

## Basic Working Conditions and Human Rights in Boeing's Supply Chain

Boeing takes the following actions to reduce the risk of human trafficking and slavery in Boeing's supply chain:

- (1) Boeing engages in verification by evaluating the risk of human trafficking and slavery in Boeing's direct (first tier) supply chain as described herein.
  - Verification is conducted by Boeing, not by a third party.
  - Boeing periodically conducts site visits of a representative sample of Boeing's direct (first tier) suppliers. Boeing personnel who conduct such site visits are trained to evaluate the risk of human trafficking and slavery in Boeing's supply chain.
  - If such evidence is discovered, Boeing personnel will report those findings to their management and/or through other Boeing channels such as the Boeing Ethics Line <http://ethics.whq.boeing.com/ethicsline.html> or the Law Department.
- (2) Boeing does not conduct audits of suppliers to evaluate their compliance with company standards for trafficking and slavery in supply chains.
  - Verification occurs as described in (1) and (3) of this disclosure.
  - Boeing does not verify through independent, unannounced audits.
- (3) Boeing requires suppliers to submit certifications where required by the Federal Acquisition Regulation. Boeing also includes a Compliance with Law clause in its subcontracts with its direct suppliers requiring supplier compliance with applicable statutes and government rules, regulations, and orders, which necessarily include compliance with applicable laws or regulations pertaining to human rights and eradicating human trafficking and slavery.
  - Specifically with regard to human rights, Boeing also includes a separate and distinct clause in its subcontracts with its suppliers entitled "Code of Basic Working Conditions and Human Rights" that requires the suppliers to comply with the laws regarding basic working conditions and human rights of the jurisdictions applicable to the suppliers' performance under the contract. This subcontract term further encourages the suppliers to adopt and enforce concepts similar to the Boeing Code of Basic Working Conditions and Human Rights found at <http://www.boeing.com/aboutus/culture/code.html>. Finally, this term must be flowed down to sub-tier suppliers.
  - Boeing includes FAR clause 52.222-50, Combating Trafficking in Persons, in its subcontracts, including commercial item subcontracts, which are placed with direct suppliers in support of Boeing's U.S. Government prime contracts. This clause must also be flowed down to sub-tier suppliers that support those U.S. Government prime contracts and contains a reporting obligation to notify the Contracting Officer and the agency Inspector General immediately of any credible information we receive from any source that alleges an employee or subcontractor has engaged in conduct that violates the policy in paragraph (b).
  - In the event that the suppliers commit any material violation of law relating to basic working conditions and human rights in their performance of work of their subcontracts with Boeing, Boeing has the right to terminate those subcontracts for default.

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- (4) Boeing maintains internal accountability standards and procedures for employees or contractors failing to meet company standards regarding slavery and trafficking.
- Boeing has adopted and enforces a Boeing Code of Conduct, found at <http://www.boeing.com/assets/pdf/companyoffices/aboutus/ethics/CoCEnglish.pdf>, and requires that its employees annually certify to their agreement to honor that code in their performance of their responsibilities for Boeing.
  - Boeing has adopted and enforces a similar “Non-Employee Code of Conduct” for contract hires who perform work for Boeing.
  - Compliance with the requirements of the Code of Conduct is expected behavior for Boeing employees. Violation of these requirements will result in appropriate corrective action.
- (5) Boeing provides human trafficking and slavery training to employees and management who have direct responsibility for supply chain management, particularly with respect to mitigating risks within the supply chains of products. The training provides an overview of human trafficking and identifies suspect behaviors our personnel should be mindful of when visiting suppliers. The training further describes reporting responsibilities when there is credible information that an employee or subcontractor has engaged in conduct that violates the policy in FAR 52.222-50(b).
- Boeing has provided an employee bulletin to its employees with direct responsibility for supply chain management that addresses Boeing's policy on combating slavery and human trafficking in the supply chain.
  - Boeing managers provide awareness training to those Boeing employees with direct responsibility for supply chain management that includes a discussion of the bulletin during crew meetings or staff meetings.
  - Such Boeing employees are directed to contact their managers and/or the Boeing Ethics Line for any concerns they have with the risk of human trafficking and slavery in Boeing's supply chain.