table><tr><th>Category</th></tr><tr><td>Teaching, speaking, writing, or publishing</td></tr><tr><td>Board of Directors/ Nonprofit</td></tr><tr><td>Relationships with third-party entities</td></tr><tr><td>Outside employment</td></tr><tr><td>Use of Boeing intellectual property</td></tr></table>	Metric	Count	Conflict of Interest Determinations	2,133	Inquiries	3,807	Investigative Requests*	3,915	Total contacts to Ethics and Business Conduct	9,855	Category	Teaching, speaking, writing, or publishing	Board of Directors/ Nonprofit	Relationships with third-party entities	Outside employment	Use of Boeing intellectual property
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Use of Boeing intellectual property																

Inquiries

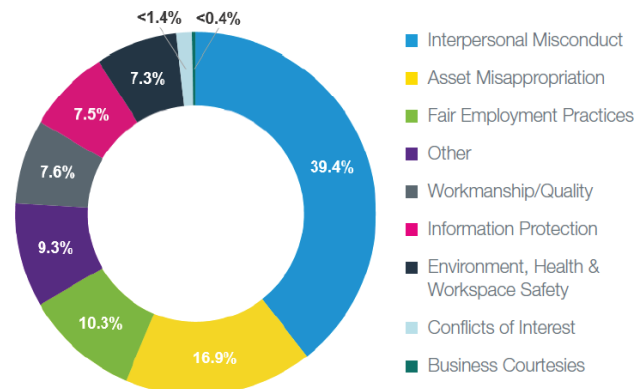
In 2019, 3,807 inquiries were submitted to Ethics and Business Conduct by employees seeking guidance, requesting information or asking a question to clarify a concern.

Common types of inquiries

- Conflict of Interest
- Business Courtesies
- Favouritism/Fairness

[p.26] Investigation Requests

Of the 3,915 investigation requests Ethics and Business Conduct received, 87 percent were acted upon; the remaining 13 percent did not have enough information to investigate.



Substantiated Cases

Investigated matters are unsubstantiated when the investigation findings do not support a violation of policy or expected behaviors, or where there is not sufficient evidence of misconduct. Ethics and Business Conduct frequently benchmarks key elements of our program. A recent evaluation demonstrated that our substantiation rate is on par with other published benchmarks, indicating an effective investigation process and informed reporting by Boeing employees.

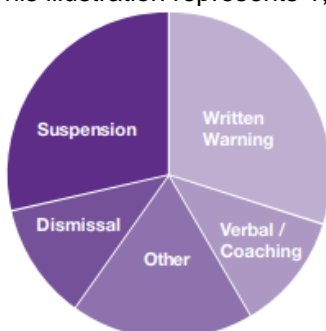


Corrective Action

Ethics and Business Conduct is dedicated to ongoing reviews of employee corrective action for employees and subsidiaries.

Disciplinary actions as a result of investigation findings include verbal warnings and coaching, written warnings, suspension, dismissal, and other actions. "Other" reflects cases where direct employee corrective action was not warranted but where process, third party, or other actions were taken.

This illustration represents 1,411 disciplinary actions for the reporting period.



[...] Incidents from all reporting channels offered (internal and external) are included in this data as well.

3. Support to Employees

Question
3.1. Does the company provide training on its anti-bribery and corruption programme to all employees across all divisions and geographies, and in all appropriate languages?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company provides training for its employees that outlines the principles of the anti-bribery and corruption policy, including the whistleblowing options available. There is evidence that the company provides this training to all employees in all business divisions and in multiple languages. The company indicates that employees are required to undertake this training on an annual basis.</p>
Evidence
<p>[34] Updated - Ethics and Compliance – Anti-Corruption (Webpage) 01/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption Speaking Up</p> <p>[...]</p> <p>Boeing promotes awareness of the company's reporting channels and non-retaliation policies in annual training for all employees (tracked to completion), recurrent employee communication, command media, and posters that are displayed in high-traffic work areas across the enterprise. Resources for deployment are available in additional languages.</p> <p>[12] Compliance (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/compliance Managers are responsible for compliance within the areas they oversee, and along with all employees, receive annual training on compliance risk areas tailored to their specific work. This includes training for a range of topics such as U.S. Defense Department procurement rules, proper handling of sensitive information and anti-corruption. Each year, managers complete an online compliance training questionnaire for their respective employees. Based on manager responses, the system generates individualized training plans that support the kind of work the employee performs.</p> <p>Boeing uses ongoing monitoring to track and assess effectiveness of internal controls and processes in meeting compliance goals. Each year, all compliance training is reviewed for relevance and effectiveness, based on subject matter experts' feedback and effectiveness surveys from training completions. It is also refreshed as needed to ensure content is current and meaningful. From the company's most senior leadership to its newest workers, Boeing employees are committed to ensuring that compliance is core to everything we do.</p> <p>[4] Ethics and Compliance – Anti-Corruption (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption Boeing also provides employees and other stakeholders detailed procedures to ensure compliance with the U.S. Foreign Corrupt Practices Act and other global anti-corruption laws and regulations; requires annual training related to ethics and compliance; and provides guidance and instructions on various reporting mechanisms.</p> <p>[...]</p> <p>The company also makes its employees aware of their federally protected whistleblower rights which are designed to protect employees against retaliation for reporting potential wrongdoing by a U.S. contractor or subcontractor.</p>

[1] Ethical Business Conduct Guidelines (Document)

Accessed 04/03/2020

https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf

[p.7] A wide range of resources is available to help both employees and managers with discussions about ethics issues. Managers can help employees strengthen their ethical decision-making skills with materials, including workplace case studies based on actual events, staff meeting materials, videos, and more. And while many tools are intended to empower firstlevel managers, mid-level managers, and senior executives, recognizing that we are all leaders when it comes to ethics and integrity allows us to build trust and respect and sustain the kind of environment we all want.

[p.17] Personal Political Activities

[...]

Managers are responsible for ensuring that employees are aware of these policies and procedures concerning political activities and have received appropriate training.

The company's involvement in Political Activities procedure addresses our internal political contribution requirements. Employees receive applicable training on political contributions and are expected to adhere to these requirements. This procedure also applies to our subsidiaries.

Question
3.2. Does the company provide tailored training on its anti-bribery and corruption programme for at least the following categories of employees: a) Employees in high risk positions, b) Middle management, c) Board members.
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company provides tailored training on anti-bribery and corruption to employees in different positions based on their role and exposure to corruption risk. The company indicates that managers receive tailored training on anti-corruption and compliance, and states that employees receive individual training plans based on the type of work they perform. In addition, there is evidence that board members receive annual training on corporate governance and the company's policies and procedures, which is understood to include ethics and compliance. The company indicates that all employees are required to update their training on an annual basis.</p>
Evidence
<p>[12] Compliance (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/compliance Managers are responsible for compliance within the areas they oversee, and along with all employees, receive annual training on compliance risk areas tailored to their specific work. This includes training for a range of topics such as U.S. Defense Department procurement rules, proper handling of sensitive information and anti-corruption. Each year, managers complete an online compliance training questionnaire for their respective employees. Based on manager responses, the system generates individualized training plans that support the kind of work the employee performs.</p> <p>[4] Ethics and Compliance – Anti-Corruption (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption Anti-Corruption Program Boeing strictly forbids bribery and corruption of any kind. It is imperative that we compete on the merits alone. Integrity is a core company value and in support of it, Boeing publishes an internal policy inclusive of anti-corruption and bribery requirements and expectations applicable to employees, Board of Directors, and other stakeholders. Boeing also provides employees and other stakeholders detailed procedures to ensure compliance with the U.S. Foreign Corrupt Practices Act and other global anti-corruption laws and regulations; requires annual training related to ethics and compliance; and provides guidance and instructions on various reporting mechanisms. This guidance is clear that we must never sacrifice our ethical principles to win or keep business—that no business is worth it.</p> <p>Our anti-corruption program is organized into nine areas and includes extensive controls tested regularly to ensure effectiveness. Employees are encouraged to report concerns and potential issues. Confidential and anonymous reporting methods are provided. Retaliation against reporting parties is strictly prohibited, and action is taken against violators of anti-retaliation policies. The company also makes its employees aware of their federally protected whistleblower rights which are designed to protect employees against retaliation for reporting potential wrongdoing by a U.S. contractor or subcontractor.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.7] A wide range of resources is available to help both employees and managers with discussions about ethics issues. Managers can help employees strengthen their ethical decision-making skills with materials, including workplace case studies based on actual events, staff meeting materials, videos, and more. And while many tools are intended to empower firstlevel managers, mid-level managers, and senior executives, recognizing that we are</p>

all leaders when it comes to ethics and integrity allows us to build trust and respect and sustain the kind of environment we all want.

[9] Corporate Governance Principles (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/corporate-governance-principles.pdf

[p.6] Director Orientation and Continuing Education

Each new director must participate in a comprehensive orientation program, which shall include presentations by senior management on the Company's business units, strategic plans, significant financial, accounting and risk management issues, compliance programs and code of ethical business conduct. In addition, the orientation program shall include visits to corporate headquarters and, to the extent practical, the Company's significant facilities.

Directors shall be provided at Board or committee meetings as appropriate with continuing education on subjects to assist them in discharging their duties. In addition, directors shall receive training on at least an annual basis in conjunction with regularly scheduled Board meetings on topics relating to corporate governance policies and roles and responsibilities of Board members.

Question
3.3. Does the company measure and review the effectiveness of its anti-bribery and corruption communications and training programme?
Score
2
Comments
<p>There is evidence that the company reviews the effectiveness of its anti-bribery and corruption communications and personnel training programme on an annual basis. The company states that it does this through staff surveys and feedback from subject matter experts. There is evidence indicating that the results of such reviews are used to update specific parts of the company's anti-bribery and corruption communications and training programme.</p>
Evidence
<p>[12] Compliance (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/compliance Boeing uses ongoing monitoring to track and assess effectiveness of internal controls and processes in meeting compliance goals. Each year, all compliance training is reviewed for relevance and effectiveness, based on subject matter experts' feedback and effectiveness surveys from training completions. It is also refreshed as needed to ensure content is current and meaningful. From the company's most senior leadership to its newest workers, Boeing employees are committed to ensuring that compliance is core to everything we do.</p> <p>[14] Ethics and Compliance – Speaking Up (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/speaking-up Boeing promotes awareness of the company's reporting system and non-retaliation policies in recurrent employee communication, command media and posters that are displayed in high-traffic work areas across the enterprise. Managers also are asked to encourage speaking up within their own teams by using materials and resources developed by the Ethics and Business Conduct team to foster dialogue and increase openness. As part of the company's Speaking Up initiative, managers and employees have access to a series of modules with supplemental team activities that emphasize the importance of speaking up, listening, and taking action. Electronic cards, or e-cards, can be used by all employees to recognize colleagues for speaking up and demonstrating leadership.</p>

Question
3.4. Does the company ensure that its employee incentive schemes are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
1
Comments
<p>There is some evidence that the company's incentive schemes for employees incorporate ethical and anti-corruption principles. The company indicates that integrity considered as a factor in individual performance reviews, and that these reviews inform the company's annual employee incentive calculations.</p> <p>However, the company receives a score of '1' because there is no further publicly available description of how the company achieves this in practice. For example, it is not clear whether incentives focus on the achievement of both financial and non-financial targets, nor is there evidence that such rewards must be proportionate to the base salary, especially in the case of high risk employees.</p>
Evidence
<p>[36] Benefits (Webpage) Accessed 04/05/2020 https://jobs.boeing.com/benefits INCENTIVE PAY</p> <p>Annual incentives are a cornerstone of our pay-for-performance culture. Generally, the better the company does, the better the incentive award opportunities. For most of our workforce, individual performance is also a factor in determining annual incentive payouts. We incorporate our values - with a particular focus on safety, quality, and integrity - into our evaluation of individual performance. We hold ourselves accountable to act ethically and in accordance with our values every day, because that is how we deliver on our commitments to each other, our customers and the world.</p> <p>[6] Proxy Statement (Document) Accessed 17/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf <p>[p.37] Compensation and Risk</p> <p>We believe that our compensation programs create appropriate incentives to drive sustained, long-term increases in shareholder value. These programs have been designed and administered in a manner that discourages undue risk-taking by employees. Relevant features of these programs include:</p> <ul style="list-style-type: none"> • Compensation Committee-approved limits on annual incentive awards, performance awards, and PBRsUs; • Compensation Committee annual and ongoing review of our compensation plans and programs as advised by the Compensation Committee's independent compensation consultants; • Individual executive pay generally targeted at median level against comparable executive roles at an appropriate set of peer companies; • Robust clawback policies permitting the recoupment of past incentive pay from executive officers in the event of certain kinds of misconduct, even absent a restatement of financial results, and forfeiture of incentive awards and certain other compensation in the event the executive engages in various types of conduct deemed detrimental to the Company's interests, including theft or fraud against the Company and engaging in competition with the Company; • With each increase in executive pay level, a proportionately greater award opportunity is derived from the long-term incentive program, reflecting more senior executives' enhanced responsibility to drive long-term Company performance; • No employment agreements with executive officers (except where required by non-U.S. local law); • The use of economic profit, free cash flow, core EPS, and revenue as performance metrics, which incents employees to increase earnings and manage net assets efficiently; • Use of three distinct long-term incentive vehicles that vest after three years, providing strong incentives for sustained operational and financial performance; </p>

- A long-term incentive program that has overlapping performance periods, such that at any one time three separate and distinct potential long-term awards are affected by current year performance, thereby requiring sustained and enduring high levels of performance year over year to achieve a payout;

[...]

- Incorporation of an individual performance score for each executive as a critical factor in the annual incentive calculation, thereby enabling the Compensation Committee to direct a zero payout to any executive in any year if the executive is deemed to have sufficiently poor performance or is found to have engaged in activities or misconduct that pose a financial, operational, or other undue risk to the Company; and

Question
3.5. Does the company commit to and assure itself that it will support and protect employees who refuse to act unethically, even when it might result in a loss of business?
Score
2
Comments
<p>There is evidence that the company commits to support and protect employees who refuse to act unethically, even when it might result in a loss of business. There is evidence that the company assures itself of employees' confidence in this statement on a regular basis through confidential surveys.</p>
Evidence
<p>[4] Ethics and Compliance – Anti-Corruption (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption LEADERSHIP MATTERS</p> <p>Leadership Matters is a companywide initiative that focuses on enabling a culture of openness and accountability in order to sustain an ethical and compliant work environment and enhance business performance. The intent is to embed ethical decision-making into all aspects of business, and equip managers and employees with tools to confidently address ethics-related matters and raise questions without fear of retaliation.</p> <p>Boeing asks all employees across the company to provide answers to questions in a formal, confidential survey about their perceptions of the company, its direction, the quality of our managers, our shared values and ethics, along with other important dimensions of corporate culture. Boeing specifically asks about employees' perceptions of retaliation for reporting wrongdoing and of their management's support of ethical decision-making to ensure a culture of openness and accountability.</p> <p>Focused surveys are also deployed to collect further details about employees' perceptions of the Boeing culture.</p> <p>[...]</p> <p>Anti-Corruption Program</p> <p>[...]</p> <p>This guidance is clear that we must never sacrifice our ethical principles to win or keep business—that no business is worth it.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.7] Workplace Environment</p> <p>We believe that a strong ethical, inclusive and compliant work environment enables high performance, and that's more than just doing the right thing. When we cultivate a culture of openness, we also generate more ideas that can be turned into our next innovation. When we hold ourselves and each other accountable, it allows us to meet our performance objectives and ensures compliant and ethical behavior. Speaking up and addressing issues early can help avoid rework and workplace distractions and can improve safety. It also enables the kind of workplace culture where ideas and concerns can be raised with confidence and without fear of retaliation.</p> <p>[p.25] Ethics Metrics</p> <p>At Boeing, we know that every interaction matters. We are committed to creating an open and accountable workplace environment where all employees feel empowered to speak up and raise concerns.</p> <p>[14] Ethics and Compliance – Speaking Up (Webpage)</p>

Accessed 17/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/speaking-up>

Speaking up is a cornerstone for building an open and accountable workplace culture. At Boeing, we believe that creating an environment where employees are comfortable raising issues and concerns without fear of retaliation enables openness which can lead to improved business performance and inspire greater innovation. Boeing maintains policies and procedures to encourage employees to report concerns and seek guidance, using confidential and, when preferred, anonymous methods, including contacting local ethics advisors, using toll-free phone numbers and accessing web-based portals.

Question
3.6. Does the company have a clear policy of non-retaliation against whistleblowers and employees who report bribery and corruption incidents?
Score
2
Comments
<p>There is evidence that the company promotes a policy of non-retaliation against both employees and third parties who report allegations of bribery and corruption. There is evidence that the company assures itself of employees' confidence in this commitment on a regular basis through confidential surveys.</p>
Evidence
<p>[14] Ethics and Compliance – Speaking Up (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/speaking-up LEADERSHIP MATTERS</p> <p>Leadership Matters is a companywide initiative that focuses on enabling a culture of openness and accountability in order to sustain an ethical and compliant work environment and enhance business performance. The intent is to embed ethical decision-making into all aspects of business, and equip managers and employees with tools to confidently address ethics-related matters and raise questions without fear of retaliation.</p> <p>Boeing asks all employees across the company to provide answers to questions in a formal, confidential survey about their perceptions of the company, its direction, the quality of our managers, our shared values and ethics, along with other important dimensions of corporate culture. Boeing specifically asks about employees' perceptions of retaliation for reporting wrongdoing and of their management's support of ethical decision-making to ensure a culture of openness and accountability.</p> <p>Focused surveys are also deployed to collect further details about employees' perceptions of the Boeing culture.</p> <p>[...]</p> <p>Speaking up is a cornerstone for building an open and accountable workplace culture. At Boeing, we believe that creating an environment where employees are comfortable raising issues and concerns without fear of retaliation enables openness which can lead to improved business performance and inspire greater innovation. Boeing maintains policies and procedures to encourage employees to report concerns and seek guidance, using confidential and, when preferred, anonymous methods, including contacting local ethics advisors, using toll-free phone numbers and accessing web-based portals. Retaliation against reporting parties is strictly prohibited by the Code of Conduct, and action is taken against violators of anti-retaliation policies, up to and including dismissal.</p> <p>[35] Updated Ethical Business Conduct Guidelines (Document) Accessed 01/05/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.25] Boeing has zero tolerance for retaliation against employees or third parties who come forward to raise issues or concerns.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.6] Every employee has the responsibility to ask questions, seek guidance, and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.</p> <p>[p.7] FAQ Q: I feel that I have been retaliated against. What can I do? A: The Boeing Code of Conduct clearly states that retaliation against employees who come forward and raise concerns will not be tolerated. If an employee feels he or she has been retaliated against, there are several</p>

reporting channels available, including contacting a manager, Ethics Advisor, Human Resources representative, or the Law Department. To learn more, visit the Anti-Retaliation website.

[p.25] Boeing has zero tolerance for retaliation against employees who come forward to raise issues or concerns.

[7] Code of Conduct – Employees (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/english.pdf

[p.1] Every employee has the responsibility to ask questions, seek guidance and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.

[8] Code of Ethical Business Conduct for Members of the Board of Directors (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/conduct_for_directors.pdf

[p.3] 5. Encouraging the Reporting of any Illegal or Unethical Behavior.

Directors shall continue to promote ethical behavior and take steps to ensure that the Company continues to: [...]

(c) inform employees that the Company will not allow retaliation for reports made in good faith.

Question
3.7. Does the company provide multiple whistleblowing and advice channels for use by all (e.g. employees and external parties), and do they allow for confidential and, wherever possible, anonymous reporting?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company provides multiple channels to report instances of suspected corrupt activity and seek advice on the company's anti-bribery and corruption programme. There is evidence that these channels are sufficiently varied to allow employees to raise concerns across the management chain and to an external party through an independently-operated hotline. The company states that these channels allow for confidential and, wherever possible, anonymous reporting.</p> <p>In addition, the company indicates that its channels are available and accessible to all employees in all jurisdictions where it operates, including those employed by the group as third parties, suppliers and business partners. The company's Code of Conduct has been translated into multiple languages, and therefore it is understood that the its reporting channels are available in multiple languages.</p>
Evidence
<p>[34] Updated - Ethics and Compliance – Anti-Corruption (Webpage) 01/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption The Boeing Global Ethics Line is operated by a third party and staffed 24 hours a day, seven days a week. It is available in 32 countries, but due to regulations of some European countries, Boeing may not be able to accept anonymous submittals.</p> <p>[14] Ethics and Compliance – Speaking Up (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/speaking-up Boeing maintains policies and procedures to encourage employees to report concerns and seek guidance, using confidential and, when preferred, anonymous methods, including contacting local ethics advisors, using toll-free phone numbers and accessing web-based portals.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.11] In instances when there is a concern over a potential violation of accounting policies or procedures, failure of internal controls over financial reporting, or potential fraud, it must be reported to Finance, Ethics or the Law Department. This ensures that the matter is appropriately elevated to allow proper due diligence and response.</p> <p>To facilitate reporting, the following Ethics-managed web portals are available to augment the standard methods for reporting potential misconduct and to ensure concerns are properly evaluated, investigated and addressed:</p> <ul style="list-style-type: none"> • Sarbanes-Oxley (SOx) Anonymous Reporting web portal: Allows for the confidential, anonymous submission of employees' concerns regarding questionable accounting or auditing matters. • Ethics Reporting Process web portal: Allows anonymous or confidential submittal of concerns to the Audit Committee of the Board of Directors. <p>[p.23] A culture of openness and accountability thrives on transparency and honest two-way communication. To ensure that we all do our part in continually advancing this kind of culture, issues or concerns should be raised early and in the proper manner.</p> <p>When an issue arises, contacting a manager is the first recommended course of action because managers are the best source of information. Depending on the nature of the concern, other reporting channels can be used, including speaking with an Ethics Advisor, or calling the US Ethics Line (888-970-7171) or appropriate Global Ethics</p>

Line. The Sarbanes-Oxley (SOx) Anonymous Reporting Tool is also available for concerns regarding questionable accounting or auditing matters. Contacting Human Resources or the Law Department are also options.

While employees or stakeholders contacting Ethics can remain either confidential or anonymous, providing a name helps in obtaining complete information about the issue and sharing follow-up details. Those who report potential wrongdoing and provide contact information are kept informed of the investigative process as well as the outcome. The company is committed to maintaining the confidentiality of those who report potential wrongdoing. When the company is required by law to disclose personally identifying information, affected persons are given advance notice and provided with additional protection measures, including monitoring to ensure the reportant is not experiencing retaliation or other adverse conditions related to his or her report.

The chart below outlines the differences between confidential and anonymous reporting.

	Confidential reporting (preferred method)	Anonymous reporting
Personally identifiable information is safeguarded.	X	X
Ethics can contact you for additional details that may be critical to the investigation.	X	
Ethics can inform you of case progression and outcomes.	X	
Reporting methods available	Ethics Advisor Ethics Line Global Ethics Line Confidential Portal	Ethics Advisor Ethics Line Global Ethics Line (not available in some cases) Anonymous Portal

[p.27] Where to Go for Help

Management

Contacting a manager first with questions, concerns or help needed is always recommended, although employees may ultimately be referred to other, more appropriate resources.

Ethics Advisors

Ethics Advisors are full-time, dedicated Boeing employees who are trained in advising employees and stakeholders on matters of ethical concern. Ethics Advisors support business units, functions, and regions and can be reached directly by calling a Boeing Ethics Line.

Boeing Ethics Lines

The Boeing Ethics Lines provide Boeing employees and others (inside and outside of the company) a confidential and anonymous, if desired, channel for communicating concerns or questions regarding matters that may be in violation of the Boeing Code of Conduct, policy, procedures, or laws and regulations such as improper, illegal, or unethical business practices. In the United States, call the US Ethics Line (888-970-7171). Outside the United States, call the appropriate Global Ethics Line.

Ethics Reporting Process

The Ethics Reporting Process website is designed to increase understanding around the reporting and investigation process. The site guides employees through the process, from first contact through final evaluation and outcome.

Sarbanes-Oxley Anonymous Reporting Tool

The Sarbanes-Oxley (SOx) Anonymous Reporting Tool was established by the Boeing Board of Directors Audit Committee as part of the company's desire to comply with both the letter and the spirit of the Sarbanes-Oxley Act. This web portal is for the confidential, anonymous submission of employees' concerns regarding questionable accounting or auditing matters.

Key points

- Several channels for reporting ethical issues or concerns are available including contacting a manager, Ethics Advisor, Ethics Line or portals, Human Resources, or the Law Department.
- Concerns should be raised early, at the right time, in the right way.

Resources

- Ethics@Boeing
- Ethics Advisors

FAQ

Q: I'm not certain if what I observed is an ethical issue, but it doesn't feel right. What should I do?

A: Contacting a manager first with questions, concerns or help needed is always recommended. Other channels for help include contacting an Ethics Advisor, calling the appropriate US Ethics Line (888-970-7171) or Global Ethics Line. The Sarbanes-Oxley (SOx) Anonymous Reporting Tool is also an option for concerns regarding questionable accounting or auditing matters. Contacting Human Resources or the Law Department is also an option.

[15] How to Contact Boeing's Ethics Organization (Webpage)

Accessed 17/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/how-to-contact>

Boeing offers a number of confidential channels for seeking guidance or reporting concerns about possible violations of regulations or company policies. Those contacting Boeing may choose to remain anonymous or self-identify.

The Boeing Ethics Line (1-888-970-7171) is staffed during U.S. business hours (8:00 a.m. to 6:30 p.m. Central time, Monday through Friday) and is available to Boeing employees, suppliers, contractors or other Business Partners inside and outside of the company.

U.S. employees with access to the Boeing Intranet may also submit questions and concerns 24 hours a day, seven days a week on the internal Ethics website.

The Boeing Global Ethics Lines are available in 32 countries and are staffed 24 hours a day, seven days a week. Due to regulations of some European countries, Boeing may not be able to accept anonymous submittals.

Country-specific telephone numbers are below:

▶ Afghanistan

▶ Australia & South Pacific

▼ Belgium

Toll-Free Ethics Line: 001-800-699-61111

Instructions: The toll-free number must be dialed exactly as listed.

▶ Brazil (South America)

▶ Canada (Ottawa/Winnipeg)

[List continues on website for all other relevant jurisdictions]

[37] General Provisions Fixed Price Goods Contract (Document)

Accessed 04/05/2020

http://www.boeingsuppliers.com/supplier_portal/GP1%20%2001-31-2020.pdf

[p.9] h. Ethics and Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Contract. Buyer strongly encourages Seller to model its program in accordance with the Federal Sentencing Guidelines, applicable guidance from enforcement authorities, and industry best practices. Seller shall publicize to its employees who are engaged in the performance of work under the Contract that they may report any concerns of misconduct by Buyer or any of its employees or agents by going to Ethics@Boeing. Seller shall convey the substance of this clause to its suppliers.

i. Seller and Sub-Tier Supplier Information. In addition to requirements set forth elsewhere in this Contract, Seller shall, when reasonably requested by Buyer, provide sub-tier supplier information related to performance under this

Contract. Such information may include but is not limited to Seller's subcontract management plans, Buyer programs supported, Seller assessment of sub-tier supplier's capability including financial health and performance issues.

4. Conflict of Interest

Question
4.1. Does the company have a policy defining conflicts of interest – actual, potential and perceived – that applies to all employees and board members?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company has a policy that addresses conflicts of interest and that defines actual, potential and perceived conflicts. There is evidence that this policy covers possible risks arising from employee relationships, government relationships, financial interests and other employment. There is evidence that this policy applies to all employees and board members, including those of subsidiaries and other controlled entities.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf</p> <p>[p.5] At the beginning of each year, we all sign the Boeing Code of Conduct, demonstrating our personal accountability for making the best decisions for our work, our customers and our company. The code establishes expectations of conduct at all levels of the company — wherever we are in the world. Along with the Boeing's Enduring Values, the code serves as the foundation for our workplace culture and provides the basis for the way we conduct business.</p> <p>FAQ Q: Who is required to sign the Boeing Code of Conduct? A: All Boeing employees, including part-time employees and employees of Boeing subsidiaries, at both US and non-US locations, sign. Interns, contract labor and industry assist individuals must also read, review and certify (by signing) that they understand and will comply with the code of conduct.</p> <p>[p.14] Conflict of Interest A conflict of interest (COI) may occur when an employee — or in some cases, even a member of the employee's immediate family — has a personal interest in or is involved in an activity that interferes with, or reasonably appears to interfere with, the interests of the company or the employee's ability to perform his or her company work objectively.</p> <p>If an employee is involved in an activity or has a personal or financial interest that would cause a reasonable person to question the employee's impartiality when performing company duties, it could also constitute a conflict of interest. Therefore, all potential conflicts need to be disclosed early and company guidelines and procedures be followed. The consequences of not doing so could result in a negative impact to the company's intellectual property rights, business relationships and reputation, as well as affect the job status of employees directly.</p> <p>PRO-7: Conflict of Interest helps employees identify potential areas of COI. It also provides details about how to request a COI review and about the review process. Examples of conflicts of interest include, but are not limited to:</p> <ul style="list-style-type: none"> • Taking on outside employment (paid or unpaid) in the same technical areas or product lines as Boeing (e.g., business, technical or scientific interest). • Holding a financial interest in a business that is a supplier, customer, partner, subcontractor or competitor of Boeing. • Personal relationships with employees of other business entities that could influence an employee's decision concerning the selection of a supplier or its products. • When an immediate family member's financial involvement or employment is with a supplier, partner, subcontractor or competitor of Boeing.

While some employees are required to complete a COI questionnaire annually, not all outside activities and interests require disclosure. However, employees who believe they may have a potential conflicting interest, relationship or outside activity should complete the COI process to determine if any further action is required.

Key points

- A conflict of interest (COI) may occur when an employee's personal interest or activity interferes with, or even reasonably appears to interfere with, the interests of the company.
- Inquiring early to determine if a COI exists can minimize risk.

FAQ

Q: I am a board member of my homeowners' association. Does this create a conflict of interest?

A: Participation in community organizations, such as homeowners' associations, scouting organizations, boys and girls clubs, and some local nonprofits, do not require a conflict of interest review.

Q: Is there an issue with having a relative who works for a customer or supplier?

A: In most cases, no, but the company needs to know about it so appropriate action can be taken to protect potential conflicts from affecting, or even appearing to affect, company decisions. For example, if your father represents a supplier that has been involved in procurement activities and you have just been asked to join a proposal team looking at bids from various companies, including the one that employs your father, you need to disclose this matter.

Q: How do I know whether an outside activity I'm involved in creates a conflict of interest?

A: It is not possible to anticipate all circumstances that might present potential conflicts of interest. A conflict can arise when you take actions or have interests that may make it difficult to perform your company work objectively and effectively, or when you or an immediate family member receives improper personal benefits as a result of your position in the company.

[p.15] Engaging Suppliers and Third Parties

[...]

We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality.

[p.20] Fair Competition

Boeing complies with all applicable laws and regulations of the United States and other countries in the recruiting and hiring of employees, including contract and contingent labor, consultants and interns. As part of policy and our compliance process, a conflict of interest survey is provided to all applicants, which includes questions regarding previous or current employment with the government, including military personnel, members of the military reserves and the National Guard, or auditing firms, familial relationship to non-U.S. government officials of or non-U.S. customer airline representative, and any legal disputes.

[7] Code of Conduct – Employees (Document)

Accessed 18/08/2019

http://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/english.pdf

[p.1] As an employee of The Boeing Company, I will ensure that:

- I will not engage in any activity that might create a conflict of interest for me or the company.

[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf

[p.18] Codes of Conduct

[...]

Directors are required to promptly inform the Chairman of the Board or the Chair of the GON Committee of any actual or potential conflicts of interest and to recuse themselves from any discussion or decision affecting their personal, business or professional interests.

[8] Code of Ethical Business Conduct for Members of the Board of Directors (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/conduct_for_directors.pdf

[p.1] 1. Conflict of Interest.

Directors must avoid any conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairman of the Board or the Chairman of the GON Committee.

A "conflict of interest" can occur when a Director's personal interest is adverse to -- or may appear to be adverse to -- the interests of the Company as a whole. Conflicts of interest also arise when a Director, or a member of his or her immediate family¹, receives improper personal benefits as a result of his or her position as a Director.

¹ Item 404(a) of Regulation S-K defines "immediate family" of a director to include any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and anyone (other than a tenant or employee) sharing the household of such director.

[p.2] This Code does not attempt to describe all possible conflicts of interest that could develop. Some of the more common conflicts from which Directors must refrain, however, are set out below.

- *Relationship of Company with third parties.* Directors may not engage in any conduct or activities (other than in connection with Board consideration of a prospective business or contractual relationship wherein a Director is carrying out his or her fiduciary responsibilities) that impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- *Compensation.* Nonemployee Directors may not accept compensation from the Company for services performed for the Company other than compensation associated with their activities as a Director unless such compensation is approved in advance by the Chairman of the GON Committee.
- *Gifts.* Directors and members of their families may not accept gifts from persons or entities who deal with the Company in those cases where any such gift has more than a nominal value, is being made in order to influence the Director's actions as a member of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.
- *Personal use of Company assets.* Directors may not use Company assets, labor or information for personal use except as outlined in Procedure 10, "Proper Use of Company, Customer, and Supplier Resources," or unless approved by the Chairman of the GON Committee, or as part of a compensation or expense reimbursement program available to all Directors.

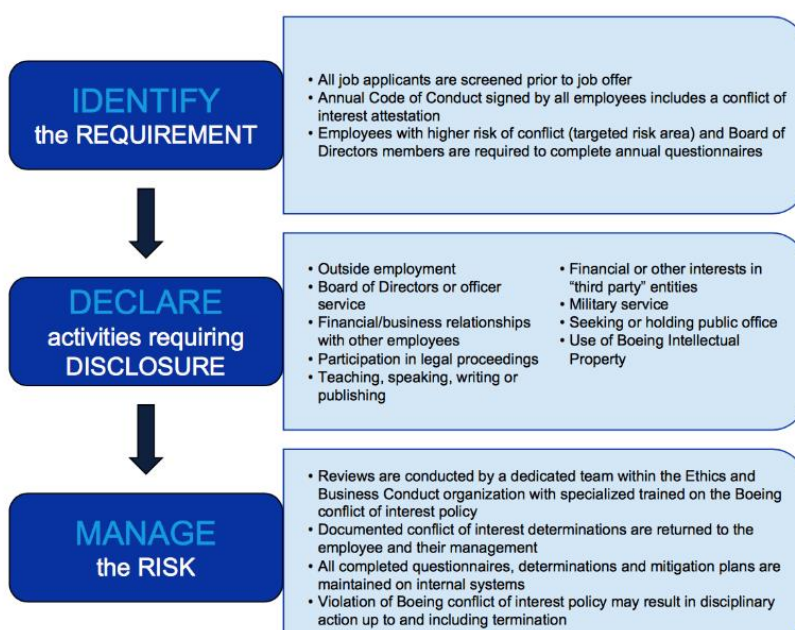
[9] Corporate Governance Principles (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/corporate-governance-principles.pdf

[p.3] Outside Board Memberships

While the Company acknowledges the value of having directors and officers with significant experience in other businesses and activities, directors are expected to ensure that other commitments, including outside board memberships, do not interfere with their duties and responsibilities as members of the Company's Board. A director may not serve on the boards of more than four other public companies or, if the director is an active CEO or equivalent of another public company, on the boards of more than two other public companies.

Question
4.2. Are there procedures in place to identify, declare and manage conflicts of interest, which are overseen by a body or individual ultimately accountable for the appropriate management and handling of conflict of interest cases?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company has procedures to identify, declare and manage conflicts of interest, including actual, potential and perceived conflicts. There is evidence that all employee and board member declarations of actual and potential conflicts of interest are recorded in a dedicated register that is accessible to those responsible for oversight of the process.</p> <p>There is evidence that a dedicated team within the Ethics and Business Conduct organisation is responsible for implementation of the policy and the handling of individual cases. The company states that breaches of this policy may result in disciplinary action. Although the company only mentions recusals in the context of directors and corporate officers, there is sufficient accompanying evidence for the company to receive a score of '2'.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf <p>[p.14] Conflict of Interest If an employee is involved in an activity or has a personal or financial interest that would cause a reasonable person to question the employee's impartiality when performing company duties, it could also constitute a conflict of interest. Therefore, all potential conflicts need to be disclosed early and company guidelines and procedures be followed. The consequences of not doing so could result in a negative impact to the company's intellectual property rights, business relationships and reputation, as well as affect the job status of employees directly.</p> <p>[...] While some employees are required to complete a COI questionnaire annually, not all outside activities and interests require disclosure. However, employees who believe they may have a potential conflicting interest, relationship or outside activity should complete the COI process to determine if any further action is required.</p> <p>[p.20] Fair Competition</p> <div style="text-align: center;"> <div style="background-color: #003366; color: white; padding: 5px; margin-bottom: 10px;">Conflict of Interest Process</div>  <pre> graph TD A[IDENTIFY the REQUIREMENT] --> B[DECLARE activities requiring DISCLOSURE] B --> C[MANAGE the RISK] </pre> </div> </p>

Boeing complies with all applicable laws and regulations of the United States and other countries in the recruiting and hiring of employees, including contract and contingent labor, consultants and interns. As part of policy and our compliance process, a conflict of interest survey is provided to all applicants, which includes questions regarding previous or current employment with the government, including military personnel, members of the military reserves and the National Guard, or auditing firms, familial relationship to non-U.S. government officials of or non-U.S. customer airline representative, and any legal disputes. Review of applicants who indicate a potential conflict of interest are conducted by the Law Department, Ethics and Business Conduct and Finance. Boeing will implement temporary restrictions, such as "Cooling Off" periods, or lifetime bans from specific programs if applicants are hired with restrictions from a former employer. All restrictions or bans are monitored for their entire duration, even if the candidate changes roles. Certain applicants, such as servicing politicians, are not contracted due to inherent conflicts of interests.

All employees, including contingent labor and consultants who are involved in US government procurements, are required to comply with the US Procurement Integrity Act and its implementing regulations. Information subject to the Procurement Integrity Act need not be in writing nor intentionally obtained. Employees who suspect they may be in possession of information violating the Procurement Integrity Act should immediately secure the information and provide it directly to Ethics or the Law Department.

[7] Code of Conduct – Employees (Document)

Accessed 18/08/2019

http://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/english.pdf

[p.1] As an employee of The Boeing Company, I will ensure that:

- I will not engage in any activity that might create a conflict of interest for me or the company.

[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf

[p.18] Codes of Conduct

[...]

Directors are required to promptly inform the Chairman of the Board or the Chair of the GON Committee of any actual or potential conflicts of interest and to recuse themselves from any discussion or decision affecting their personal, business or professional interests.

[8] Code of Ethical Business Conduct for Members of the Board of Directors (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/conduct_for_directors.pdf

[p.1] 1. Conflict of Interest.

Directors must avoid any conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairman of the Board or the Chairman of the GON Committee.

[9] Corporate Governance Principles (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/corporate-governance-principles.pdf

[p.3] Outside Board Memberships

While the Company acknowledges the value of having directors and officers with significant experience in other businesses and activities, directors are expected to ensure that other commitments, including outside board memberships, do not interfere with their duties and responsibilities as members of the Company's Board. A director may not serve on the boards of more than four other public companies or, if the director is an active CEO or equivalent of another public company, on the boards of more than two other public companies. In addition, directors must notify the GON Committee before accepting an invitation to serve on the board of any other public company or other for-profit entity, and must not accept such service until being advised by the chair of the GON Committee that the GON Committee has determined that service on such other board would not create regulatory issues or potential conflicts of interest and would not conflict with Company policies.

The CEO and other elected officers of the Company must obtain the approval of the GON Committee before accepting an invitation to serve on the board of any other public company or other for-profit entity.

[p.7] Additional Matters
Ethics and Conflicts of Interest

Boeing expects all directors, officers and employees to act ethically at all times and adhere to the policies comprising the Company's codes of ethical conduct. Boeing has adopted a code of ethical business conduct for directors as well as a code of conduct for all employees. All finance employees are subject to an additional code of conduct. Copies of these codes are available at www.boeing.com/corp_gov/. Only the Board, based upon the recommendation of the GON Committee, may grant a waiver of any code of conduct provision for a director or executive officer and any such waiver shall be promptly disclosed. In addition to complying with the code of ethical business conduct and all other applicable company policies, directors shall promptly inform the Chairman of the Board or the chair of the GON Committee if an actual or potential conflict of interest arises. Directors shall recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Company shall not, directly or indirectly, extend or maintain credit, arrange for or renew an extension of credit in the form of a personal loan to or for any director or executive officer.

[16] Governance, Organization and Nominating Committee Charter (Document)

Accessed 18/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/charter_gon.pdf

[p.1] Responsibilities

The Committee's responsibilities include the following:

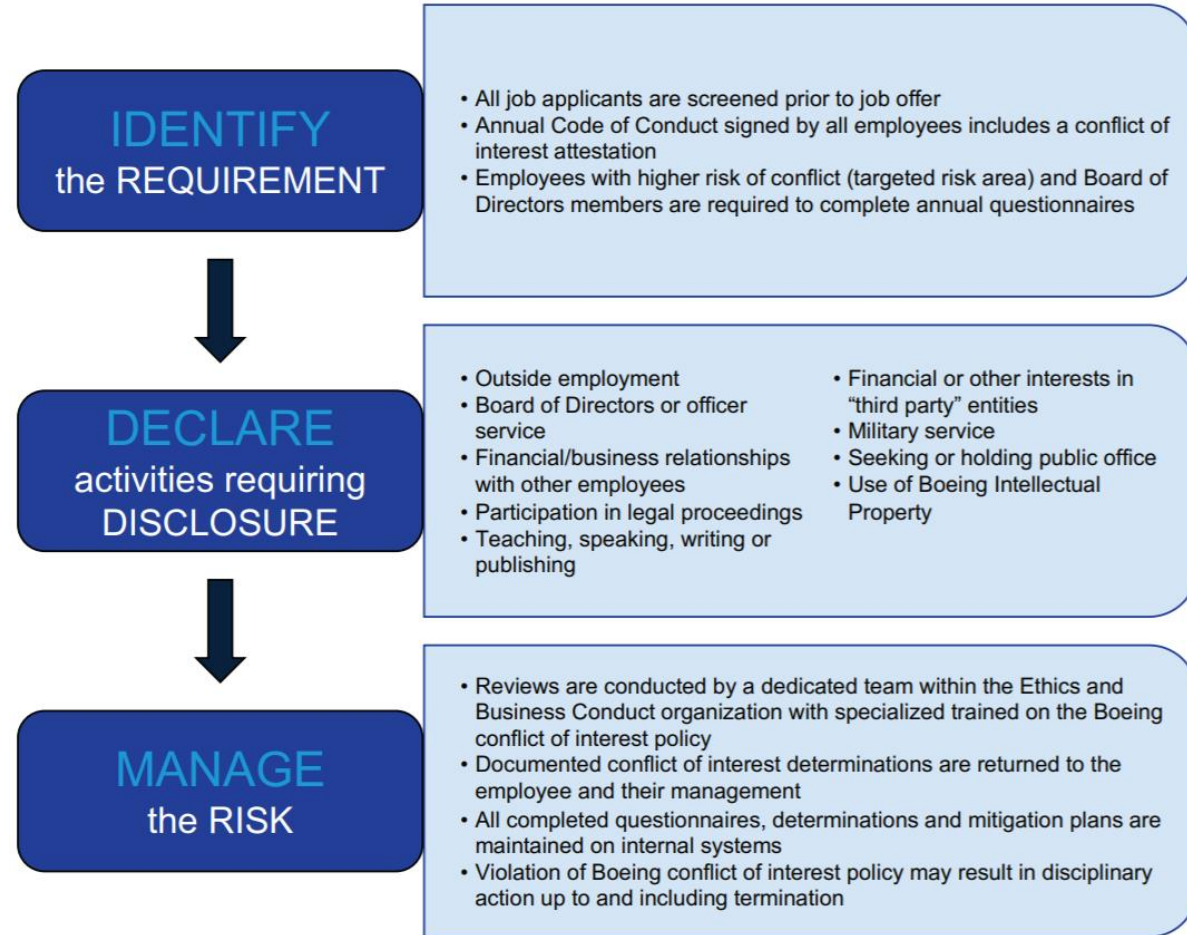
[p.2]

19. Assess possible conflicts of interest of directors and corporate officers, including the review and approval or ratification as is required from time to time of any transaction or proposed transaction in which the Company is or is to be a participant and the amount involved exceeds \$120,000, and in which any director, corporate officer, nominee for director or any immediate family member of a director, corporate officer or any nominee for director has or will have an interest.

Question
4.3. Does the company have a policy and procedure regulating the appointment of directors, employees or consultants from the public sector?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy that addresses the risks associated with the employment of current and former public officials. The company states that it will review potential conflicts arising from such appointments and require certain controls to be adopted, such as cooling off periods and lifetime bans from certain projects.</p> <p>However, the company receives a score of '1' because there is no clear evidence that it requires senior-level approval for the initiation of any employment discussions with former or current public officials.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.20] Conflict of Interest Process</p> <p>DECLARE activities requiring DISCLOSURE</p> <p>[...]</p> <ul style="list-style-type: none"> • Seeking or holding public office <p>Boeing complies with all applicable laws and regulations of the United States and other countries in the recruiting and hiring of employees, including contract and contingent labor, consultants and interns. As part of policy and our compliance process, a conflict of interest survey is provided to all applicants, which includes questions regarding previous or current employment with the government, including military personnel, members of the military reserves and the National Guard, or auditing firms, familial relationship to non-U.S. government officials of or non-U.S. customer airline representative, and any legal disputes. Review of applicants who indicate a potential COI are conducted by the Law Department, Ethics and Business Conduct and Finance. Boeing will implement temporary restrictions, such as "Cooling Off" periods, or lifetime bans from specific programs if applicants are hired with restrictions from a former employer. All restrictions or bans are monitored for their entire duration, even if the candidate changes roles. Certain applicants, such as servicing politicians, are not contracted due to inherent conflicts of interests.</p> <p>All employees, including contingent labor and consultants who are involved in US government procurements, are required to comply with the US Procurement Integrity Act and its implementing regulations. Information subject to the Procurement Integrity Act need not be in writing nor intentionally obtained. Employees who suspect they may be in possession of information violating the Procurement Integrity Act should immediately secure the information and provide it directly to Ethics or the Law Department.</p> <p>[35] Updated Ethical Business Conduct Guidelines (Document) Accessed 01/05/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.19] Boeing complies with all applicable laws and regulations of the United States and other countries in the recruiting and hiring of employees, including contract and contingent labor, consultants, and interns and it has a robust policy, hiring practices, controls and monitoring to prevent conflicts of interest. As part of our compliance process, all applicants complete a mandatory conflicts of interest questionnaire, which includes questions regarding previous or current employment with the government, including military personnel, members of the military reserves and the National Guard, or auditing firms, familial relationship to non-US government officials of or non-US customer airline representative, and any legal disputes. Review of applicants who indicate a potential COI are conducted by the Law Department, Ethics and Business Conduct, and Finance. Boeing will implement temporary</p>

restrictions, such as “Cooling Off” periods, or lifetime bans from specific programs if applicants are hired with restrictions from a former employer. All restrictions or bans are monitored for their entire duration, even if the candidate changes roles. Certain contract laborers, such as serving government officials, are not retained due to inherent conflicts of interests.

[p.20]



Question
4.4. Does the company report details of the contracted services of serving politicians to the company?
Score
2
Comments
The company publishes a clear statement that it does not contract or employ serving politicians.
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.20] Certain applicants, such as servicing politicians, are not contracted due to inherent conflicts of interests.</p>

5. Customer Engagement

5.1 Contributions, Donations and Sponsorships

Question
5.1.1. Does the company have a clearly defined policy and/or procedure covering political contributions?
Score
0
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on corporate political contributions. The company's policy indicates that it may make political contributions when approved by the company's Executive Vice President, Government Operations and other relevant senior managers from the Government Operations office. In addition, there is evidence that the company is associated with a Political Action Committee (PAC) in the United States, which is overseen and managed by an advisory committee.</p> <p>Since the company does not prohibit political donations and is associated with a PAC, it receives a score of '0' in line with the scoring criteria.</p>
Evidence
<p>[18] Government Operations – Overview (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/ Boeing's Government Operations office is located in Arlington, Va., near Washington D.C., and serves the company in three ways:</p> <ul style="list-style-type: none"> - Protecting and advancing the company's interests, competitiveness, and reputation; - Winning support for Boeing programs; and - Shaping public policy issues that impact the company. <p>The office works with public officials across all levels of government -- federal, state and local -- to carry out this mission. It also works with various third parties -- such as think tanks, trade associations, public policy groups, and international organizations. The Government Operations office strives to ensure the regulatory and political climate in the U.S. is conducive to global aerospace and defense leadership and supports long-term American manufacturing competitiveness and innovation. In addition to these many functions, the office serves as a point of contact between federal, state and local governments, plus associated third parties, and the company's business units.</p> <p>[19] Government Operations – Political Expenditure (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/#/political Political Expenditures</p> <p>Certain states and localities permit corporate contributions to candidates and political parties. It is the policy of the Boeing Company to make political contributions in such states and localities when the Company determines such contributions to be in the best interests of the Company and its shareholders. The Company also may make contributions in support of, or in opposition to, state or local ballot initiatives in which the Company has a substantial interest. Since 2010, the Company has not made any contributions from corporate funds to state or local candidates or political parties. Also, Boeing has not expended any corporate funds since 2011 in support of or opposition to ballot initiatives, or since 2012 for political contributions to section 527 entities. Boeing also has not contributed and does not contribute corporate funds to Super PACs, or for electioneering communications or independent expenditures. Corporate contributions to federal candidates are prohibited by federal law, and Boeing accordingly makes no such contributions.</p> <p>Furthermore, it is Boeing's practice and policy to prohibit outside organizations such as trade associations from using Boeing's funds for any election-related political expenditure. Boeing has requested and received written assurance of adherence to that policy by its largest trade associations. Boeing continues to communicate its policy</p>

to other groups with which it is associated, in order to prevent the use by such groups of Boeing's corporate funds for election-related political purposes. Moreover, Boeing regularly reviews each of its outside affiliations, including a review of any advocacy undertaken by such third-party groups, to ensure continued overall alignment with Boeing's interests and business strategy. Any continued support for such organizations must be approved by the Executive Vice President, Government Operations, on at least an annual basis.

[...]

If the Company were at some point in the future to resume the use of corporate funds for state and local political contributions, it would employ a rigorous review and approval process to ensure that the expenditures are in the best interests of the Company and its shareholders. The Company's process for approving corporate political contributions in state and local elections and ballot initiatives requires the Board of Directors to authorize a budget for such contributions. Such contributions would be made within that budget, in compliance with applicable laws and regulations, and in accordance with the specific authority granted by the Board of Directors, including any delegations to the Chief Executive Officer and/or the Executive Vice President, Government Operations. Any corporate political contributions would be recommended by the Government Operations organization and reviewed for compliance by the Vice President and Assistant General Counsel, Government Operations, and an outside law firm before being presented to the Executive Vice President, Government Operations for review and approval. Any corporate political contributions would be made without regard to party affiliation and solely on the basis of a candidate's policy positions on business issues of importance to the aerospace industry and to the Company and its shareholders. Any corporate political contributions are disclosed on this website on an annual basis.

The political expenditures by The Boeing Company Political Action Committee (BPAC), a voluntary, nonpartisan political action committee established by The Boeing Company in accordance with federal law, are set forth here. BPAC is governed by an Advisory Committee comprised of Company executives and is funded solely from the voluntary personal contributions it receives from its members, who are employees of the Company eligible to be solicited for and to make contributions under federal election law. BPAC may direct contributions to the campaigns of candidates seeking federal offices, as well as selected state and local campaigns, ballot initiatives, and section 527 entities where such contributions are allowed. BPAC makes contributions under the supervision of the Executive Vice President, Government Operations in compliance with applicable laws and regulations. Authority to approve BPAC contributions has been delegated to the BPAC Treasurer (Vice President, National Strategy and Engagement). BPAC contributions are made without regard to party affiliation and solely on the basis of a candidate's policy positions on business issues of importance to the aerospace industry and to the Company and its shareholders. The Executive Vice President, Government Operations, reviews BPAC's budget and activity with the BPAC Advisory Committee semi-annually and with the Company's Board of Directors annually.

[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage)

Accessed 18/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally>

Competing Globally with Honesty, Integrity and Compliance

[...]

Non- U.S. Political Contribution

Boeing maintains detailed requirements for all political activities inside and outside the United States. For activities outside the United States, Boeing policy prohibits company contributions to political candidates, political parties and party officials, and political advocacy groups. This prohibition covers both monetary contributions and in-kind donations.

[1] Ethical Business Conduct Guidelines (Document)

Accessed 04/03/2020

https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf

[p.17] Personal Political Activities

Boeing encourages employees to be active in political affairs in their personal capacities, including holding elected office.

Accordingly, all political activities, including holding political office, must be on employees' personal time, vacation time or leave of absence. Employees may not use Boeing resources such as equipment, e-mail, phones, computers

and copiers in support of their political activities. When engaging in political activities, employees should not wear clothing, badges or accessories featuring Boeing trademarks or other indicia of Boeing employment. Employees may not be reimbursed by Boeing for financial contributions or in-kind support. Employees who appear in campaign or political advertising must make it clear that they are appearing in their personal capacities and not as spokespersons for Boeing. Political campaigning and related activities, such as soliciting contributions or circulating political petitions or campaign literature on company-controlled property, are prohibited. Separate from Boeing policies, employees who are involved in political activities must comply with applicable campaign laws, regulations and policies.

Within the dollar limits set by federal election laws, employees may make personal contributions. However, “pay-to-play” laws in some states and local governments restrict campaign contributions (including in-kind contributions) from employees of companies that do business with that state or local government. Employees, particularly E-1 to E-3 executives, should check the Government Operations internal website to determine whether their personal campaign contributions are restricted. Managers are responsible for ensuring that employees are aware of these policies and procedures concerning political activities and have received appropriate training. The company’s involvement in Political Activities procedure addresses our internal political contribution requirements. Employees receive applicable training on political contributions and are expected to adhere to these requirements. This procedure also applies to our subsidiaries.

Key points

- Employees who wish to become involved either directly or indirectly in the political process must do so only during their personal time away from work.

FAQ

Q: Can I use Boeing’s name in connection with a political activity I’m involved in if it’s for a good cause?

A: Employees are not permitted to use the Boeing name or suggest company endorsement in expressing a personal view related to political parties, candidates or related political matters, regardless of the cause.

Q: Can I distribute campaign literature to my colleagues or post a campaign sign at work?

A: Generally, employees may not conduct unauthorized political campaigning or related activities, such as circulating political petitions or campaign literature, on company-controlled property. Contact your manager, Ethics Advisor or the Law Department with any questions.

[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf

[p.55] Boeing regularly engages in public policy debates at the federal, state, and local levels. The Board requires that all such activities comply with applicable laws and regulations and Boeing’s high standards of ethical conduct. Consistent with these requirements, Boeing has instituted full transparency into—and extensive oversight of—any political expenditures by the Company, and has implemented additional policies and procedures with respect to its lobbying and advocacy activities, including expenditures to trade associations. These policies and practices include the following:

- Boeing files both quarterly and semi-annual federal Lobbying Disclosure Act reports with Congress, which are publicly available at <http://disclosures.house.gov/>. These filings detail all Boeing lobbying expenditures, issues lobbied on, government entities lobbied, Company lobbyists, and expenditures of the Boeing Political Action Committee, or BPAC, a voluntary, non-partisan, employee-sponsored political action committee. Boeing files similar reports when required at the state level.
- Boeing posts complete information about federal, state, and local political expenditures by Boeing and the BPAC at www.boeing.com/company/key-orgs/government-operations/. The website also describes policies and procedures for Company political contributions, including Board oversight procedures and other internal authorizations required before contributions may be made.
- Boeing’s Executive Vice President, Government Operations, reports regularly to the Board on Boeing’s lobbying and other advocacy activities.
- Boeing has not made any contributions from corporate funds to federal, state, or local candidates or political parties or ballot initiatives in the last seven years.
- Boeing prohibits trade associations and other third-party organizations from using Boeing’s funds for any election-related political expenditure.

Question																																																	
5.1.2. Does the company publish details of all political contributions made by the company and its subsidiaries, or a statement that it has made no such contribution?																																																	
Score																																																	
2																																																	
Comments																																																	
<p>The company publishes a statement that it has not made any corporate political corporate contributions to state or local candidates since 2010. The company also indicates that it has not contributed to ballot initiatives since 2011, nor to section 527 entities since 2012. In addition, the company provides a direct link to the United States Federal Election Commission website where full details of its Political Action Committee disbursements can be found.</p>																																																	
Evidence																																																	
<p>[19] Government Operations – Political Expenditure (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/#/political [...] Since 2010, the Company has not made any contributions from corporate funds to state or local candidates or political parties. Also, Boeing has not expended any corporate funds since 2011 in support of or opposition to ballot initiatives, or since 2012 for political contributions to section 527 entities. Boeing also has not contributed and does not contribute corporate funds to Super PACs, or for electioneering communications or independent expenditures. Corporate contributions to federal candidates are prohibited by federal law, and Boeing accordingly makes no such contributions.</p> <p>The political expenditures by The Boeing Company Political Action Committee (BPAC), a voluntary, nonpartisan political action committee established by The Boeing Company in accordance with federal law, are set forth here.</p> <p>[6] Proxy Statement (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf [p.55] Boeing posts complete information about federal, state, and local political expenditures by Boeing and the BPAC at www.boeing.com/company/key-orgs/government-operations/. The website also describes policies and procedures for Company political contributions, including Board oversight procedures and other internal authorizations required before contributions may be made.</p> <p>[...] Boeing has not made any contributions from corporate funds to federal, state, or local candidates or political parties or ballot initiatives in the last seven years.</p> <p>[20] THE BOEING COMPANY POLITICAL ACTION COMMITTEE (Webpage) Accessed 22/08/2019 https://www.fec.gov/data/disbursements/?committee_id=C00142711&two_year_transaction_period=2020&data_type=processed</p> <div><div>Viewing 455 filtered results for:</div><div>Clear all filters X</div><div><div>Data type: processed</div><div>THE BOEING COMPANY POLITICAL ACTION COMMITTEE (C00142711) X</div><div>2019-2020 X</div></div><table><tr><th>Spender</th><th>Recipient</th><th>State</th><th>Description</th><th>Disbursement date</th><th>Amount</th><th></th></tr><tr><td>THE BOEING COMPANY POLITICAL ACTION COMMITTEE</td><td>CHAIN BRIDGE BANK, N.A.</td><td>VA</td><td>STOP PAYMENT FEES</td><td>07/29/2019</td><td>\$35.00</td><td></td></tr><tr><td>THE BOEING COMPANY POLITICAL ACTION COMMITTEE</td><td>NEW MILLENNIUM PAC</td><td>DC</td><td>2019 CONTRIBUTION</td><td>06/27/2019</td><td>\$5,000.00</td><td></td></tr><tr><td>THE BOEING COMPANY POLITICAL ACTION COMMITTEE</td><td>JOHN CARTER FOR CONGRESS</td><td>TX</td><td>2020 PRIMARY</td><td>06/27/2019</td><td>\$1,000.00</td><td></td></tr><tr><td>THE BOEING COMPANY POLITICAL ACTION COMMITTEE</td><td>WALBERG FOR CONGRESS</td><td>MI</td><td>2020 PRIMARY</td><td>06/21/2019</td><td>\$1,000.00</td><td></td></tr><tr><td>THE BOEING COMPANY POLITICAL ACTION COMMITTEE</td><td>VOLUNTEERS FOR SHIMKUS</td><td>IL</td><td>2020 PRIMARY</td><td>06/21/2019</td><td>\$1,000.00</td><td></td></tr><tr><td>THE BOEING COMPANY POLITICAL ACTION COMMITTEE</td><td>VISCLOSKY FOR CONGRESS</td><td>IN</td><td>2020 GENERAL</td><td>06/21/2019</td><td>\$2,500.00</td><td></td></tr></table></div>	Spender	Recipient	State	Description	Disbursement date	Amount		THE BOEING COMPANY POLITICAL ACTION COMMITTEE	CHAIN BRIDGE BANK, N.A.	VA	STOP PAYMENT FEES	07/29/2019	\$35.00		THE BOEING COMPANY POLITICAL ACTION COMMITTEE	NEW MILLENNIUM PAC	DC	2019 CONTRIBUTION	06/27/2019	\$5,000.00		THE BOEING COMPANY POLITICAL ACTION COMMITTEE	JOHN CARTER FOR CONGRESS	TX	2020 PRIMARY	06/27/2019	\$1,000.00		THE BOEING COMPANY POLITICAL ACTION COMMITTEE	WALBERG FOR CONGRESS	MI	2020 PRIMARY	06/21/2019	\$1,000.00		THE BOEING COMPANY POLITICAL ACTION COMMITTEE	VOLUNTEERS FOR SHIMKUS	IL	2020 PRIMARY	06/21/2019	\$1,000.00		THE BOEING COMPANY POLITICAL ACTION COMMITTEE	VISCLOSKY FOR CONGRESS	IN	2020 GENERAL	06/21/2019	\$2,500.00	
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[List continued on the website to show a full list of contributions, all in the United States]

[32] The Boeing Company Political Action Committee – Total spent (Webpage)

Accessed 02/10/2019

<https://www.fec.gov/data/committee/C00142711/?cycle=2018#total-spent>

Total spent

 Browse disbursements

Coverage dates: 01/01/2017 to 12/31/2018

TOTAL DISBURSEMENTS	\$5,853,050.20
OPERATING EXPENDITURES	\$537.26
Allocated operating expenditures - federal	\$0.00
Allocated operating expenditures - non-federal	\$0.00
Other federal operating expenditures	\$537.26
TRANSFERS TO AFFILIATED COMMITTEES	\$0.00
CONTRIBUTIONS TO OTHER COMMITTEES	\$3,384,500.00
INDEPENDENT EXPENDITURES	\$0.00
PARTY COORDINATED EXPENDITURES	\$0.00
LOANS MADE	\$0.00
LOAN REPAYMENTS MADE	\$0.00
TOTAL CONTRIBUTION REFUNDS	\$0.00
Individual refunds	\$0.00
Political party refunds	\$0.00
Other committee refunds	\$0.00
OTHER DISBURSEMENTS	\$2,468,012.94
TOTAL FEDERAL ELECTION ACTIVITY	\$0.00
Allocated federal election activity - federal share	\$0.00
Allocated federal election activity - Levin share	\$0.00
Federal election activity - federal only	\$0.00
TOTAL FEDERAL DISBURSEMENTS	\$5,853,050.20

Newly filed summary data may not appear for up to 48 hours.

Question
5.1.3. Does the company have a clearly defined policy and/or procedure covering charitable donations and sponsorships, whether made directly or indirectly, and does it publish details of all such donations made by the company and its subsidiaries?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on charitable donations and sponsorships, which covers both financial and in-kind donations. The company states that all donations must follow ethical guidelines and must be overseen by the Law Department. There is some evidence that the company has procedures in place to conduct due diligence on recipients..</p> <p>Although the company publishes some details of the recipients of its grants, the company receives a score of '1' because there is no evidence that it publish full details of all donations made, such as the country and amount given to each recipient, as well as which corporate entity made the payment, for both financial and in-kind donations.</p>
Evidence
<p>[17] Ethics and Compliance – Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 18/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Grants, Business Donations, Sponsorships, Memberships</p> <p>Boeing makes investments in communities where employees live and work through charitable grants, in-kind donations, sponsorships, volunteer time and memberships to various organizations in order to promote positive and sustainable change. Boeing policy requires that all grants, business donations, sponsorships and memberships be made in an ethical manner and in accordance with all laws and regulations. All requests for payments or donations to support an organization or project outside of the United States are reviewed by the Law Department.</p> <p>Company contributions are subject to review and approval prior to offering, as outlined in the Company's internal Company Contributions procedure. This addresses our internal contribution process inclusive of, but not limited to, the application process and properly vetting recipients for charitable donations, sponsorships, and more.</p> <p>[22] Annual Report 2018 (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2018AR-Final.pdf [p.3] Investing in Our Communities</p> <div><div>Total Giving = \$284.3 Million</div><div><div>\$243.7M + \$37.6M + \$3.0M</div><div>Charitable and Business ContributionsEmployee GivingCharitable Trust</div></div></div> <p>In 2018, Boeing and our employees and retirees invested a record \$284 million—more than \$100 million than the year before—plus thousands of employee volunteer hours to improve lives and communities where we live and work globally.</p> <p>[23] Global Engagement (Document) Accessed 17/08/2019 https://www.boeing.com/resources/boeingdotcom/principles/community-engagement/pdf/2019_global_engagement_portfolio.pdf [p.29] OUR 2018 GRANTEES Working hand-in-hand with our community partners, Boeing lends our expertise and resources to address pressing needs in Boeing communities across the globe. In our pursuit of a better world, we leverage our partners' collective</p>

knowledge, creativity and resources in order to achieve greater impact than any of us is able to accomplish alone. We are partners in change, moving our communities and our society forward, together.

A Better Chance
A New Leaf
A Safe Haven Foundation
A Sanctuary for Military Families
ABC Unified School District
Academy for Urban School Leadership
Academy of Science of St. Louis
AÇEV (Mother Child Education Foundation)
Action Care FZE LLC
Adaptive Training Foundation
Adrienne Arsht Center
AeroStar Avion Institute
All Hands Raised
Al-Nahda Philanthropic Society for Women
America's Car Museum
American Red Cross of Eastern Missouri
AMIDEAST AMSAT
Appletree Institute for Education Innovation
Arcadia Food
Arizona Science Center
Arts Corps
ASTC Science World Society
Australian War Memorial
Ayrton Senna Institute
Bar-Ilan University
Beijing Youth Development Foundation

[List continues to list all organisations in alphabetical order]

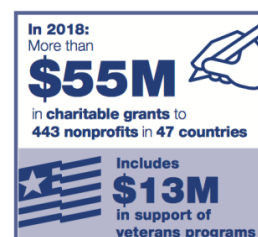
[6] Proxy Statement (Document)

Accessed 18/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf

[p.18]

Boeing Global Engagement



Through purposeful community investments, employee engagement, and thoughtful advocacy efforts, Boeing and its employees support innovative partnerships and programs that align with our strategic objectives, create value, and help build better communities worldwide. First, we are committed to helping children and youth achieve their potential through educational enrichment and support programs that promote academic success, independence, and economic sustainability. Second, through hiring and employment programs as well as grants and volunteer activities, we help armed forces veterans and their families' transition successfully into civilian life. Third, we believe that maintaining a local focus and flexibility to respond to local needs is vital to Boeing's charitable investment and employee engagement strategy. As a result, we focus our expertise and employee volunteerism on issues that are of importance to each site and region of the world our company operates. For additional information, and to see how Boeing and its employees give their time, talent and resources in communities around the world, visit www.boeing.com/principles/global-engagement-summary.page and download our most recent Global Engagement Portfolio.

[21] About Boeing Sponsorships (Webpage)

Accessed 18/08/2019

<https://www.boeing.com/company/key-orgs/advertising-and-brand/sponsorships.page>

Process, Criteria and Guidelines

Boeing sponsors the Chicago Air & Water Show, the oldest and largest free-admission show of its kind in the United States, with more than 2 million spectators each year. The show features vintage and present-day aircraft, including many Boeing products.

Boeing sponsors select major events, organizations and projects that resonate with our business and brand strategies to enhance Boeing brand presence and visibility with our customers, key stakeholders, employees and the communities where we live, work and do business around the world.

In addition, Boeing strives to create positive change for our global communities and their people through charitable corporate contributions as well as employee giving and volunteerism. Boeing invests in thoughtful, innovative partnerships and programs that align with our strategic objectives and build the capacity of individuals and communities to succeed in a constantly evolving world. Organizations seeking such charitable contributions should visit our Community Engagement page.

How To Apply

Boeing proactively seeks partnerships with appropriate potential strategic partners. However, all organizations are welcome to submit letters of inquiry for consideration. Before submitting an inquiry using the link at the bottom of this page, be sure to review our Evaluation Criteria and our list of ineligible activities.

Due the volume of requests that we receive, to be considered for a sponsorship, applicants must first submit a letter of inquiry. We no longer accept unsolicited sponsorship requests by telephone, fax, mail, email or delivery.

How Sponsorship Requests Are Evaluated

All sponsorship requests are received by Boeing Corporate Communications and evaluated against six general criteria:

- Tangible benefits associated with the partnership
- Opportunity to create long-term value
- Ability to reach targeted audiences and build relationships
- Positive exposure for the Boeing brand
- Potential to be leveraged with additional resource investment
- Potential for long-term, sustainable partnership or relationship
- Meeting these criteria ensures that Boeing establishes sponsorship relationships that mutually benefit Boeing and the receiving organization.
- If the proposal is a potential fit, the proposal is shared with the business and site representatives responsible for developing sponsorship programs across the enterprise. The proposal is then reviewed for relevance to geographic location, scope and subject matter to determine the fit between the proposal and Boeing's brand and sponsorship strategies. If determined to be eligible, your organization will be invited to submit more detailed information.

How To Determine If Your Request Will Be Eligible

We regret that we are unable to support certain activities because they do not meet corporate sponsorship program goals and strategic objectives.

- Local sports organizations, such as Little League
- Charitable fundraisers
- Requests that benefit an individual person or family
- Auto racing or daredevil sports
- Local events in areas without Boeing facilities
- Religious activities, in whole or in part, for the purpose of furthering religious doctrine
- Travel expenses
- Door prizes or raffles
- School-affiliated orchestras, bands, choirs, drama groups, yearbooks, class parties, or class or team projects

- General operating expenses
- Political candidates or organizations
- Boeing business resource groups

In most cases, the following activities do not meet our corporate sponsorship criteria:

- Film or documentary productions
- Memorials or endowments
- Agency- or school-sponsored walkathons, athletic events, or athletic group sponsorships
- U.S. hospitals or medical research

How Much Time You Should Allow

Proposals are reviewed on a regular basis. Your organization should hear from Boeing within two to six weeks of receipt of the inquiry. If there is a need for additional information, Boeing will contact your organization directly. Applicants should allow six months to one year between application and the sponsored event to provide time for negotiating agreements and to enable Boeing to appropriately plan our participation.

How to Get Started

To submit a sponsorship letter of inquiry, [click here](#).

5.2 Lobbying

Question
5.2.1 Does the company have a policy and/or procedure covering responsible lobbying?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company has a policy on lobbying, which includes specific controls and oversight provisions to regulate the activities of lobbyists. The company states that it provides training on responsible lobbying behaviours and indicates that all lobbying activities are conducted in accordance with its high standards of ethical conduct. The company also states that the Government Operations department is responsible for oversight of all lobbying and political activities.</p> <p>However, the company receives a score of '1' because it does not provide further information on the standards and types of behaviours that constitute 'responsible' lobbying.</p>
Evidence
<p>[18] Government Operations – Overview (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/ The office works with public officials across all levels of government -- federal, state and local -- to carry out this mission. It also works with various third parties -- such as think tanks, trade associations, public policy groups, and international organizations. The Government Operations office strives to ensure the regulatory and political climate in the U.S. is conducive to global aerospace and defense leadership and supports long-term American manufacturing competitiveness and innovation. In addition to these many functions, the office serves as a point of contact between federal, state and local governments, plus associated third parties, and the company's business units.</p> <p>[19] Government Operations – Political Expenditure (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/#/political Boeing uses corporate resources in order to support Boeing's viewpoint on important public policy issues, including expenditures for external entities who advocate on Boeing's behalf. Any such advocacy requires the prior approval of Boeing's Executive Vice President, Government Operations, is overseen and managed by Boeing's Government Operations organization, and is conducted in accordance with applicable law, sound corporate practice, and our high standards of ethical conduct. Boeing files lobbying disclosure reports with the United States Congress, which are available here and here. Boeing files similar reports where required at the state level. Lobbying activities are defined and tracked internally. As outlined in the Company's internal procedure on Lobbying and Byrd Amendment Activities, Boeing complies with federal regulations as outlined in, but not limited to, the Lobbying Disclosure Act (LDA) and the Byrd Amendment. Data and reporting required by the Lobbying Disclosure Act (LDA) are disclosed and available publically on the LDA Report homepage. Training is provided to employees on these requirements as well as responsible behaviors. In addition, Boeing's Executive Vice President, Government Operations, reports regularly to Boeing's Board of Directors on the Company's lobbying and other advocacy activities.</p> <p>[6] Proxy Statement (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy-Statement.pdf [p.55] Boeing regularly engages in public policy debates at the federal, state, and local levels. The Board requires that all such activities comply with applicable laws and regulations and Boeing's high standards of ethical conduct. Consistent with these requirements, Boeing has instituted full transparency into—and extensive oversight of—any political expenditures by the Company, and has implemented additional policies and procedures with respect to its lobbying and advocacy activities, including expenditures to trade associations. These policies and practices include the following:</p> <ul style="list-style-type: none"> - Boeing files both quarterly and semi-annual federal Lobbying Disclosure Act reports with Congress, which are publicly available at http://disclosures.house.gov/. These filings detail all Boeing lobbying expenditures,

issues lobbied on, government entities lobbied, Company lobbyists, and expenditures of the Boeing Political Action Committee, or BPAC, a voluntary, non-partisan, employee-sponsored political action committee. Boeing files similar reports when required at the state level.

[...]

- Boeing's Executive Vice President, Government Operations, reports regularly to the Board on Boeing's lobbying and other advocacy activities.

[...] Additional information about the oversight of Boeing's lobbying activities is available at www.boeing.com/company/key-orgs/government-operations/. We believe that these robust policies and procedures enhance shareholder value, minimize financial and reputational risk, and reflect our commitment to legal compliance, strong corporate governance, and high ethical standards. In addition, the 2018 CPA-Zicklin Index of Corporate Political Accountability and Disclosure once again listed Boeing as a "trendsetter" for its exemplary efforts with respect to political transparency and accountability. Finally, during many discussions with our largest shareholders as part of our regular engagement on governance issues, shareholders uniformly expressed satisfaction with Boeing's level of disclosure and the rigor of its oversight in this area.

Question
5.2.2 Does the company publish details of the aims and topics of its public policy development and lobbying activities it carries out?
Score
1
Comments
<p>The company publishes some details of the topics on which it lobbies on its website and in more detail in the Lobbying Disclosure Reports which are available to the United States Congress and Senate. These reports are made available via a direct link on the company's website and they include information on the specific legislation on which the company has lobbied in the United States.</p> <p>However, the company receives a score of '1' because it does not provide further details of its lobbying activities, such as a description of its core positions and their importance or relevance to the company and stakeholders. In addition, the information provided only relates to lobbying activities in the jurisdiction in which the company is headquartered (the United States); there is no evidence that the company discloses this information for other jurisdictions, nor does it publish a statement that it does not conduct lobbying activities outside of the United States.</p>
Evidence
<p>[18] Government Operations – Overview (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/ Boeing Government Operations Overview</p> <p>Boeing's Government Operations office is located in Arlington, Va., near Washington D.C., and serves the company in three ways:</p> <ul style="list-style-type: none"> - Protecting and advancing the company's interests, competitiveness, and reputation; - Winning support for Boeing programs; and - Shaping public policy issues that impact the company. <p>The office works with public officials across all levels of government -- federal, state and local -- to carry out this mission. It also works with various third parties -- such as think tanks, trade associations, public policy groups, and international organizations. The Government Operations office strives to ensure the regulatory and political climate in the U.S. is conducive to global aerospace and defense leadership and supports long-term American manufacturing competitiveness and innovation. In addition to these many functions, the office serves as a point of contact between federal, state and local governments, plus associated third parties, and the company's business units.</p> <p>[19] Government Operations – Political Expenditure (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/#/political Boeing uses corporate resources in order to support Boeing's viewpoint on important public policy issues, including expenditures for external entities who advocate on Boeing's behalf. Any such advocacy requires the prior approval of Boeing's Executive Vice President, Government Operations, is overseen and managed by Boeing's Government Operations organization, and is conducted in accordance with applicable law, sound corporate practice, and our high standards of ethical conduct. Boeing files lobbying disclosure reports with the United States Congress, which are available here and here. Boeing files similar reports where required at the state level. Lobbying activities are defined and tracked internally.</p> <p>[33] Lobbying Disclosure Form (Webpage) Accessed 02/10/2019 https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=F9CF7B17-737B-4467-9931-881273B83372&filingTypeID=78 LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.</p> <p>15. General issue area code DEF</p>

16. Specific lobbying issues

H.R. 1625, Consolidated Appropriations Act, 2018.
 H.R. 6157, Defense Appropriations Act, 2019.
 S. 3159, Defense Appropriations Act, 2019.
 H.R. XXXX National Defense Authorization Act for Fiscal Year 2020.
 S. XXXX National Defense Authorization Act for Fiscal Year 2020.
 H.R. XXXX Defense Appropriations Act for Fiscal Year 2020.
 S. XXXX Defense Appropriations Act for Fiscal Year 2020.
 H.R. 5515, National Defense Authorization Act for Fiscal Year 2019.
 S. 2987, National Defense Authorization Act for Fiscal Year 2019.
 Defense Programs Support.
 KC-46 Program.
 Air Mobility Programs.
 Unmanned Systems.
 Military Aircraft Applications from Commercial Derivatives.
 Military Satellite Programs.
 Communications Science and Technology.
 Manufacturing Research and Development.
 Defense Industrial Base.
 Cyber Security / Cyber Command.
 Performance Based Logistics.
 Systems Sustainment and Modification.
 Logistics and Sustainment Services.
 Missile Defense Programs.
 Space Launch Vehicles.
 Intelligence, Surveillance, and Reconnaissance Systems.
 DOD Energy.
 Depot Policy Provisions.
 Sequestration and Budget Control Act.
 Bomber Programs.
 Weapons Programs (SDB, JDAM, Harpoon, HAAWC).
 Aircraft Modernization Programs.
 Tactical Aviation.
 Directed Energy Programs.
 Tilt Rotorcraft.
 Acquisition Reform.
 Rocket Engines.
 C-17 Globemaster III Integrated Sustainment Program

[Information continued in document]

Question
5.2.3 Does the company publish full details of its global lobbying expenditure?
Score
1
Comments
<p>The company publishes some details of its lobbying expenditure in its annual Proxy Statement, as well as in its Lobbying Disclosure Reports for the United States Congress and Senate. These reports are made available via a direct link on the company's website and include information on total lobbying expenditure relating to activities in the United States.</p> <p>However, the company receives a score of '1' because it does not provide further details of its lobbying expenditure, such as a breakdown in expenditure between internal, external and association lobbying, and an explanation of how the figures in the data have been calculated. Furthermore, the information provided only relates to lobbying activities in the jurisdiction in which the company is headquartered (the United States); there is no evidence that the company discloses this information for other jurisdictions, nor does it publish a statement that it does not conduct lobbying activities outside of the United States.</p>
Evidence
<p>[6] Proxy Statement (Document) Accessed 18/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf [p.54] Supporting Statement We encourage transparency in the use of corporate funds for lobbying. Boeing spent \$137,675,000 from 2010—2017 on federal lobbying. These figures do not include state lobbying, where Boeing also lobbies but disclosure is uneven or absent. For example, Boeing's lobbying over state tax breaks has drawn attention ("Boeing Got \$7,250 in Tax Breaks for Every \$1 It Spent Lobbying," Huffington Post, March 27, 2014).</p> <p>[p.55] For example, Boeing is on the board of the National Association of Manufacturers, which spent \$79,550,014 on lobbying from 2010-2017 and helped found the Main Street Investors Coalition (MSIC). MSIC has been described as "a Washington organization that purports to represent the little guy... And yet... The group is actually funded by big business interests that want to diminish the ability of pension funds and large 401(k) plans... to influence certain corporate governance issues" ("What's Behind a Pitch for the Little-Guy Investor? Big Money Interests," New York Times, July 24, 2018). We believe that MSIC's advocacy objectives conflict with shareholder interests and Boeing's MSIC affiliation poses reputational risks.</p> <p>[19] Government Operations – Political Expenditure (Webpage) Accessed 18/08/2019 http://www.boeing.com/company/key-orgs/government-operations/#/political Political Expenditures</p> <p>[...]</p> <p>Boeing uses corporate resources in order to support Boeing's viewpoint on important public policy issues, including expenditures for external entities who advocate on Boeing's behalf. Any such advocacy requires the prior approval of Boeing's Executive Vice President, Government Operations, is overseen and managed by Boeing's Government Operations organization, and is conducted in accordance with applicable law, sound corporate practice, and our high standards of ethical conduct. Boeing files lobbying disclosure reports with the United States Congress, which are available here and here. Boeing files similar reports where required at the state level. Lobbying activities are defined and tracked internally. As outlined in the Company's internal procedure on Lobbying and Byrd Amendment Activities, Boeing complies with federal regulations as outlined in, but not limited to, the Lobbying Disclosure Act (LDA) and the Byrd Amendment. Data and reporting required by the Lobbying Disclosure Act (LDA) are disclosed and available publically on the LDA Report homepage. Training is provided to employees on these requirements as well as responsible behaviors. In addition, Boeing's Executive Vice President, Government Operations, reports regularly to Boeing's Board of Directors on the Company's lobbying and other advocacy activities.</p>

[33] Lobbying Disclosure Form (Webpage)

Accessed 02/10/2019

<https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=F9CF7B17-737B-4467-9931-881273B83372&filingTypeID=78>

Clerk of the House of Representatives
Legislative Resource Center
135 Cannon Building
Washington, DC 20515
<http://lobbyingdisclosure.house.gov>

Secretary of the Senate
Office of Public Records
232 Hart Building
Washington, DC 20510
<http://www.senate.gov/lobby>

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

1. Registrant Name <input checked="" type="checkbox"/> Organization/Lobbying Firm <input type="checkbox"/> Self Employed Individual Boeing Company					
2. Address Address1 929 Long Bridge Drive Address2 City ARLINGTON State VA Zip Code 22202 Country USA					
3. Principal place of business (if different than line 2) City Chicago State IL Zip Code 60606 Country USA					
4a. Contact Name Mr. Arthur E. Cameron Jr.		b. Telephone Number 7034653470		c. E-mail art.cameron@boeing.com	
7. Client Name Boeing Company		<input checked="" type="checkbox"/> Self <input type="checkbox"/> Check if client is a state or local government or instrumentality		5. Senate ID# 6597-12	
				6. House ID# 317010000	

TYPE OF REPORT9. Check if this filing amends a previously filed version of this report ☐

8. Year 2018

Q1 (1/1 - 3/31) ☐Q2 (4/1 - 6/30) ☐Q3 (7/1 - 9/30) ☐Q4 (10/1 - 12/31) ☒10. Check if this is a Termination Report ☐

Termination Date

11. No Lobbying Issue Activity ☐**INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13****12. Lobbying**

INCOME relating to lobbying activities for this reporting period was:

Less than \$5,000 ☐\$5,000 or more ☐

\$

Provide a good faith estimate, rounded to the nearest \$10,000, of all lobbying related income for the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).

13. Organizations

EXPENSE relating to lobbying activities for this reporting period were:

Less than \$5,000 ☐\$5,000 or more ☒

\$ 3,850,000.00

14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.

☐ Method A. Reporting amounts using LDA definitions only☐ Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code☒ Method C. Reporting amounts under section 162(e) of the Internal Revenue Code

Signature

Digitally Signed By: Art Cameron

Date

1/22/2019 9:29:57 AM

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Add additional page(s) as needed.

15. General issue area code AER

16. Specific lobbying issues

H.R. 1625 - Consolidated Appropriations Act, 2018.
H.R. 5952, FY19 Commerce, Justice, and Science Appropriations Act.
S. 3072, FY19, Commerce, Justice, and Science Appropriations Act.
H.R. 6226, American Space Safe Management Act.
Aeronautics.
Acquisition Policy.
Broadband Satellite.
Commercial Space Launch.
Human Space Flight.
International Space Station.
Satellite Servicing.
Science Education.
Science Programs.
Spectrum.
Space Exploration.
Space Launch System.
S. 3277 - Space Frontier Act.
H.R. 6910 - Leading Human Spaceflight Act.

17. House(s) of Congress and Federal agencies ☐ Check if None

U.S. HOUSE OF REPRESENTATIVES, U.S. SENATE

18. Name of each individual who acted as a lobbyist in this issue area

First Name	Last Name	Suffix	Covered Official Position (if applicable)	New
Steven E.	Bachmann			<input type="checkbox"/>
Arthur E.	Cameron	Jr.		<input type="checkbox"/>
Kevin	Bozelsky			<input type="checkbox"/>
David A.	Young			<input type="checkbox"/>
Krista	O'Neill			<input type="checkbox"/>
Heath	Bumgardner			<input type="checkbox"/>
Dario J.	Gomez			<input type="checkbox"/>
Thomas	Culligan			<input type="checkbox"/>
Robert	Simmons			<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

[Information continues over several pages in document]

5.3 Gifts and Hospitality

Question
5.3.1 Does the company have a policy and/or procedure on gifts and hospitality to ensure they are bona fide to prevent undue influence or other corruption?
Score
1
Comments
<p>There is evidence that the company has a policy and procedure on the giving and receipt of gifts and hospitality, which addresses the risks associated with gifts and hospitality given to public officials. The company states that certain thresholds are in place for specific types of gifts and hospitality, and that it has a procedure in place which stipulates prior approval from the Law Department.</p> <p>However, the company receives a score of '1' because there is no evidence that gifts and hospitality above a certain threshold are recorded in a dedicated central register that is accessible to those responsible for oversight of the process. It is noted that the company has separate policies on accepting and offering promotional expenses which may outline further control measures, but this does not appear to be publicly available.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.12] Business Courtesies</p> <p>When it comes to business courtesies — defined as anything of value that we give or receive from someone doing business with Boeing — it's important that employees be vigilant in ensuring that it is reasonable, lawful and fully justified under the circumstances. We have to be careful to avoid even the appearance of impropriety.</p> <p>Company procedures PRO-8: Acceptance of Business Courtesies and PRO-6: Offering of Business Courtesies prohibit certain business courtesies. In addition, employees may occasionally need support in deciding whether or not a courtesy is acceptable. Because business is won or lost on the merits of our products and services, it's important to speak up and ask for clarification when there are questions. More information on this guidance is provided below, but whenever possible, ask in advance to address potential concerns before they escalate into bigger issues.</p> <p>Accepting Business Courtesies Employees should never ask for a courtesy or accept a business courtesy when a real or perceived attempt is being made to exchange it for influence or favorable action by Boeing. Strict guidelines are in place around offering any courtesy, and accepting a courtesy is permitted in limited circumstances only.</p> <p>A business courtesy can include anything from gifts, prizes, meals and entertainment to larger items such as sporting-event tickets, training seminars or honoraria that are provided from third parties including suppliers, customers and partners or those who are seeking to become suppliers, customers or partners of Boeing. PRO-8: Acceptance of Business Courtesies establishes requirements regarding acceptance of these courtesies and applies to all employees of Boeing, including both fully and non-fully integrated subsidiaries, contingent labor and, when acting for the company, consultants and others.</p> <p>In general, all business courtesies that are offered to and accepted by Boeing employees are considered gifts belonging to Boeing. Employees should not assume that they may accept a business courtesy or keep a business gift for personal use. A promotional item of nominal value, such as a pen or coffee mug with a company logo, may be retained. In deciding whether to accept a gift, using good business judgment and asking questions when in doubt is the best course of action. Additionally, employees should consult with their manager, Ethics or the Law Department with specific questions.</p> <p>Key points</p> <ul style="list-style-type: none"> • A business courtesy is a present, gift, hospitality or favor for which fair market value is not paid by the recipient. It may be a tangible or intangible benefit.

- Any courtesy must be reasonable, lawful and fully justified under the circumstances and not suggest even the appearance of impropriety.

Resources

- PRO-8: Acceptance of Business Courtesies
- PRO-8: Guidance and Resources
- PRO-6: Offering of Business Courtesies

[p.13] Offering Business Courtesies

Rules around offering courtesies can be complex and don't provide a one-size-fits-all solution. Specific requirements and restrictions apply to government employees, officials and representatives as well as officials and representatives of foreign governments. Each situation must be evaluated carefully, and your manager, Ethics or the Law Department should be consulted with questions.

Offering a business courtesy must also be done in an ethical and legal manner and comply with all applicable Boeing policies and procedures, specifically PRO-6: Offering of Business Courtesies. This can refer to a gift, hospitality or favor for which fair market value is not paid by the recipient and that may be a tangible or intangible benefit. Examples include meals, entertainment, door prizes, honoraria, transportation, discounts or use of offeror's time, materials, facilities or equipment. Company procedures and policies strictly prohibit offering any business courtesy that could be misinterpreted as an attempt to gain an improper business advantage. Boeing policy also includes threshold limits as well as management and Law Department pre-approval requirements.

FAQ

Q: Is it permissible for a Boeing employee to provide transportation between Boeing buildings for a visiting dignitary or elected official?

A: If travel is entirely on a Boeing facility and no commercial transportation alternative exists, such transportation is permitted. In other situations, consult with Ethics or the Law Department for guidance.

Q: May I take advantage of a discount on a product sold by a supplier of the company?

A: You may accept the discount only if it is clearly available to all Boeing employees and approved by the company. Other personal discounts should be regarded as gifts and declined.

Q: What should I do if I receive a gift that I know is not acceptable?

A: You should return the item to the donor with a polite explanation that Boeing policy prohibits you from keeping it. In circumstances when refusing to accept a gift may be culturally embarrassing or unacceptable, other alternatives may be more appropriate such as displaying the gift in a public area or donating it through Global Corporate Citizenship (GCC). Consult an Ethics Advisor for further guidance.

[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage)

Accessed 18/08/2019

<https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally>

Business Courtesies, Giving and Receiving

Boeing employees are required to be vigilant in ensuring that any business courtesy is reasonable, lawful and fully justified under the circumstances, and does not suggest the appearance of impropriety. Company policies and procedures strictly prohibit offering any courtesy that could be misinterpreted as an attempt to gain an improper business advantage, and include elevating thresholds of management approval. Before any courtesy is offered, an employee must determine that it is lawful and appropriate and would not cause embarrassment to the company or recipient. Additionally, employees must follow strict guidelines when determining if an offered courtesy can be accepted. Employees are prohibited from soliciting courtesies, or accepting any courtesies when a real or perceived attempt is being made to influence action by Boeing.

[8] Code of Ethical Business Conduct for Members of the Board of Directors (Document)

Accessed 17/08/2019

http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/conduct_for_directors.pdf

[p.2] [...] Gifts. Directors and members of their families may not accept gifts from persons or entities who deal with the Company in those cases where any such gift has more than a nominal value, is being made in order to influence the Director's actions as a member of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.

6. Supply Chain Management

Question
6.1. Does the company require the involvement of its procurement department in the establishment of new supplier relationships and in the oversight of its supplier base?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company requires the involvement of its procurement department in the establishment of new suppliers. The company indicates that this department is ultimately responsible for providing oversight of the company's supplier base. There is evidence that the company assures itself that proper procedures regarding the onboarding of suppliers are followed through an audit of the supplier management process, which is conducted on an annual basis.</p>
Evidence
<p>[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 18/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Supplier Relationships</p> <p>Boeing contracts with suppliers around the world to provide products and services in support of its diverse business portfolio. Company policies and procedures are designed to ensure that supplier relationships follow the highest standards of ethical business conduct. Our procedures provide that the procurement department is responsible for establishing all new supplier contractual relationships and for providing oversight of the company's supplier base. Moreover, we annually assess enterprise risks and develop a risk-based audit plan to support achievement of business and compliance objectives. In each of the last three years, we have audited supplier management processes related to establishment of new supplier relationships and oversight of our supplier base.</p> <p>Appropriate due diligence is conducted for potential suppliers, such as screening governmental and industry listings for instances of sanctions and/or other compliance concerns. The terms and conditions in all supplier agreements require that suppliers provide assurance of compliance with all applicable anti-corruption laws, granting Boeing contractual rights in the event of a breach, inclusive of termination rights. Additionally, company procedures prohibit employees from soliciting gifts from suppliers or having any contact with suppliers that would give rise to even the appearance of impropriety, and require all employees to comply with anti-kickback laws and regulations.</p> <p>[27] Our Procurement Practices (Webpage) Accessed 18/08/2019 http://www.boeingsuppliers.com/become.html#/hash4 Our Procurement Practices</p> <p>Boeing procurement policies govern the purchase of materials of the right quality, in the right quantity, at the right time, at the right price and from the right sources. All procurement actions are based on conformance with all applicable laws, regulations and contractual obligations. All suppliers and their representatives are treated fairly and impartially.</p> <p>Each Boeing business unit determines its own requirements for procurement and selects its own sources of supply. In some cases corporate agreements are developed to cover the requirements of two or more divisions. Suppliers and potential suppliers must make their contacts with Boeing through Supplier Management. Only Supplier Management has the authority to commit to purchase contracts for Boeing.</p> <p>Our company emphasizes the importance of competitive bidding as a good business practice. We consider ability, capacity, integrity, financial status, geographical locations, performance, reliability, quality of product, delivery and overall customer-supplier relations in evaluating a potential supplier before and during a purchase contract.</p>

Question
6.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging with its suppliers?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company has formal procedures to conduct due diligence on all its suppliers prior to entering into the business relationship.</p> <p>However, the company receives a score of '1' because it does not explicitly state that due diligence checks include establishing the ultimate beneficial ownership of the supplier. There is no evidence that the highest risk suppliers are subject to enhanced due diligence, and the frequency of these checks is unclear. In addition, there is no clear evidence to suggest that the company might be willing to terminate supplier relationships in circumstances where a red flag highlighted in the due diligence process cannot be mitigated.</p>
Evidence
<p>[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 18/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Supplier Relationships</p> <p>[...]</p> <p>Appropriate due diligence is conducted for potential suppliers, such as screening governmental and industry listings for instances of sanctions and/or other compliance concerns. The terms and conditions in all supplier agreements require that suppliers provide assurance of compliance with all applicable anti-corruption laws, granting Boeing contractual rights in the event of a breach, inclusive of termination rights. Additionally, company procedures prohibit employees from soliciting gifts from suppliers or having any contact with suppliers that would give rise to even the appearance of impropriety, and require all employees to comply with anti-kickback laws and regulations.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.</p> <p>Our purchase commitments/agreements are based on many factors including quality, service, price, delivery and best value for our customer. Only authorized agents with signature authority are permitted to make purchase commitments/agreements with suppliers or third parties for goods and/or services on behalf of The Boeing Company (e.g., price, schedule, terms and conditions).</p> <p>We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.</p>

We are all entrusted with protecting Boeing information and complying with our suppliers' and other third parties' requirements on the use of their information. This mutual trust and the continued, collaborative partnership between our company, suppliers and other third parties can make the difference in our success and winning business. It is also vitally important that our employees adhere to company procedures in their dealings with suppliers. PRO-9: Boeing Employee Contact with Providers of Goods or Services provides guidance for proper contact with suppliers to prevent even the appearance of impropriety and to ensure adherence to and compliance with regulations and anti-kickback laws.

Key points

- Boeing employees should not have any contact with suppliers or other third parties that would give the appearance of impropriety.
- Boeing suppliers and other third parties are responsible for the quality of their products and services, following laws and regulations, and owing these requirements within their supply chain.

[27] Our Procurement Practices (Webpage)

Accessed 18/08/2019

<http://www.boeingsuppliers.com/become.html#/hash4>

Our Procurement Practices

Boeing procurement policies govern the purchase of materials of the right quality, in the right quantity, at the right time, at the right price and from the right sources. All procurement actions are based on conformance with all applicable laws, regulations and contractual obligations. All suppliers and their representatives are treated fairly and impartially.

Each Boeing business unit determines its own requirements for procurement and selects its own sources of supply. In some cases corporate agreements are developed to cover the requirements of two or more divisions. Suppliers and potential suppliers must make their contacts with Boeing through Supplier Management. Only Supplier Management has the authority to commit to purchase contracts for Boeing.

Our company emphasizes the importance of competitive bidding as a good business practice. We consider ability, capacity, integrity, financial status, geographical locations, performance, reliability, quality of product, delivery and overall customer-supplier relations in evaluating a potential supplier before and during a purchase contract.

Question
6.3 Does the company require all of its suppliers to have adequate standards of anti-bribery and corruption policies and procedures in place?
Score
1
Comments
<p>Based on publicly available information, there is evidence that the company contractually requires its suppliers to comply with anti-corruption laws and have an ethics and compliance programme in place.</p> <p>However, the company receives a score of '1' because it does not provide further information on the specific standards that are required; for example it does not explicitly state that all suppliers must have or comply with policies that prohibit bribery and facilitation payments, or procedures to cover conflicts of interest, gifts and hospitality and whistleblowing. It is also not clear that the company takes practical steps to ensure that its suppliers have adequate anti-bribery and corruption policies and procedures in place, such as an audit or assessment of the suppliers' programme. In addition, it is not clear whether such assurance would take place only during onboarding or when there is a significant change in the business relationship.</p>
Evidence
<p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach.</p> <p>[...]</p> <p>We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.</p> <p>[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 18/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Supplier Relationships [...] Appropriate due diligence is conducted for potential suppliers, such as screening governmental and industry listings for instances of sanctions and/or other compliance concerns. The terms and conditions in all supplier agreements require that suppliers provide assurance of compliance with all applicable anti-corruption laws, granting Boeing contractual rights in the event of a breach, inclusive of termination rights. Additionally, company procedures prohibit employees from soliciting gifts from suppliers or having any contact with suppliers that would give rise to even the appearance of impropriety, and require all employees to comply with anti-kickback laws and regulations.</p> <p>[24] Suppliers (Webpage) Accessed 18/08/2019 http://www.boeingsuppliers.com Welcome Since The Boeing Company's inception over 100 years ago, the partnership between Boeing and its global</p>

suppliers has created a legacy of aerospace excellence. In today's global economy, the relationships we forge with suppliers are key to our team's agility, integrity and competitiveness - and our ability to meet our customers' needs. We work as one team, with one future.

Boeing follows responsible business practices and promotes positive changes in the lives of people around the world while growing shareholder and customer value in a competitive global marketplace. We view human dignity and freedom from oppression as fundamental rights in a principled and productive work environment. It is from this set of values that Boeing categorically opposes slavery, human trafficking, forced labor and child labor. To this end, we have included our Boeing Basic Working Conditions and Human Rights code in all of our supplier contracts.

To learn more about Boeing's position on human rights issues, click the links below or visit the Human Rights section of this webpage located under the Our Principles tab above.

[25] Supplier - Ethics (Webpage)

Accessed 18/08/2019

http://www.boeingsuppliers.com/supplier_principles.html#/hash3

Ensuring that our values remain foundational to our work requires a daily commitment from every Boeing employee. This clear message on the importance of integrity in everything we do is delivered by Boeing's chairman during an annual live broadcast to every employee, and by other senior leaders in various internal and external forums. While each employee is accountable for upholding the code of conduct and following all applicable laws, regulations and company policies, Boeing advances its unified approach to ethics and compliance through the integration of key functions: Ethics and Business Conduct; Global Trade Controls; Corporate Audit; Compliance Risk Management; Corporate & Administrative Services which maintains an enterprise system for all policies, procedures and processes; and, the company's Indirect Supply Chain. These functions and operating groups constitute the Boeing Office of Internal Governance and Administration and represent over 7,500 employees worldwide, including more than 7,000 employees who work in Indirect Supply Chain. As an integrated organization, this global team ensures the effective and efficient support across Boeing's businesses through implementation of the company's internal governance policies and plans, as well as providing common infrastructure and services. This structure creates a sustainable advantage for Boeing by enabling compliant company performance that is embedded consistently across all geographic locations while building on the company's 100 year old legacy of integrity.

Ethics & Compliance Homepage
Ethical Business Conduct Guidelines
Industry Resources for Ethics Compliance Programs
2018 Global Ethics Survey Report

[26] Boeing's Expectations (Webpage)

Accessed 18/08/2019

<http://www.boeingsuppliers.com/become.html#/hash3>

Boeing is looking for suppliers who:

[...]

- conduct their operations in a professional and respectful manner and share our commitment to ethical business practices

[37] General Provisions Fixed Price Goods Contract (Document)

Accessed 04/05/2020

http://www.boeingsuppliers.com/supplier_portal/GP1%20%2001-31-2020.pdf

[p.8] 28. BUSINESS CONDUCT

a. Compliance with Laws. Seller and the Goods shall comply with all applicable statutes and government rules, regulations and orders including without limitation, (i) all applicable country laws relating to anti-corruption or antibribery, including, but not limited to, legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" or other anti-corruption/anti-bribery convention; and (ii) the requirements of the Foreign Corrupt Practices Act, as amended, ("FCPA") (15 U.S.C. §§78dd-1, et. seq.), regardless of whether Seller is within the jurisdiction of the United States, and Seller shall, neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion

of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

b. Gratuities. Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or shall offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract.

c. Code of Basic Working Conditions and Human Rights. Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its worldwide operations. In furtherance of this commitment, Buyer has adopted a Code of Basic Working Conditions and Human Rights setting out in detail



[p.9] the measures it takes to ensure this commitment is fulfilled. This code may be downloaded at <https://www.boeing.com/principles/human-rights.page>. Buyer strongly encourages Seller to adopt and enforce concepts similar to those embodied in the Boeing Code, including conducting Seller's operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety and environmental protection. Seller shall include the substance of this clause, including this flowdown requirement, in all subcontracts awarded by Seller for work under this Contract.

[...]

h. Ethics and Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Contract. Buyer strongly encourages Seller to model its program in accordance with the Federal Sentencing Guidelines, applicable guidance from enforcement authorities, and industry best practices. Seller shall publicize to its employees who are engaged in the performance of work under the Contract that they may report any concerns of misconduct by Buyer or any of its employees or agents by going to Ethics@Boeing. Seller shall convey the substance of this clause to its suppliers.

i. Seller and Sub-Tier Supplier Information. In addition to requirements set forth elsewhere in this Contract, Seller shall, when reasonably requested by Buyer, provide sub-tier supplier information related to performance under this Contract. Such information may include but is not limited to Seller's subcontract management plans, Buyer programs supported, Seller assessment of sub-tier supplier's capability including financial health and performance issues.

Question
6.4 Does the company ensure that its suppliers require all their sub-contractors to have anti-corruption programmes in place that at a minimum adhere to the standards established by the main contractor?
Score
2
Comments
Based on publicly available information, there is evidence that the company takes steps to ensure that the substance of its anti-corruption and bribery programme and standards are flowed down throughout the supply chain. This evidence is the form of a contractual commitment placed on suppliers and their sub-contractors.
Evidence
<p>[37] General Provisions Fixed Price Goods Contract (Document) Accessed 04/05/2020 http://www.boeingsuppliers.com/supplier_portal/GP1%20%2001-31-2020.pdf [p.9] h. Ethics and Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Contract. Buyer strongly encourages Seller to model its program in accordance with the Federal Sentencing Guidelines, applicable guidance from enforcement authorities, and industry best practices. Seller shall publicize to its employees who are engaged in the performance of work under the Contract that they may report any concerns of misconduct by Buyer or any of its employees or agents by going to Ethics@Boeing. Seller shall convey the substance of this clause to its suppliers.</p> <p>i. Seller and Sub-Tier Supplier Information. In addition to requirements set forth elsewhere in this Contract, Seller shall, when reasonably requested by Buyer, provide sub-tier supplier information related to performance under this Contract. Such information may include but is not limited to Seller's subcontract management plans, Buyer programs supported, Seller assessment of sub-tier supplier's capability including financial health and performance issues.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties</p> <p>[...]</p> <p>We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.</p>

Question
6.5 Does the company publish high-level results from ethical incident investigations and disciplinary actions against suppliers?
Score
1
Comments
<p>There is evidence that the company publishes annual data on ethics-related disciplinary actions and investigations within the organisation, which includes data relating to supplier misconduct. However, the company receives a score of '1' because it does not distinguish concerns and cases related to suppliers from those related to employees and other entities in the organisation.</p>
Evidence
<p>[35] Updated Ethical Business Conduct Guidelines (Document) Accessed 01/05/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf <p>[p.25] Ethics Metrics As part of our ongoing commitment to transparency, Boeing provides information on key Ethics metrics. Information on this page reflects the reporting period of November 2018 through October 2019. Data is updated annually.</p> <p>[...]</p> <p>Each year, we release information about our inquiries and investigations to support a culture based on integrity. Boeing has zero tolerance for retaliation against employees who come forward to raise issues or concerns.</p>  <p>*Of the investigations that had enough information to investigate, approximately 41 percent were substantiated.</p> <p>Conflicts of Interest Approximately 22 percent of contacts to Ethics and Business Conduct are about potential conflicts of interest. Top COI categories include:</p>  <p>[p.25] Inquiries</p> </p>

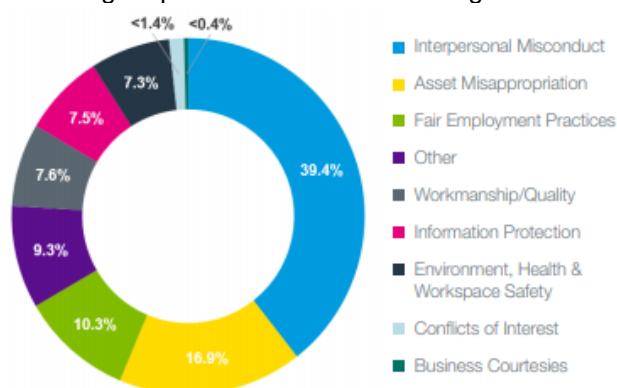
In 2019, 3,807 inquiries were submitted to Ethics and Business Conduct by employees seeking guidance, requesting information or asking a question to clarify a concern.

Common types of inquiries

- Conflict of Interest
- Business Courtesies
- Favouritism/Fairness

[p.26] Investigation Requests

Of the 3,915 investigation requests Ethics and Business Conduct received, 87 percent were acted upon; the remaining 13 percent did not have enough information to investigate.



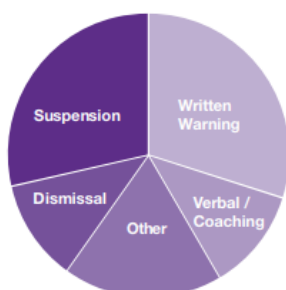
Substantiated Cases

Investigated matters are unsubstantiated when the investigation findings do not support a violation of policy or expected behaviors, or where there is not sufficient evidence of misconduct. Ethics and Business Conduct frequently benchmarks key elements of our program. A recent evaluation demonstrated that our substantiation rate is on par with other published benchmarks, indicating an effective investigation process and informed reporting by Boeing employees.



Corrective Action

Ethics and Business Conduct is dedicated to ongoing reviews of employee corrective action for employees and subsidiaries. Disciplinary actions as a result of investigation findings include verbal warnings and coaching, written warnings, suspension, dismissal, and other actions. "Other" reflects cases where direct employee corrective action was not warranted but where process, third party, or other actions were taken. This illustration represents 1,411 disciplinary actions for the reporting period.



If any Ethics investigations related to third parties were conducted, such as suppliers or agents, they are included in the figures above. Incidents from all reporting channels offered (internal and external) are included in this data as well.

7. Agents, Intermediaries and Joint Ventures

7.1 Agents and Intermediaries

Question
7.1.1 Does the company have a clear policy on the use of agents?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company has a policy on the use of agents, which it refers to as international consultants. The company provides details of some controls to mitigate these risks, including due diligence and multiple senior sign-offs of the agent's scope of work. There is evidence to suggest the policy also applies to subsidiaries and joint ventures.</p> <p>However, the company receives a score of '1' because there is no publicly available evidence that the company commits to establishing and verifying that the use of agents is, in each case, necessary to perform a legitimate business function.</p>
Evidence
<p>[38] Ethics and Compliance - International Consultants Section (Webpage) Accessed 04/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally International Consultants</p> <p>Boeing recognizes that good business practices include drawing on the expertise of outside consultants and professional service providers. To ensure those relationships comply with applicable laws, the company has detailed requirements for creating, maintaining and renewing international consultant relationships. The company conducts appropriate and risk-based due diligence based on the international consultant's statement of work, which may include geographic location, ownership, and other relevant information. The company renews that due diligence at appropriate intervals. International consultant agreements require strict compliance with applicable laws, including anti-corruption laws, and with Boeing's ethical business conduct guidelines. Hiring, renewing or expanding the scope of work of an international consultant requires multi-layer executive management approvals and review by the Law Department.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf</p> <p>[p.5] FAQ Q: Why do we have to sign the Boeing Code of Conduct? A: Signing the code reinforces our personal commitment to each other to keep promises, hold each other accountable, and model high ethical standards. A condition of employment, the annual signing also provides a chance to talk about ethics at work and is an important business practice.</p> <p>Q: Who is required to sign the Boeing Code of Conduct? A: All Boeing employees, including part-time employees and employees of Boeing subsidiaries, at both US and non-US locations, sign. Interns, contract labor, and industry-assist individuals must also read, review, and certify (by signing) that they understand and will comply with the code of conduct.</p> <p>[p.15] Engaging Suppliers and Third Parties Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including</p>

provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.

Our purchase commitments/agreements are based on many factors including quality, service, price, delivery and best value for our customer. Only authorized agents with signature authority are permitted to make purchase commitments/agreements with suppliers or third parties for goods and/or services on behalf of The Boeing Company (e.g., price, schedule, terms and conditions).

We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.

We are all entrusted with protecting Boeing information and complying with our suppliers' and other third parties' requirements on the use of their information. This mutual trust and the continued, collaborative partnership between our company, suppliers and other third parties can make the difference in our success and winning business.

[p.16] FAQ

Q: What is a third party?

A: Third parties are external business partners that we enter into purchase commitments/agreements with to perform business operations. Current or potential third parties of Boeing are suppliers, distributors, agents, contractors, consultants, vendors, joint ventures or clients.



Question
7.1.2 Does the company conduct risk-based anti-bribery and corruption due diligence when engaging or re-engaging its agents and intermediaries?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company has formal procedures to conduct risk-based anti-bribery and corruption due diligence prior to engaging and re-engaging with its agents.</p> <p>However, the company receives a score of '1' because there is no evidence that agents and the highest risk intermediaries are subject to enhanced due diligence. Although the company states that it renews due diligence at appropriate intervals, it is not clear that the company repeats due diligence at least every two years or when there is a significant change in the business relationship. There is also no clear evidence that the company commits to not engaging or terminating its engagement with agents or intermediaries where risks identified in the due diligence cannot be mitigated.</p>
Evidence
<p>[38] Ethics and Compliance - International Consultants Section (Webpage) Accessed 04/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally International Consultants</p> <p>Boeing recognizes that good business practices include drawing on the expertise of outside consultants and professional service providers. To ensure those relationships comply with applicable laws, the company has detailed requirements for creating, maintaining and renewing international consultant relationships. The company conducts appropriate and risk-based due diligence based on the international consultant's statement of work, which may include geographic location, ownership, and other relevant information. The company renews that due diligence at appropriate intervals. International consultant agreements require strict compliance with applicable laws, including anti-corruption laws, and with Boeing's ethical business conduct guidelines. Hiring, renewing or expanding the scope of work of an international consultant requires multi-layer executive management approvals and review by the Law Department.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties</p> <p>Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.</p>

Question
7.1.3 Does the company aim to establish the ultimate beneficial ownership of its agents and intermediaries?
Score
1
Comments
<p>There is some evidence that the company's due diligence procedures includes checks on the ownership of its agents and international consultants. The company provides information to indicate that such checks are conducted at the outset of the relationship and that this process is overseen by the Law Department.</p> <p>However, the company receives a score of '1' because there is no clear evidence that the company commits to independently verify the beneficial ownership information provided by high risk agents, nor is there evidence that it commits to not engaging or terminating its engagement with agents or intermediaries in cases where beneficial ownership cannot be established.</p>
Evidence
<p>[38] Ethics and Compliance - International Consultants Section (Webpage) Accessed 04/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally International Consultants</p> <p>Boeing recognizes that good business practices include drawing on the expertise of outside consultants and professional service providers. To ensure those relationships comply with applicable laws, the company has detailed requirements for creating, maintaining and renewing international consultant relationships. The company conducts appropriate and risk-based due diligence based on the international consultant's statement of work, which may include geographic location, ownership, and other relevant information. The company renews that due diligence at appropriate intervals. [...] Hiring, renewing or expanding the scope of work of an international consultant requires multi-layer executive management approvals and review by the Law Department.</p>

Question
7.1.4 Does the company's anti-bribery and corruption policy apply to all agents and intermediaries acting for or on behalf of the company, and does it require anti-bribery and corruption clauses in its contracts with these entities?
Score
0
Comments
Based on publicly available information, there is some evidence that the company's anti-bribery and corruption policy applies to agents, and that it includes anti-bribery and corruption clauses in its contracts with such entities. However, while the company indicates that it maintains contractual rights in case of a breach, there is no clear evidence that these include audit and termination rights.
Evidence
<p>[38] Ethics and Compliance - International Consultants Section (Webpage) Accessed 04/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally International Consultants</p> <p>Boeing recognizes that good business practices include drawing on the expertise of outside consultants and professional service providers. To ensure those relationships comply with applicable laws, the company has detailed requirements for creating, maintaining and renewing international consultant relationships. The company conducts appropriate and risk-based due diligence based on the international consultant's statement of work, which may include geographic location, ownership, and other relevant information. The company renews that due diligence at appropriate intervals. International consultant agreements require strict compliance with applicable laws, including anti-corruption laws, and with Boeing's ethical business conduct guidelines. Hiring, renewing or expanding the scope of work of an international consultant requires multi-layer executive management approvals and review by the Law Department.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties</p> <p>Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.</p> <p>[...]</p> <p>We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.</p>

Question
7.1.5 Does the company ensure that its incentive schemes for agents are designed in such a way that they promote ethical behaviour and discourage corrupt practices?
Score
0
Comments
Based on publicly available information, there is no evidence that the company considers incentive structures as a risk factor in agent behaviour, nor is there evidence that the company's incentive structures are designed to minimise risks of anti-bribery and corruption.
Evidence
<p>[10] The Boeing Company Audit Committee Charter (Document) Accessed 27/02/2020 http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf</p> <p>[p.2] RESPONSIBILITIES</p> <p>[p.3] 13. Review management's assessment of compliance with laws, regulations, and Company policies relative to payments to individuals or organizations retained as international service contractors.</p>

Question
7.1.6 Does the company publish details of all agents currently contracted to act with and on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the agents currently contracted to act for or on its behalf.
Evidence
No evidence found.

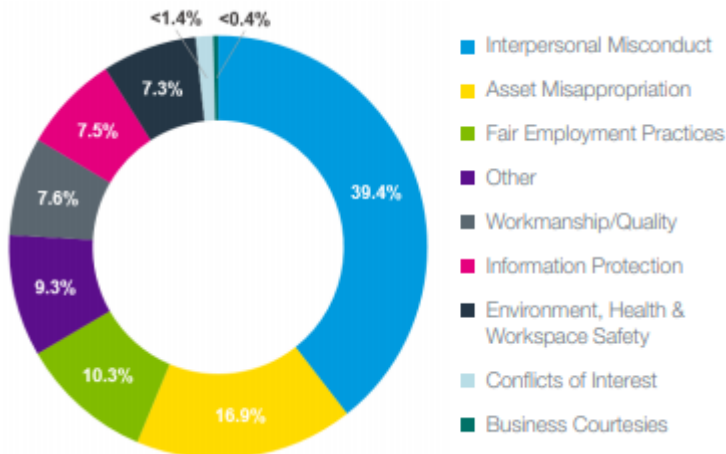
Question
7.1.7 Does the company publish high-level results from incident investigations and sanctions applied against agents?
Score
1
Comments
<p>There is evidence that the company publishes annual data on ethics-related disciplinary actions and investigations within the organisation, which includes data relating to agent misconduct. However, the company receives a score of '1' because it does not distinguish concerns and cases related to agents from those related to employees, suppliers or other entities in the organisation.</p>
Evidence
<p>[35] Updated Ethical Business Conduct Guidelines (Document) Accessed 01/05/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf <p>[p.25] Ethics Metrics As part of our ongoing commitment to transparency, Boeing provides information on key Ethics metrics. Information on this page reflects the reporting period of November 2018 through October 2019. Data is updated annually.</p> <p>[...]</p> <p>Each year, we release information about our inquiries and investigations to support a culture based on integrity. Boeing has zero tolerance for retaliation against employees who come forward to raise issues or concerns.</p>  <p>*Of the investigations that had enough information to investigate, approximately 41 percent were substantiated.</p> <p>Conflicts of Interest Approximately 22 percent of contacts to Ethics and Business Conduct are about potential conflicts of interest. Top COI categories include:</p>  <p>[p.25] Inquiries In 2019, 3,807 inquiries were submitted to Ethics and Business Conduct by employees seeking guidance, requesting information or asking a question to clarify a concern.</p> </p>

Common types of inquiries

- Conflict of Interest
- Business Courtesies
- Favouritism/Fairness

[p.26] Investigation Requests

Of the 3,915 investigation requests Ethics and Business Conduct received, 87 percent were acted upon; the remaining 13 percent did not have enough information to investigate.



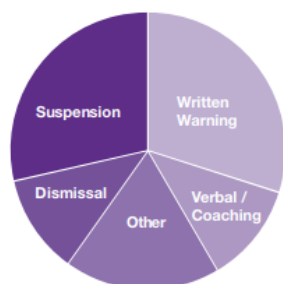
Substantiated Cases

Investigated matters are unsubstantiated when the investigation findings do not support a violation of policy or expected behaviors, or where there is not sufficient evidence of misconduct. Ethics and Business Conduct frequently benchmarks key elements of our program. A recent evaluation demonstrated that our substantiation rate is on par with other published benchmarks, indicating an effective investigation process and informed reporting by Boeing employees.



Corrective Action

Ethics and Business Conduct is dedicated to ongoing reviews of employee corrective action for employees and subsidiaries. Disciplinary actions as a result of investigation findings include verbal warnings and coaching, written warnings, suspension, dismissal, and other actions. "Other" reflects cases where direct employee corrective action was not warranted but where process, third party, or other actions were taken. This illustration represents 1,411 disciplinary actions for the reporting period.



If any Ethics investigations related to third parties were conducted, such as suppliers or agents, they are included in the figures above. Incidents from all reporting channels offered (internal and external) are included in this data as well. See Where to Go for Help for a list of our reporting channels and our Leadership Matters webpage for more information on how to increase openness and transparency in your teams.

7.2 Joint Ventures

Question
7.2.1 Does the company conduct risk-based anti-bribery and corruption due diligence when entering into and operating as part of joint ventures?
Score
1
Comments
<p>Based on publicly available information, there is some evidence that the company has formal procedures to conduct risk based anti-bribery and corruption due diligence prior to entering into all of its joint venture partnerships.</p> <p>However, the company receives a score of '1' because there is no clear evidence that the company's due diligence includes checks on the ultimate beneficial ownership of the partner company. In addition, there is no evidence to suggest that joint ventures operating in high risk markets or with high risk partners, such as state-owned enterprises, are subject to enhanced due diligence. It is also not clear that due diligence is repeated at least every two years or when there is a significant change in the business relationship.</p>
Evidence
<p>[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 19/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Mergers and Acquisitions</p> <p>Boeing pursues mergers, acquisitions, joint ventures and equity investments when such transactions fit with the company's strategic and operating objectives. All such transactions are accompanied by comprehensive due diligence to examine rigorously the books, records, corporate filings, operations and compliance history of the candidates for the transactions.</p> <p>Non-sale Agreements (including Teaming Agreements) Boeing policy sets out detailed procedures for review and approval of teaming agreements and other non-sales agreements with companies, including appropriate levels of due diligence to ensure compliance with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption laws. Terms and conditions in those agreements must include warranties of compliance with all applicable anti-corruption laws.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties</p> <p>Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.</p> <p>Our purchase commitments/agreements are based on many factors including quality, service, price, delivery and best value for our customer. Only authorized agents with signature authority are permitted to make purchase commitments/agreements with suppliers or third parties for goods and/or services on behalf of The Boeing Company (e.g., price, schedule, terms and conditions).</p> <p>We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and</p>

other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.

We are all entrusted with protecting Boeing information and complying with our suppliers' and other third parties' requirements on the use of their information. This mutual trust and the continued, collaborative partnership between our company, suppliers and other third parties can make the difference in our success and winning business. It is also vitally important that our employees adhere to company procedures in their dealings with suppliers. PRO-9: Boeing Employee Contact with Providers of Goods or Services provides guidance for proper contact with suppliers to prevent even the appearance of impropriety and to ensure adherence to and compliance with regulations and anti-kickback laws.

[p.16] FAQ

Q: What is a third party?

A: Third parties are external business partners that we enter into purchase commitments/agreements with to perform business operations. Current or potential third parties of Boeing are suppliers, distributors, agents, contractors, consultants, vendors, joint ventures or clients.

Question
7.2.2 Does the company commit to incorporating anti-bribery and corruption policies and procedures in all of its joint venture partnerships, and does it require anti-bribery and corruption clauses in its contracts with joint venture partners?
Score
2
Comments
Based on publicly available information, there is evidence that the company ensures that all of its joint ventures adopt equivalent anti-bribery and corruption policies to its own. The company also states that it includes ethics and compliance provisions in its contracts with joint venture partners, which include audit rights. There is some indication that the company's contracts with such entities include termination rights in the event of a breach.
Evidence
<p>[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 20/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Competing Globally with Honesty, Integrity and Compliance Boeing's anti-corruption program is organized into nine areas, and reflects the company's commitment to competing globally with honesty, integrity and in full compliance with all applicable laws and regulations. Detailed policies and procedures govern each area and demonstrate the company's zero tolerance for corruption, applicable to employees at all levels and in every location where we operate. We work with our partners, including through Boeing-appointed board members, to ensure that the joint ventures in which we participate adopt similar policies and procedures to govern their respective operation. Program risk is assessed throughout the year, and results are shared at the company's executive council and board levels. Assessment results are used to make improvements to further strengthen the program and sustain effectiveness.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 04/03/2020 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.</p> <p>[...]</p> <p>We fully recognize that business suppliers' and other third parties' conduct on our behalf can affect our reputation, and we require that our partnerships be based on mutual trust and a commitment to integrity. Further, we expect our suppliers to apply these same standards of conduct through their own supply chain, such as with the use of subcontractors. We are careful to separate business and personal activities between employees, suppliers and other third parties in order to avoid potential or actual conflict of interest or the appearance of partiality. Our suppliers and other third parties are responsible for delivering high-quality products and services and are expected to adhere to all applicable regulations and laws when performing work for us.</p>

We are all entrusted with protecting Boeing information and complying with our suppliers' and other third parties' requirements on the use of their information. This mutual trust and the continued, collaborative partnership between our company, suppliers and other third parties can make the difference in our success and winning business. It is also vitally important that our employees adhere to company procedures in their dealings with suppliers. PRO-9: Boeing Employee Contact with Providers of Goods or Services provides guidance for proper contact with suppliers to prevent even the appearance of impropriety and to ensure adherence to and compliance with regulations and anti-kickback laws.

[p.16] FAQ

Q: What is a third party?

A: Third parties are external business partners that we enter into purchase commitments/agreements with to perform business operations. Current or potential third parties of Boeing are suppliers, distributors, agents, contractors, consultants, vendors, joint ventures or clients.

Question
7.2.3 Does the company commit to take an active role in preventing bribery and corruption in all of its joint ventures?
Score
2
Comments
There is evidence that the company publicly commits to take an active role in preventing bribery and corruption in its joint ventures. The company indicates that it does this by requiring that its joint venture entities establish a formal anti-corruption policy, as well as by seconding board members and conducting ongoing risk assessments.
Evidence
<p>[17] Ethics and Compliance – Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 20/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Competing Globally with Honesty, Integrity and Compliance Boeing's anti-corruption program is organized into nine areas, and reflects the company's commitment to competing globally with honesty, integrity and in full compliance with all applicable laws and regulations. Detailed policies and procedures govern each area and demonstrate the company's zero tolerance for corruption, applicable to employees at all levels and in every location where we operate. We work with our partners, including through Boeing-appointed board members, to ensure that the joint ventures in which we participate adopt similar policies and procedures to govern their respective operation. Program risk is assessed throughout the year, and results are shared at the company's executive council and board levels. Assessment results are used to make improvements to further strengthen the program and sustain effectiveness.</p> <p>[1] Ethical Business Conduct Guidelines (Document) Accessed 20/08/2019 https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf [p.15] Engaging Suppliers and Third Parties Our partnerships with suppliers and other third parties around the world are vital to our agility and competitiveness. They allow us to meet and exceed customer expectations in providing superior products and services. We provide explicit guidance for how our business partnerships are created and conducted, as well as how to perform deliberate diligence prior to entering into these relationships. All consultant agreements require strict compliance with applicable laws and with Boeing's ethical business conduct guidelines, and grant Boeing contractual rights in the event of a breach. For Joint Ventures, Boeing's commitment to ethics and compliance extends to including provisions in contracts (such as the option for Boeing access to books and records), having seconded board members, and a requirement for the entity to establish a formal anti-corruption policy.</p>

8. Offsets

Question
8.1 Does the company explicitly address the corruption risks associated with offset contracting, and is a dedicated body, department or team responsible for oversight of the company's offset activities?
Score
2
Comments
<p>Based on publicly available information, there is evidence that the company has a policy to address the corruption risks associated with offset contracting. The company has a dedicated department involved in managing offset obligations and there is evidence that all its employees receive dedicated anti-bribery and corruption training on the particular risks associated with offset contracting.</p>
Evidence
<p>[28] Industrial Participation (Webpage) Accessed 20/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/industrial-participation Industrial Participation</p> <p>Boeing enters into various industrial participation agreements with certain customers outside of the U.S., primarily as a result of country laws and regulations, to provide economic flow back or the transfer of technology or skills to their businesses or government agencies as the result of their procurement from us. These commitments may be satisfied by our local operations in those countries, placement of direct work or vendor orders for supplies, opportunities to bid on supply contracts, transfer of technology or other forms of assistance as prescribed by country laws and guidelines. In certain cases, our commitments may be satisfied through other parties (such as our vendors) who purchase supplies from our non-U.S. customers. To be eligible for such a purchase order commitment from Boeing, a non-U.S. supplier must have sufficient capability to meet our requirements and must be competitive in cost, quality and schedule. Even in these cases, Boeing retains the responsibility of the obligation.</p> <p>Boeing has dedicated departments focused exclusively on the management and execution of industrial participation commitments. Boeing has specific processes and procedures that detail responsibilities to address industrial participation activities and receives support from other functions to complete due diligence, comply with export restrictions and prevent corruption. These teams' training curriculums and guidance are tailored to meet all requirements, including anticorruption, conflict of interest, and business courtesies as regulated by U.S and local laws.</p> <p>Boeing is an active member and participant in industry associations, such as the Defense Industry Initiative (DII) and the International Forum on Business Ethical Conduct (IFBEC). These forums enable sharing of best practices to eliminate corruption, including corruption in industrial participation, and facilitate the industry-wide implementation of mitigation efforts.</p> <p>[39] Updated - Industrial Participation (Webpage) Accessed 04/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/industrial-participation Industrial Participation</p> <p>[...]</p> <p>Boeing has dedicated departments focused exclusively on the management and execution of industrial participation commitments. Boeing has specific processes and procedures that detail responsibilities to address industrial participation activities, and receives support from other functions to complete due diligence, comply with export restrictions and prevent corruption. These teams' training curriculums and guidance are tailored to meet all requirements, including anticorruption, conflict of interest, and business courtesies as regulated by U.S and local laws. Our relevant Terms and Conditions include anti-bribery and corruption provisions."</p>

[22] Annual Report 2018 (Document)

Accessed 20/08/2019

http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2018AR-Final.pdf

[p.39] Industrial Participation Agreements

We have entered into various industrial participation agreements with certain customers outside of the U.S. to facilitate economic flow back and/or technology or skills transfer to their businesses or government agencies as the result of their procurement of goods and/or services from us. These commitments may be satisfied by our local operations there, placement of direct work or vendor orders for supplies, opportunities to bid on supply contracts, transfer of technology or other forms of assistance. However, in certain cases, our commitments may be satisfied through other parties (such as our vendors) who purchase supplies from our non-U.S. customers. In certain cases, penalties could be imposed if we do not meet our industrial participation commitments. During 2018, we incurred no such penalties. As of December 31, 2018, we have outstanding industrial participation agreements totaling \$18.4 billion that extend through 2030. Purchase order commitments associated with industrial participation agreements are included in purchase obligations in the table above. To be eligible for such a purchase order commitment from us, a non-U.S. supplier must have sufficient capability to meet our requirements and must be competitive in cost, quality and schedule.

Question
8.2 Does the company conduct risk-based anti-bribery and corruption due diligence on all aspects of its offset obligations, which includes an assessment of the legitimate business rationale for the investment?
Score
1
Comments
<p>There is evidence that the company has formal procedures in place to conduct risk-based anti-bribery and corruption due diligence on its offset obligations. There is also evidence indicating that the company includes anti-bribery and corruption provisions in its contracts with offset partners.</p> <p>However, the company receives a score of '1' because there is no evidence that this due diligence includes checks on beneficial ownership or conflicts of interest. In addition, it is not clear that the company seeks to assure itself of the legitimacy of the investment, nor is there evidence that due diligence is refreshed continuously throughout the business relationship.</p>
Evidence
<p>[28] Industrial Participation (Webpage) Accessed 20/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/industrial-participation Industrial Participation</p> <p>[...]</p> <p>Boeing has dedicated departments focused exclusively on the management and execution of industrial participation commitments. Boeing has specific processes and procedures that detail responsibilities to address industrial participation activities and receives support from other functions to complete due diligence, comply with export restrictions and prevent corruption. These teams' training curriculums and guidance are tailored to meet all requirements, including anticorruption, conflict of interest, and business courtesies as regulated by U.S and local laws.</p> <p>[39] Updated - Industrial Participation (Webpage) Accessed 04/05/2020 https://www.boeing.com/principles/ethics-and-compliance.page#/industrial-participation Industrial Participation</p> <p>[...]</p> <p>Boeing has dedicated departments focused exclusively on the management and execution of industrial participation commitments. Boeing has specific processes and procedures that detail responsibilities to address industrial participation activities, and receives support from other functions to complete due diligence, comply with export restrictions and prevent corruption. These teams' training curriculums and guidance are tailored to meet all requirements, including anticorruption, conflict of interest, and business courtesies as regulated by U.S and local laws. Our relevant Terms and Conditions include anti-bribery and corruption provisions.</p>

Question
8.3 Does the company publish details of all offset agents and brokers currently contracted to act with and/or on behalf of the company?
Score
0
Comments
There is no evidence that the company publishes any details of the offset agents, brokers or consultancy firms currently contracted to act with and on behalf of its offset programme.
Evidence
No evidence found.

Question
8.4 Does the company publish details about the beneficiaries of its indirect offset projects?
Score
1
Comments
<p>The company publishes some information about its offset projects, in the form of an aggregate figure of the value of its offset obligations that extend until 2030. This information is published in the company's Annual Report, which indicates that it is correct for the most recently reported financial year.</p> <p>The company receives a score of '1' because it does not publish further information on the beneficiaries of its indirect offset projects, such as the name of the company or organisation receiving the investment or the country in which the recipient entity is based. The company does not indicate whether the aggregate figure includes both direct and indirect offset obligations.</p>
Evidence
<p>[22] Annual Report 2018 (Document) Accessed 20/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2018AR-Final.pdf [p.39] Industrial Participation Agreements We have entered into various industrial participation agreements with certain customers outside of the U.S. to facilitate economic flow back and/or technology or skills transfer to their businesses or government agencies as the result of their procurement of goods and/or services from us.</p> <p>These commitments may be satisfied by our local operations there, placement of direct work or vendor orders for supplies, opportunities to bid on supply contracts, transfer of technology or other forms of assistance. However, in certain cases, our commitments may be satisfied through other parties (such as our vendors) who purchase supplies from our non-U.S. customers. In certain cases, penalties could be imposed if we do not meet our industrial participation commitments. During 2018, we incurred no such penalties. As of December 31, 2018, we have outstanding industrial participation agreements totaling \$18.4 billion that extend through 2030. Purchase order commitments associated with industrial participation agreements are included in purchase obligations in the table above. To be eligible for such a purchase order commitment from us, a non-U.S. supplier must have sufficient capability to meet our requirements and must be competitive in cost, quality and schedule.</p>

9. High Risk Markets











Question
9.1 Does the company have enhanced risk management procedures in place for the supply of goods or services to markets or customers in countries identified as at a high risk of corruption?
Score
0
Comments
There is no publicly available evidence that the company acknowledges the corruption risks of operating in different markets, nor is there evidence that risk assessment procedures are used to inform the company's operations in high risk markets.
Evidence
<p>[2] Ethics and Compliance - Overview (Webpage) Accessed 17/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/overview Building on the commitment of our people, the role of Boeing Global Compliance is to enable compliant company performance across all geographic locations while also building on our legacy of integrity, transparency and an unwavering commitment to fair and ethical business practices.</p> <p>[17] Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance (Webpage) Accessed 18/08/2019 https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally Program risk is assessed throughout the year, and results are shared at the company's executive council and board levels. Assessment results are used to make improvements to further strengthen the program and sustain effectiveness.</p> <ul style="list-style-type: none"> • Business Courtesies, Giving and Receiving • Employment Decisions • Financial Controls, and Books and Records • Grants, Business Donations, Sponsorships, Memberships • International Consultants • Mergers and Acquisitions • Non-sale Agreements (including Teaming Agreements) • Non-U.S. Political Contributions • Supplier Relationships"

Question																																										
9.2 Does the company disclose details of all of its fully consolidated subsidiaries and non-fully consolidated holdings (associates, joint ventures and other related entities)?																																										
Score																																										
1																																										
Comments																																										
<p>There is evidence that the company publishes a list of its significant subsidiaries as part of its annual corporate reporting documents. This list includes the country of incorporation for each entity.</p> <p>However, the company receives a score of '1' because there is evidence to indicate that this list only includes significant holdings as opposed to all of the company's affiliates or holdings. There is also no evidence that the company publishes information on its percentage ownership or the countries of operation for each subsidiary.</p>																																										
Evidence																																										
<p>[40] 10-K Form 2020 (Document) Accessed 04/05/2020 http://d18rn0p25nwr6d.cloudfront.net/CIK-0000012927/d1a66b81-489a-478c-8a8a-4e3e3d403761.pdf [p.139]</p> <p style="text-align: center;">The Boeing Company Subsidiaries</p> <table><tr><th>Name</th><th>Place of Incorporation</th></tr><tr><td>Astro Limited</td><td>Bermuda</td></tr><tr><td>Aviall, Inc.</td><td>Delaware</td></tr><tr><td>BCC Equipment Leasing Corporation</td><td>Delaware</td></tr><tr><td>Boeing Aircraft Holding Company</td><td>Delaware</td></tr><tr><td>Boeing Australia Holdings Proprietary Limited</td><td>Australia</td></tr><tr><td>Boeing Capital Corporation</td><td>Delaware</td></tr><tr><td>Boeing CAS Holding GmbH</td><td>Germany</td></tr><tr><td>Boeing Commercial Aviation Services Europe Limited</td><td>United Kingdom</td></tr><tr><td>Boeing Defence Australia Ltd</td><td>Australia</td></tr><tr><td>Boeing Deutschland GmbH</td><td>Germany</td></tr><tr><td>Boeing Digital Solutions, Inc.</td><td>Delaware</td></tr><tr><td>Boeing Distribution Services, Inc.</td><td>Delaware</td></tr><tr><td>Boeing Distribution, Inc.</td><td>Delaware</td></tr><tr><td>Boeing Europe B.V.</td><td>Netherlands</td></tr><tr><td>Boeing Global Holdings Corporation</td><td>Delaware</td></tr><tr><td>Boeing Intellectual Property Licensing Company</td><td>Delaware</td></tr><tr><td>Boeing International Logistics Spares, Inc.</td><td>Delaware</td></tr><tr><td>Boeing Netherlands B.V.</td><td>Netherlands</td></tr><tr><td>Insitu, Inc.</td><td>Washington</td></tr><tr><td>Jeppesen Deutschland GmbH</td><td>Germany</td></tr></table> <p>In accordance with Item 601(b)(21) of Regulation S-K, the company has omitted from this Exhibit the names of its subsidiaries which, considered in the aggregate or as a single subsidiary, do not constitute a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X.</p>	Name	Place of Incorporation	Astro Limited	Bermuda	Aviall, Inc.	Delaware	BCC Equipment Leasing Corporation	Delaware	Boeing Aircraft Holding Company	Delaware	Boeing Australia Holdings Proprietary Limited	Australia	Boeing Capital Corporation	Delaware	Boeing CAS Holding GmbH	Germany	Boeing Commercial Aviation Services Europe Limited	United Kingdom	Boeing Defence Australia Ltd	Australia	Boeing Deutschland GmbH	Germany	Boeing Digital Solutions, Inc.	Delaware	Boeing Distribution Services, Inc.	Delaware	Boeing Distribution, Inc.	Delaware	Boeing Europe B.V.	Netherlands	Boeing Global Holdings Corporation	Delaware	Boeing Intellectual Property Licensing Company	Delaware	Boeing International Logistics Spares, Inc.	Delaware	Boeing Netherlands B.V.	Netherlands	Insitu, Inc.	Washington	Jeppesen Deutschland GmbH	Germany
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Astro Limited	Bermuda																																									
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Boeing Intellectual Property Licensing Company	Delaware																																									
Boeing International Logistics Spares, Inc.	Delaware																																									
Boeing Netherlands B.V.	Netherlands																																									
Insitu, Inc.	Washington																																									
Jeppesen Deutschland GmbH	Germany																																									
<p>[41] Boeing In Russia Information Page (Document) Accessed 04/05/2020 https://www.boeing.com/resources/boeingdotcom/company/key_orgs/boeing-international/pdf/russia-cisbackgrounder.pdf [p.1] Boeing in Russia Boeing and Russia have a long-term partnership in multiple areas, including aviation, metallurgy, space, engineering and information technology.</p> <p>[p.2] Ural Boeing Manufacturing joint venture The Boeing–VSMPO 50/50 equity joint venture Ural Boeing Manufacturing (UBM) opened in July 2009. UBM currently performs rough machining of forgings for the 737, 777 and 787 programs. In July 2017, UBM became a resident of SEZ Titanium Valley. In September 2018, the second UBM facility opened in the SEZ, doubling the joint venture's production volume.</p> <p>[Company produces many such informational documents relating to individual markets. These documents feature information on joint ventures located there]</p>																																										

Question										
9.3 Does the company disclose its beneficial ownership and control structure?										
Score										
2										
Comments										
There is evidence that the company is publicly listed on a regulated market in the United States, and therefore it is not required to disclose further information on its beneficial ownership in order to receive a score of '2'.										
Evidence										
<p>[29] Financial Times Markets Data – Boeing Company (Webpage) Accessed 20/08/2019 https://markets.ft.com/data/equities/tearsheet/summary?s=BA:NYQ</p> <div><div>Boeing Co</div><div>BA:NYQ ▼</div><div>Industrials > Aerospace & Defense</div><table><tr><th>PRICE (USD)</th><th>TODAY'S CHANGE</th><th>SHARES TRADED</th><th>1 YEAR CHANGE</th><th>BETA</th></tr><tr><td>374.94</td><td>↓ -5.53 / -1.45%</td><td>2.94m</td><td>↓ -1.92%</td><td>1.2562</td></tr></table><div>Data delayed at least 15 minutes, as of Oct 01 2019 21:10 BST.</div></div>	PRICE (USD)	TODAY'S CHANGE	SHARES TRADED	1 YEAR CHANGE	BETA	374.94	↓ -5.53 / -1.45%	2.94m	↓ -1.92%	1.2562
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374.94	↓ -5.53 / -1.45%	2.94m	↓ -1.92%	1.2562						

Question																																																
9.4 Does the company publish a percentage breakdown of its defence sales by customer?																																																
Score																																																
1																																																
Comments																																																
<p>The company publishes some information on its sales per customer, to indicate that the United States government accounted for 31% of its revenue in 2018. In addition, the company publishes information in its Annual Report on its revenues by customer with reference to China and Canada, which combined with the United States figures accounts for 60% of the company's major customers.</p> <p>However, the company receives a score of '1' because the information provided does not distinguish between revenue generated from defence and commercial customers.</p>																																																
Evidence																																																
<p>[30] Boeing in Brief (Webpage) Accessed 20/08/2019 http://www.boeing.com/company/general-info/ Boeing is the world's largest aerospace company and leading manufacturer of commercial jetliners, defense, space and security systems, and service provider of aftermarket support. As America's biggest manufacturing exporter, the company supports airlines and U.S. and allied government customers in more than 150 countries. Boeing products and tailored services include commercial and military aircraft, satellites, weapons, electronic and defense systems, launch systems, advanced information and communication systems, and performance-based logistics and training.</p> <p>[22] Annual Report 2018 (Document) Accessed 20/08/2019 http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2018AR-Final.pdf [p.108] While our principal operations are in the United States, Canada and Australia, some key suppliers and subcontractors are located in Europe and Japan. Revenues, including foreign military sales, are reported by customer location and consist of the following:</p> <table><tr><th>Years ended December 31,</th><th>2018</th><th>2017</th><th>2016</th></tr><tr><td>Asia, other than China</td><td>\$12,141</td><td>\$9,195</td><td>\$9,892</td></tr><tr><td>Europe</td><td>12,976</td><td>11,240</td><td>13,018</td></tr><tr><td>China</td><td>13,764</td><td>11,932</td><td>10,289</td></tr><tr><td>Middle East</td><td>9,745</td><td>11,433</td><td>12,251</td></tr><tr><td>Oceania</td><td>2,298</td><td>1,931</td><td>1,693</td></tr><tr><td>Canada</td><td>2,583</td><td>2,212</td><td>2,084</td></tr><tr><td>Africa</td><td>1,486</td><td>815</td><td>1,990</td></tr><tr><td>Latin America, Caribbean and other</td><td>1,458</td><td>1,541</td><td>1,972</td></tr><tr><td>Total non-U.S. revenues</td><td>56,451</td><td>50,299</td><td>53,189</td></tr><tr><td>United States</td><td>44,676</td><td>43,706</td><td>40,307</td></tr><tr><td>Total revenues</td><td>\$101,127</td><td>\$94,005</td><td>\$93,496</td></tr></table> <p>Revenues from the U.S. government (including foreign military sales through the U.S. government), primarily recorded at BDS and BGS, represented 31%, 31% and 30% of consolidated revenues for 2018, 2017 and 2016, respectively. Approximately 4% of operating assets were located outside the United States as of December 31, 2018 and 2017.</p>	Years ended December 31,	2018	2017	2016	Asia, other than China	\$12,141	\$9,195	\$9,892	Europe	12,976	11,240	13,018	China	13,764	11,932	10,289	Middle East	9,745	11,433	12,251	Oceania	2,298	1,931	1,693	Canada	2,583	2,212	2,084	Africa	1,486	815	1,990	Latin America, Caribbean and other	1,458	1,541	1,972	Total non-U.S. revenues	56,451	50,299	53,189	United States	44,676	43,706	40,307	Total revenues	\$101,127	\$94,005	\$93,496
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<p>[31] Customers (Webpage) Accessed 20/08/2019 https://www.boeing.com/commercial/customers/ BOEING CUSTOMERS</p>																																																

Boeing has been the premier manufacturer of commercial jetliners for more than 40 years. Boeing Commercial Airplanes is the world's leader in commercial aviation because of its complete focus on airplane operators and the passengers they serve.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
CUSTOMERS																								
A																								
    																								
AerCap Aeroflot Aerolineas Argentinas AeroLogic Aeromexico																								
    																								
Air Algerie Air Astana Air Austral AirBridgeCargo Air Canada																								

10. State-Owned Enterprises (SOEs)

Question
10.1 Does the SOE publish a breakdown of its shareholder voting rights?
Score
N/A
Comments
N/A
Evidence

Question
10.2 Are the SOE's commercial and public policy objectives publicly available?
Score
N/A
Comments
N/A
Evidence

Question
10.3 Is the SOE open and transparent about the composition of its board and its nomination and appointment process?
Score
N/A
Comments
N/A
Evidence

Question
10.4 Is the SOE's audit committee composed of a majority of independent directors?
Score
N/A
Comments
N/A
Evidence

Question
10.5 Does the SOE have a system in place to assure itself that asset transactions follow a transparent process to ensure they accord to market value?
Score
N/A
Comments
N/A
Evidence

List of Evidence & Sources

No.	Type (Webpage or Document)	Name	Download Date	Link
01	Document	Ethical Business Conduct Guidelines	17/08/19	https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf
02	Webpage	Ethics and Compliance - Overview	17/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/overview
03	Webpage	Ethics and Compliance – Code of Conduct	17/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/conduct
04	Webpage	Ethics and Compliance – Anti-Corruption	17/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption
05	Webpage	Vision	17/08/19	https://www.boeing.com/principles/vision.page
06	Document	Proxy Statement	17/08/19	http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2019-Notice-of-Annual-Meeting-and-Proxy_Statement.pdf
7	Document	Code of Conduct – Employees	17/08/19	http://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/english.pdf
8	Document	Code of Ethical Business Conduct for Members of the Board of Directors	17/08/19	http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/conduct_for_directors.pdf
09	Document	Corporate Governance Principles	17/08/19	http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/corporate-governance-principles.pdf
10	Document	The Boeing Company Audit Committee Charter	17/08/19	http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/Audit_Committee_Charter.pdf
11	Webpage	Executive Biography of Diana Sands	17/08/19	http://www.boeing.com/company/bios/diana-sands.page
12	Webpage	Compliance	17/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/compliance
13	Webpage	Boeing Compliance Risk Management	17/08/19	https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/crmb_charter.pdf
14	Webpage	Ethics and Compliance – Speaking Up	17/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/speaking-up
15	Webpage	How to Contact Boeing's Ethics Organization	17/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/how-to-contact

16	Document	Governance, Organization and Nominating Committee Charter	18/08/19	http://www.boeing.com/resources/boeingdotcom/company/general_info/pdf/charter_gon.pdf
17	Webpage	Ethics and Compliance - Competing Globally with Honesty, Integrity and Compliance	18/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally
18	Webpage	Government Operations – Overview	18/08/19	http://www.boeing.com/company/key-orgs/government-operations/
19	Webpage	Government Operations – Political Expenditure	18/08/19	http://www.boeing.com/company/key-orgs/government-operations/#/political
20	Webpage	THE BOEING COMPANY POLITICAL ACTION COMMITTEE	22/08/19	https://www.fec.gov/data/disbursements/?committee_id=C00142711&two_year_transaction_period=2020&data_type=processed
21	Webpage	About Boeing Sponsorships	18/08/19	https://www.boeing.com/company/key-orgs/advertising-and-brand/sponsorships.page
22	Document	Annual Report 2018	18/08/19	http://s2.q4cdn.com/661678649/files/doc_financials/annual/2019/Boeing-2018AR-Final.pdf
23	Document	Global Engagement	18/08/19	https://www.boeing.com/resources/boeingdotcom/principles/community-engagement/pdf/2019_global_engagement_portfolio.pdf
24	Webpage	Suppliers	18/08/19	http://www.boeingsuppliers.com
25	Webpage	Supplier - Ethics	18/08/19	http://www.boeingsuppliers.com/supplier_principles.html#/hash3
26	Webpage	Boeing's Expectations	18/08/19	http://www.boeingsuppliers.com/become.html#/hash3
27	Webpage	Our Procurement Practices	18/08/19	http://www.boeingsuppliers.com/become.html#/hash4
28	Webpage	Industrial Participation	20/08/19	https://www.boeing.com/principles/ethics-and-compliance.page#/industrial-participation
29	Webpage	Stock Exchange	01/10/19	https://markets.ft.com/data/equities/tearsheet/summary?s=BA:NYQ
30	Webpage	Boeing in Brief	20/08/19	http://www.boeing.com/company/general-info/
31	Webpage	Customers	20/08/19	https://www.boeing.com/commercial/customers/

32	Webpage	THE BOEING COMPANY POLITICAL ACTION COMMITTEE – Total spent	02/10/19	https://www.fec.gov/data/committee/C00142711/?cycle=2018#total-spent
33	Webpage	Lobbying Disclosure Form	02/10/19	https://soprweb.senate.gov/index.cfm?event=getFilingDetails&filingID=F9CF7B17-737B-4467-9931-881273B83372&filingTypeID=78
34	Webpage	Updated - Ethics and Compliance – Anti-Corruption	01/05/2020	https://www.boeing.com/principles/ethics-and-compliance.page#/anti_corruption
35	Document	Updated Ethical Business Conduct Guidelines	01/05/2020	https://www.boeing.com/resources/boeingdotcom/principles/ethics_and_compliance/pdf/ethical_business_conduct_guidelines.pdf
36	Webpage	Benefits	04/05/2020	https://jobs.boeing.com/benefits
37	Document	General Provisions Fixed Price Goods Contract	04/05/2020	http://www.boeing-suppliers.com/supplier-portal/GP1%20%2001-31-2020.pdf
38	Webpage	Ethics and Compliance - International Consultants Section	04/05/2020	https://www.boeing.com/principles/ethics-and-compliance.page#/competing-globally
39	Webpage	Updated - Industrial Participation	04/05/2020	https://www.boeing.com/principles/ethics-and-compliance.page#/industrial-participation
40	Document	10-K Form 2019	04/05/2020	http://d18rn0p25nwr6d.cloudfront.net/CIK-0000012927/d1a66b81-489a-478c-8a8a-4e3e3d403761.pdf
41	Document	Boeing In Russia Information Page	04/05/2020	https://www.boeing.com/resources/boeingdotcom/company/key_orgs/boeing-international/pdf/russia-cisbackgrounder.pdf