



MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

This statement is made on behalf of Boeing UK¹ pursuant to section 54(1) of the Modern Slavery Act 2015. It sets out the steps taken by Boeing UK during financial year ending 31 December 2016 to prevent modern slavery and human trafficking in its business and supply chains. It has been reviewed by Boeing UK's London Management Committee, and approved by each of the boards of directors of Boeing UK businesses whose turnovers exceed the statutory financial threshold.

INTRODUCTION

Boeing views 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 modern slavery, human trafficking, forced labour and child labour, and wholly supports the objectives of legislation designed to eradicate these crimes, including the Modern Slavery Act 2015.

PRINCIPLES

- We do not tolerate modern slavery, forced labour or child labour or deal with businesses that do.
- We expect the same of our suppliers, and their suppliers.
- We act with speed should any audit or accusation uncover violation of these principles.

BOEING'S BUSINESS AND SUPPLY CHAINS

Boeing is the world's leading aerospace company and the largest manufacturer of commercial and military aircraft, with capabilities in rotorcraft, electronic and defence systems, missiles, satellites, launch vehicles and advanced information and communication systems.

Boeing UK employs more than 2,200 people at numerous sites across the UK and is experiencing solid growth. Boeing's long-standing relationship with British

industry, the Armed Forces and the aviation industry dates back almost 80 years. Today the UK remains a critically important market, supplier base and source of some of the world's most inventive technology partners. In 2015 Boeing spent £1.8 billion with more than 250 UK suppliers.

POLICIES AND PROCEDURES

Boeing maintains internal policies and procedures to tackle modern slavery and human trafficking in its business and supply chain.

Boeing has adopted and enforces a [Code of Conduct](#) which requires every employee to certify adherence to the highest standards of ethical business conduct annually. Further, Boeing's Combating Trafficking in Persons Compliance Plan, which applies to all Boeing UK subsidiaries, sets out Boeing's requirements as to the detection and prevention of human trafficking. It details an awareness programme and the process for employees to report suspected or actual modern slavery and human trafficking violations without fear of retaliation. Boeing has adopted a Combating Trafficking in Persons procedure which outlines the responsibilities of all employees and contractors to comply with the laws, regulations and Boeing policies prohibiting modern slavery and human trafficking and to immediately report employees, subcontractors or agents engaged in or believed to be engaged in trafficking or trafficking-related activity.

1. 'Boeing UK' means The Boeing Company's wholly owned subsidiaries in the UK.

Boeing also maintains policies and procedures to encourage employees to report concerns and seek guidance, using confidential and anonymous methods.

EFFECTIVE CONTROLS AND MEASURES

Boeing has introduced a controls system to ensure compliance with internal policies and procedures in place concerning modern slavery and human trafficking.

For example, Boeing's Combating Trafficking in Persons procedure identifies risk area owners in functions, including Human Resources and Supply Chain Management. These risk area owners are obliged to develop controls in their functions and risk areas, incorporating elements such as compliance requirements, required documentation and process compliance monitoring. Annually, these risk area owners are obliged to provide a documented self-assessment to demonstrate compliance with the relevant controls, together with a signed annual certification.

In addition to this, Boeing maintains internal accountability standards and procedures for employees or contractors for failing to meet company standards regarding modern slavery and human trafficking.

Boeing also vets suppliers as part of initial on-boarding (and periodically thereafter) and conducts risk assessments and evaluations.

Boeing further 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 the Modern Slavery Act 2015 and other applicable laws or regulations pertaining to human rights and eradicating modern slavery and human trafficking. The clause complements the existing Code of Basic Working Conditions and Human Rights clause that requires suppliers to comply with the laws regarding basic working conditions and human rights of the jurisdictions applicable to the suppliers' performance under the contract. It further encourages suppliers to adopt and enforce concepts similar to the Boeing Code of Basic Working Conditions and Human Rights.

TRAINING AND AWARENESS

Boeing provides modern slavery and human trafficking 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 behaviours Boeing employees should be mindful of when visiting suppliers.

Boeing provides external awareness by communicating its supply chain human trafficking guidance through the Boeing Code of Basic Working Conditions and Human Rights and via the [Doing Business with Boeing](#) website and by referencing the code and Boeing's standards in supplier contracts.



SPECIFIC STEPS TAKEN DURING FINANCIAL YEAR

Boeing's Combating Trafficking in Persons Compliance Plan was issued on 23 August 2016. It obliges Boeing UK to either adopt the enterprise Combating Trafficking in Persons Plan or create its own compliance plan.

Boeing's Combating Trafficking in Persons procedure applies to all employees and contractors of Boeing UK and was issued on 22 December 2016.

Boeing Defence UK's UK General Provisions for suppliers has been amended to include specific mention of the Modern Slavery Act 2015. Once approved, the amendment will be incorporated into all new and revised contracts with Boeing Defence UK suppliers. The clause prohibits suppliers from engaging in any practice or omitting to do any act that amounts to modern slavery as defined under the Modern Slavery Act 2015. The clause further compels the supplier to conduct proper checks on its own suppliers and sellers to ensure that they comply with the Modern Slavery Act 2015, and obliges suppliers to immediately notify breaches or suspected breaches of its obligations under the clause to Boeing Defence UK.

NEXT STEPS

Boeing is constantly re-examining its capabilities and processes to ensure that the company is as strong and vital as its heritage. Boeing UK looks forward to sharing its ongoing commitment to tackling modern slavery and human trafficking next financial year by, amongst other things, seeking to:

1. Analyse the self-assessments to be submitted by risk area owners to demonstrate compliance with Boeing's policies, procedures and controls relating to modern slavery and human trafficking (as obligated by Boeing's Combating Trafficking in Persons procedure).
2. Approve and roll out the Modern Slavery Act 2015 clause in Boeing Defence UK's General Provisions.
3. Review internal training with a view to providing annual mandatory training on modern slavery and human trafficking to a wider group of Boeing UK employees, rather than to those who only have direct responsibility for supply chain management.
4. Review Boeing UK's supplier vetting procedure, with particular attention to updating its existing supplier vetting questionnaire to request validation from suppliers on how they tackle modern slavery and human trafficking and ensure compliance with the Modern Slavery Act 2015.

This statement is made on behalf of Boeing UK¹ pursuant to section 54(1) of the Modern Slavery Act 2015. It sets out the steps taken by Boeing UK during financial year ending 31 December 2016 to prevent modern slavery and human trafficking in its business and supply chains. It has been reviewed by Boeing UK's London Management Committee, and approved by each of the boards of directors of Boeing UK businesses whose turnovers exceed the statutory financial threshold.



Daniella Dina Marie Turner on behalf of Boeing Commercial Aviation Services Europe Limited



Ross Harvey on behalf of Boeing Defence UK Limited



John Meersman on behalf of Aviall UK, Inc.



Sir Michael Anthony Arthur on behalf of Boeing United Kingdom Limited

www.boeing.co.uk

