FINAL ASSESSMENT
THE BOEING COMPANY

The following pages contain the detailed scoring for your company based on public information.

The following table represents a summary of your scores:

<table>
<thead>
<tr>
<th>Topic</th>
<th>Number of questions</th>
<th>% score based on public information</th>
</tr>
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<tbody>
<tr>
<td>Leadership, Governance and Organisation</td>
<td>10</td>
<td>60%</td>
</tr>
<tr>
<td>Risk Management</td>
<td>7</td>
<td>14.3%</td>
</tr>
<tr>
<td>Company Policy and Codes</td>
<td>12</td>
<td>58.3%</td>
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<tr>
<td>Training</td>
<td>5</td>
<td>40%</td>
</tr>
<tr>
<td>Personnel and Helplines</td>
<td>7</td>
<td>78.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
<td><strong>52.4%</strong></td>
</tr>
</tbody>
</table>

Please note one public reference has been removed at the company’s request.
A1:  
Does the company publish a statement from the Chief Executive Officer or the Chair of the Board supporting the ethics and anti-corruption agenda of the company?

Score:

1

Comments:

Based on public information, there is some evidence that the company publishes a statement from the CEO, supporting its anti-corruption and ethics agenda. In addition to the introductory CEO statement in the Ethical Business Conduct Guidelines, there are two other statements referencing ethics and integrity in the company’s Annual reports. The company therefore scores 1. To score higher the company would need to provide evidence of additional strong statements from the CEO in the last two years, which promote the company’s ethics and anti-corruption agenda, or one CEO statement from the last two years, specifically supporting the company’s strong stance against corruption.

References:

Public:
Annual Report (2013), p. 6:
‘TOWARD A BIGGER, BETTER BOEING
At Boeing, we aim to lead. It’s in our DNA. The goals we have set for ourselves in the years ahead are aggressive. Achieving them will challenge us to take all that we have done, and all that we have learned, and build on it—to do our jobs safely and more efficiently; deliver our products and services on time, on cost and with the reliability we promised; and to leverage the global strengths and capabilities of One Boeing, while adhering to the values and integrity that have long defined who we are as a company.

Inspired by our accomplishments in 2013 and nearly a century’s worth of achievements before it, I remain exceedingly proud to be leading the people of Boeing in support of our customers and shareholders. I have the utmost confidence in our future as we near the start of our second century of aerospace industry leadership in 2016.

Together, we are building a bigger, better Boeing.

Jim McNerney
Chairman and Chief Executive Officer’

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HTTP://WWW.BOEING.COM/
Annual Report (2012), p.6:
‘Integrity and One Boeing
Our work in recent years to develop a more open and inclusive culture—one that is built on a foundation of personal integrity and ethics—has also accelerated our efforts to apply the unique talents and full capabilities of Boeing to better serve our customers and more effectively run our business.
Now more than ever before, with a sense of personal accountability for their individual performance and shared responsibility for larger company goals, our people reach out to each other and work across traditional boundaries to solve problems and find solutions.
Jim McNerney
Chairman, President and
Chief Executive Officer’

Ethical Business Conduct Guidelines, preface:
‘To the people of Boeing:
Here is your copy of the Boeing Ethical Business Conduct Guidelines booklet. It includes the Boeing Code of Conduct, our values, a summary of some of our key policies and procedures, examples of ethical questions you might face, information about business compliance issues, and a listing of resources you can turn to when you need ethical advice or help.
Boeing’s business plans cannot happen without integrity. We ask you to execute your piece of the business plans with attention to every detail – especially the ethical implications of your own and your work group’s actions. If you think something is unethical, please report it. We commit to you that Boeing will celebrate the courage of people who point out existing or potential ethical problems, and that we will not tolerate retaliation against people who raise legitimate ethical concerns.
Please read and keep this booklet so you can refer to it later, or bookmark it on the Boeing intranet at http://ethics.whq.boeing.com/guidelines. Some situations are not clear-cut. If this booklet doesn’t answer your questions, please discuss your concerns with your manager or your Ethics Advisor. For more help, you can also call the Ethics Line at 1-888-970-7171.
The company’s reputation is earned one person at a time, and each of us contributes to that reputation. Thank you for always protecting Boeing’s integrity.’
Chairman, President and CEO, James McNerney
A2:

Does the company’s Chief Executive Officer or the Chair of the Board demonstrate a strong personal, external facing commitment to the ethics and anti-corruption agenda of the company?

Score:

1

Comments:

Based on public information, there is no readily available evidence that the company’s CEO demonstrates a strong, personal, external facing commitment to the company’s anti-corruption agenda. However, evidence suggests that this engagement is delegated. For example, Christopher Chadwick, the President and CEO of the company’s Defence, Space & Security division, is on the DII steering committee. The company therefore scores 1. To score higher the company would need to provide evidence that the CEO has demonstrated active external engagement in anti-corruption matters on more than one occasion over the last two years.

References:

Public:

Interview for Council on Foreign Relations (12 September 2012):

‘BRADLEY: Thank you.

So there was a famous Boeing PowerPoint shortly after your tenure began at Boeing. The general counsel put up a slide, and the slide had two long numbers on it. And he said these are not zip codes. These are the federal prison numbers of the former CFO at Boeing and the woman, the airport -- sorry -- Air Force officer whom he is accused of having bribed.

So right in the four years before Jim's arrival at Boeing, there were a series of scandals, some in a teapot scale, but the CFO left and two CFOs in a row left in a hard hour. And you were brought in expressly as a business and a moral turnaround artist.

So most of us are not going to be in that position in life. Just for a moment, as if it weren’t on the record, pull back the curtain a little bit and tell us -- (laughter) -- so what is it like to be the CEO, to arrive. What's day one there? What did you find when you arrived at Boeing?

MCNERNEY: Well, first of all, just a big business opportunity, so just leave that aside. Boeing had a lot of strengths in its products and technology and its people. But there had been a cultural element that had produced some -- (audio break) -- the wrong things. And it was a very small number of people, but I've always held the view that even small missteps or big
missteps by just a few people are reflective of the overall culture.
And so the approach was to start at the beginning --

BRADLEY: But let me just drill down for a moment. What's the cultural thing? What was it you found that was anomalous to --

MCNERNEY: Well, I mean, it's people that -- very few people who felt they were immune from the rules, OK. And that generally comes -- it can be a subtle form of arrogance. It can be we do things that are so important that we don't have to -- we don't have to play by the rules.

Now, obviously the vast majority of Boeing folks, even back at that stage, didn't view the world that way at all. They felt a huge -- it was a huge honor as well as responsibility to do the kind of work we do. But I think, as I came in, I had to -- I had to presume that the culture needed a ground-up discussion.

And so it was sort of one conference room at a time, you know, talking to our people, deciding what we wanted to be, a ground-up discussion not only for business strategy but the kind of attributes we wanted to have as leaders, the kind of values that were important to us.

Now, most people felt that this was a gratuitous discussion. I didn't. I mean, I thought that there are times when you -- in your life, whether it's a corporate life or a personal life, where sort of a ground-up examination and discussion to remind you what's important and what is foundational is a good thing. And that was a time in Boeing's history when we needed to do that. So it was a very personal mission.

I think the prison numbers -- that was the first large meeting I had, and I wanted to make the point that this is personal, that this is about how each and every one of us carry ourselves and the responsibilities we have and the fortune we have to serve our country. And to be involved with the technology that we're involved with carries huge responsibilities. So it was sort of a -- it was -- I viewed it as a leadership exercise.

BRADLEY: Was there a cinematic moment? Was there a moment where you had to not blink? Or was the culture ready to roll over already?

MCNERNEY: Well, no, I think the -- most people were very disappointed. And it was sort of -- this disappointment blended in with a little bit of a loss of confidence, a little bit of a loss of swagger. And I mean swagger in the good sense.

And so I think people were ready for this discussion. Remember, everybody, since 1960, were always the proudest ones at the cocktail parties because they worked for Boeing. I mean, this is an iconic American company. And so against that background, the disappointment probably hurt even more. So I think they were ready for this kind of discussion.

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QUESTIONER: Hi. Cameron Carey of General Counsel, at the Commerce Department. I want to circle back to the opening subject, the history of bribery and development of a corporate culture to change that. You're in a sector that's been particularly susceptible to those issues globally. One of the things we've been working on at the Department of Commerce and across the government is to try to level the playing field for the United States through mechanisms like the anti-bribery convention, trying to get trading partners to enforce or
adopt a clause against transnational bribery.

Are you seeing an impact of those efforts in the corporate cultures and the business practices of competitors around the world?

MCNERNEY: Yes. I think -- I think American and European companies, not withstanding the doubling of scrutiny -- I'm just guessing a doubling -- you know, FCPA and other things, the amount of environment, notwithstanding all that, I think the behavior I see is better for American and European. I mean, this -- there were a couple of incidents in Europe, Siemens, BAE and some others, where they were pretty aggressively dealt with. I mean, it was discontinuously dealt with in Europe, which I think helped. And now they're part of some more international efforts. And so I see, I see improved behavior there.

It's hard to assess other parts of the globe and it's not as visible, the entities aren't public and so you're sort of left with anecdotal rumor and things like that so I hesitate to sort of jump in. I would say in the developed world the answer to your question is yes. Still not good enough in some cases, but yes.'

http://www.cfr.org/united-states/ceo-speaker-series-conversation-james-mcnerney-jr/p29024

DII website: DII Steering Committee
‘Christopher M. Chadwick
Executive Vice President, The Boeing Company
President and Chief Executive Officer, Boeing Defense, Space & Security’

http://www.dii.org/dii-steering-committee
A3:
Does the company’s Chief Executive Officer demonstrate a strong personal, internal-facing commitment to the ethics and anti-corruption agenda of the company, actively promoting the ethics and anti-corruption agenda at all levels of the company structure?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the CEO demonstrates a strong personal internal-facing commitment to the company’s ethics and anti-corruption agenda. The company provided internal information for the 2012 CI which was openly published in the survey report with the company’s permission. However, the public assessment score remains 0 as this part of the survey is seeking to understand company transparency.

References:

Public:
NA
A4:
Does the company publish a statement of values or principles representing high standards of business conduct, including honesty, trust, transparency, openness, integrity and accountability?

Score:
2

Comments:
Based on public information, there is evidence that the company publishes a statement of values representing high standards of business conduct, including integrity, openness, honesty and trust. The company demonstrates that these values are translated into company policies and codes.

References:
Public:
Company website: Ethics
‘Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with the company’s values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, and communities and among employees. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee's behalf by anyone outside the company.’
‘The Boeing Company will administer ethics and compliance programs to promote its commitment to integrity and values as set forth in the Boeing values and Code of Conduct and to ensure compliance with laws, rules, and regulations. These programs will inform employees of company policies and procedures regarding ethical business conduct and help them to resolve questions and to report suspected violations.’
http://www.boeing.com/boeing/companyoffices/aboutus/ethics/index.page?

Company website: About Us
‘Our values:'
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.

Integrity
We take the high road by practicing the highest ethical standards and honoring our commitments. We take personal responsibility for our own actions.

Quality
We strive for first-time quality and continuous improvement in all that we do to meet or exceed the standards of excellence stakeholders expect of us.

Safety
We value human life and health above all else and take action accordingly to maintain the safety of our workplaces, products and services. We are personally accountable for our own safety and collectively responsible for each other’s safety. In meeting our goals for quality, cost and schedule, we do not compromise safety.

Diversity & Inclusion
We value the skills, strengths and perspectives of our diverse team. We foster a collaborative workplace that engages all employees in finding solutions for our customers that advance our common business objectives.

Trust & Respect
We act with integrity, consistency, and honesty in all that we do. We value a culture of openness and inclusion in which everyone is treated fairly and where everyone has an opportunity to contribute.

Corporate Citizenship
We are a responsible partner, neighbor and citizen to the diverse communities and customers we serve. We promote the health and wellbeing of Boeing people, their families and our communities. We protect the environment. We volunteer and financially support education and other worthy causes.

Stakeholder Success
By operating profitably and with integrity, we provide customers with best-value innovation and a competitive edge in their own markets; enable employees to work in a safe, ethical environment, with a highly attractive and competitive mix of pay and benefits, and the ability to further share in the company’s success; reward investors with increasing shareholder value; conduct business lawfully and ethically with our suppliers; and help to strengthen communities around the world.’

http://www.boeing.com/boeing/aboutus/culture/index.page

Ethical Business Conduct Guidelines, p.5:
‘Employees must not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee’s behalf by anyone outside the company.’
(p.6): ‘Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.’

(p.20): ‘Boeing relationships with suppliers must be based on mutual trust, integrity, and commitment to the highest ethical principles. Procurement decisions must be made based on factors such as quality, service, price, delivery, and best value. Care must be taken to avoid conflicts and the appearance of partiality. Kickbacks are prohibited. If government or international contracts are involved, Boeing suppliers should be made aware of the appropriate laws and regulations. Boeing employees must protect Boeing Limited, Boeing Proprietary, or sensitive information and must comply with supplier-imposed limitations that govern the use of supplier information, including documents and computer software.’
A5:
Does the company belong to one or more national or international initiatives that promote anti-corruption or business ethics with a significant focus on anti-corruption?

Score:
2

Comments:
Based on public information, there is evidence that the company is a member of DII and IFBEC.

References:
Public:
DII website: Signatories
‘The Boeing Company’
http://www.dii.org/signatories

IFBEC website: Our Members
Boeing is a listed member.
http://ifbec.info/our-members/
A6:
Has the company appointed a Board committee or individual Board member with overall corporate responsibility for its ethics and anti-corruption agenda?

Score:

2

Comments:
Based on public information, there is evidence that the company has appointed the Audit Committee with overall corporate responsibility for its ethics and anti-corruption agenda. The Committee reports to the Board at least annually on the implementation of the company’s ethics and anti-corruption programmes, and receives reports in regard to risk management and internal audit.

References:

Public:

‘The Audit Committee (the Committee) is established by and amongst the Board of Directors for the primary purpose of assisting the Board in oversight of:

1. 1. Integrity of the Company's financial statements,
2. 2. Company's compliance with legal and regulatory requirements,
3. 3. Independent auditor's qualifications and independence, and
4. 4. Performance of the Company's internal audit function and independent auditor.

The Committee has the authority to make inquiries and obtain information from the Senior Vice President (SVP) - Office of Internal Governance (OIG), General Counsel, and the Vice President (VP) - Corporate Audit as it deems necessary or appropriate to support the Board's oversight responsibility with respect to the implementation and effectiveness of Boeing's ethics and compliance program.

The Committee's responsibilities include the following:

*Meet with the SVP-OIG to review the Company's ethics and business conduct programs and the Company's compliance with the principles of the Defense Industry Initiative on Business Ethics and Conduct.

*Report to the Board, no less than annually, with respect to the implementation and
effectiveness of the Company's ethics and compliance programs to support the Board's oversight responsibility.

*Report annually to the Board of Directors regarding the execution of the Committee's duties and responsibilities as well as any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, or the performance of the internal audit function.

*At least annually receive reporting by the SVP-OIG on the Company's compliance with its risk management processes, and by the VP-Corporate Audit on audit activities and trends. Receive reporting at least semi-annually by the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.

*Review management's assessment of compliance with laws, regulations, and Company policies relative to payments to individuals or organizations retained as foreign sales consultants.’

http://www.boeing.com/boeing/corp_gov/charter_audit_comittee.page
A7:

Has the company appointed a person at a senior level within the company to have responsibility for implementing the company’s ethics and anti-corruption agenda, and who has a direct reporting line to the Board?

Score:

2

Comments:

Based on public information, there is evidence that the company has appointed the Senior Vice President, Office of Internal Governance (SVP-OIG), with responsibility for implementing the company’s ethics and anti-corruption agenda. The company identifies this person as Diana L. Sands.

References:

Public:
Audit Committee Charter:
‘The Committee has the authority to make inquiries and obtain information from the Senior Vice President (SVP) - Office of Internal Governance (OIG), General Counsel, and the Vice President (VP) - Corporate Audit as it deems necessary or appropriate to support the Board’s oversight responsibility with respect to the implementation and effectiveness of Boeing’s ethics and compliance program.

*At least annually receive reporting by the SVP-OIG on the Company's compliance with its risk management processes, and by the VP-Corporate Audit on audit activities and trends. Receive reporting at least semi-annually by the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.’

http://www.boeing.com/boeing/corp_gov/charter_audit_comittee.page

Company website:
‘Diana L. Sands, vice president, Finance, and corporate controller, has been elected to replace Denson-Low as senior vice president, Office of Internal Governance, effective April 1. Leadership of the Office of Internal Governance includes responsibility for the advancement and effective implementation of the company's internal governance policies.

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HTTP://WWW.BOEING.COM/
and plans, as well as management oversight for Corporate Audit; Ethics and Business Conduct, and Global Trade Controls. She will also have responsibility for all other related regulatory and compliance matters and will serve on the company's executive council, reporting to Boeing Chairman and CEO Jim McNerney.

Denson-Low, 57, also served in senior legal and human resources leadership positions during her 30-year career in aerospace. She was vice president and general counsel for Hughes Space and Communications when it was acquired by Boeing in 2000.

"As a result of Wanda's leadership, we have a stronger, more disciplined and relevant ethics and compliance program with robust practices in global trade controls, audit and compliance risk management," said McNerney, noting that during her tenure, the company successfully closed out a number of past issues. "The enterprise-wide ethics program she advanced continues to shape our open culture of employee engagement tied to strong business performance," he added.

http://boeing.mediaroom.com/2014-02-28-Boeing-Senior-Vice-President-Denson-Low-Announces-Retirement
A8:
Is there regular Board level monitoring and review of the performance of the company’s ethics and anti-corruption agenda?

Score:
2

Comments:
Based on public information, there is evidence that the Audit Committee reports to the Board at least annually on the implementation and effectiveness of the company’s ethics and compliance programmes.

References:
Public:
Ethics booklet:
‘The Ethics and Business Conduct Committee, consisting of members of the Executive Council and the Vice President of Ethics and Business Conduct, is responsible for ensuring that appropriate policies and procedures exist to help employees comply with Boeing expectations of ethical business conduct’. http://www.boeing.com/assets/pdf/companyoffices/aboutus/ethics/ethics_booklet.pdf

Company website: The Boeing Company Audit Committee Charter
‘13. At least annually receive reporting by the SVP-OIG on the Company's compliance with its risk management processes, and by the VP-Corporate Audit on audit activities and trends. Receive reporting at least semi-annually by the General Counsel on pending Law Department investigations of alleged or potentially significant violations of laws, regulations, or Company policies.
14. Review management's assessment of compliance with laws, regulations, and Company policies relative to payments to individuals or organizations retained as foreign sales consultants.
15. Meet with the SVP-OIG to review the Company's ethics and business conduct programs and the Company's compliance with the principles of the Defense Industry Initiative on Business Ethics and Conduct.’
‘22. Report to the Board, no less than annually, with respect to the implementation and effectiveness of the Company's ethics and compliance programs to support the Board’s
oversight responsibility.’

http://www.boeing.com/boeing/corp_gov/charter_audit_committee.page
A8(a):
Is there a formal, clear, written plan in place on which the review of the ethics and anti-corruption agenda by the Board or senior management is based, and evidence of improvement plans being implemented when issues are identified?

Score:

0

Comments:
Based on public information, there is no readily available evidence of a formal, clear, written plan, on which the Board or senior management review of the company’s anti-corruption and ethics agenda is based.

References:
Public:
TI notes:
Audit Committee Responsibilities:
*Review management’s assessment of compliance with laws, regulations, and Company policies relative to payments to individuals or organizations retained as foreign sales consultants.
*Meet with the SVP-OIG to review the Company’s ethics and business conduct programs and the Company’s compliance with the principles of the Defense Industry Initiative on Business Ethics and Conduct.
*Review significant pending and threatened litigation, the status of advancement of expenses to employees involved in company-related legal proceedings, and related indemnification.’
http://www.boeing.com/boeing/corp_gov/charter_audit_comittee.page
A9:
Does the company have a formal process for review and where appropriate update its policies and practices in response to actual or alleged instances of corruption?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal process to review and update its policies, in response to actual or alleged instances of corruption.

References:
Public:
NA
A9(a):
Does the company have a formal anti-corruption risk assessment procedure implemented enterprise-wide?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment process implemented enterprise-wide. TI notes that the company provided internal information for the CI 2012, which was openly published in the survey report with the company’s permission. However, the public assessment score remains 0 as this part of the survey is seeking to understand company transparency.

References:

Public:
NA
A10:
Does the company have a formal anti-corruption risk assessment procedure for assessing proposed business decisions, with clear requirements on the circumstances under which such a procedure should be applied?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a formal anti-corruption risk assessment procedure for assessing proposed business decisions. TI notes that the company provided internal information for the CI 2012, which was openly published in the survey report with the company’s permission. However, the public assessment score remains 0 as this part of the survey is seeking to understand company transparency.

References:
Public:
NA
A11:
Does the company conduct due diligence that minimises corruption risk when selecting or reappointing its agents?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence to minimise corruption risk when selecting or reappointing its agents.

References:
Public: NA
A12:
Does the company have contractual rights and processes for the behaviour, monitoring, control, and audit of agents with respect to countering corruption?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has contractual rights to monitor, control and audit agents with respect to countering corruption.

References:
Public:
NA
A13:

Does the company make clear to contractors, sub-contractors, and suppliers, through policy and contractual terms, its stance on bribery and corruption and the consequences of breaches to this stance?

Score:

2

Comments:

Based on public information, there is evidence that the company makes clear to contractors, sub-contractors and suppliers, its stance on corruption and the consequences of breaches to this stance. Supplier contracts contain terms relating to Business Conduct and there is the contractual right to terminate the contract in the event of a violation.

References:

Public:
Extract from “Fixed Price Goods Contract”, p.2:
‘Termination for convenience. Buyer may terminate all or part of this Contract for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop work. Subject to the terms of this Contract, within ninety (90) days after the effective date of termination, Seller may submit to Buyer a claim reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract price. The provisions of this Article shall not limit or affect the right of Buyer to cancel this Contract for default. Seller shall continue all work not terminated.’

(p.8): ‘Business conduct
a. Compliance with Laws. Seller and the Goods shall comply with all applicable statutes and government rules, regulations and orders. Without acting as a limitation, Seller shall comply with (i) all applicable country laws relating to anti-corruption or anti-bribery, 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” (the “OECD Convention”) 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 will 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.’

A13(a):
Does the company explicitly address the corruption risks associated with offset contracting?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company explicitly addresses the corruption risks associated with offset contracting.

References:
Public:
NA
A13(b):
Does the company conduct due diligence that minimises corruption risk when selecting its offset partners and offset brokers?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company conducts due diligence that minimises corruption risk when selecting its offset partners and brokers.

References:
Public:
NA
A15:
Does the company have an anti-corruption policy that prohibits corruption in its various forms?

Score:
2

Comments:
Based on public information, there is evidence that the company has an anti-corruption policy that prohibits corruption in its various forms.

References:
Public:
Ethical Business Conduct Guidelines, p.5:
‘Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with the company’s values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, and communities and among employees. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee’s behalf by anyone outside the company.’

(p.6): ‘Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.’

(p.18): ‘A business courtesy is a gift, hospitality, or favor from persons or firms with which Boeing may do business. All business courtesies offered to and accepted by Boeing employees are gifts belonging to Boeing; employees should not assume that they may keep a business gift for personal use. Generally, an employee may keep a business courtesy only when acceptance of the courtesy promotes successful working relationships and goodwill for Boeing interests, conforms to the reasonable and ethical practices of the marketplace, does not create actual conflict of interest or divided loyalty, and does not create the appearance of an improper attempt to influence business decisions.'
Employees may not ask for a business courtesy. In addition, employees may not accept business courtesies when there is an actual or perceived expectation that the donor may want something in return, may be attempting to gain an unfair advantage, or may be trying to influence an employee to do things that might violate laws.

In deciding whether to accept a gift, employees are expected to use good business judgment and ask questions when in doubt. Employees should not accept a gift if they would be uncomfortable discussing it with their manager, coworkers, or a newspaper reporter. When in doubt about accepting a business courtesy, contact your manager or Ethics Advisor.

(p.20): ‘Procurement decisions must be made based on factors such as quality, service, price, delivery, and best value. Care must be taken to avoid conflicts and the appearance of partiality. Kickbacks are prohibited.’

(p.26): ‘Anti-bribery – Foreign Corrupt Practices Act
Boeing is committed to fair and open business conduct throughout the world. Underlying this commitment is the conviction that businesses should compete on the basis of price, quality and service, and in full compliance with applicable law. One of the applicable laws is the Foreign Corrupt Practices Act (the FCPA). This United States law prohibits U.S. companies and their representatives from trying to obtain or retain business by offering improper gifts or payments to foreign officials.
Specifically, the FCPA makes it unlawful for Boeing or any Boeing officer, director, employee, or agent to corruptly offer, pay, give, promise to pay or give, or authorize the payment or gift of money or anything of value, to any foreign government official for the purpose of influencing an act or decision or securing an improper advantage in order to help Boeing obtain or retain business. A similar prohibition applies to a payment or gift to a foreign political party or party official or to a candidate for foreign political office.
The FCPA applies to a wide variety of situations, including payments to foreign government officials, payments to foreign airline officers, relationships with foreign representatives and consultants, charitable and political contributions, maintenance of books and records, procurement payment procedures, and industrial participation transactions.’

(p.32): ‘Unfair methods of competition. Unfair or deceptive acts or practices, such as (1) wrongfully inducing a competitor’s customer to breach a contract with that competitor, (2) committing industrial espionage to acquire a competitor’s trade secret, (3) bribing an employee of a competitor or a customer for any purpose, (4) making false or disparaging comments about a competitor’s product, and (5) making unfounded or misleading advertising claims.’

(p.35): ‘Under the Foreign Corrupt Practices Act (FCPA), The Boeing Company is prohibited from corruptly offering to pay, pay, give, or authorize the payment of money, gift or other thing of value to any foreign political party, official of a foreign political party, or candidate for foreign political office for the purpose of influencing an act or decision or securing an
improper advantage in order to help Boeing obtain or retain business. As a matter of policy, The Boeing Company will not make or offer monetary or in-kind political contributions to foreign political parties, foreign political party officials, candidates for foreign political office, or foreign political advocacy groups.’
A16:
Is the anti-corruption policy explicitly one of zero tolerance?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company has a zero tolerance approach to corruption.

References:
Public:
NA
A17:
Is the company's anti-corruption policy easily accessible to Board members, employees, contracted staff and any other organisations acting with or on behalf of the company?

Score:

2

Comments:
Based on public information, the company's ethics and anti-corruption policies are accessible to Board members, employees and third parties. Both the Code of Conduct and the Ethical Business Conduct Guidelines are available on the company website. TI notes that the Code of Conduct is available in multiple languages.

References:
Public:
Company website: Ethics
‘The code is available in 10 languages.
Arabic
Chinese
Dutch
English
French
German
Japanese
Korean
Russian
Spanish’
http://www.boeing.com/boeing/companyoffices/aboutus/ethics/code_of_conduct.page#
A17(a):
Is the company’s anti-corruption policy easily understandable and clear to Board members, employees and third parties?

Score:
2

Comments:
Based on public information, there is evidence that the company’s ethics and anti-corruption policies are easily understandable and clear. The Ethical Business Conduct Guidelines contain multiple FAQs and do not use dense, legal terms.

References:
Public:
Ethical Business Conduct Guidelines, p.5:
‘Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with the company’s values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, and communities and among employees. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee’s behalf by anyone outside the company’.

(p.23): ‘Q: Someone I have worked with on a Government program is planning to retire, and I think she would make a great addition to the Boeing team. Can I tell her I’d like her to come to work for us when she retires?
A: Before you say anything to her, you must get approval from the Global Staffing organization. You will not be able to discuss employment with her until after she retires or until she disqualifies herself from further participation on matters involving Boeing and complies with any other Government regulations that may be applicable to her.’

(p.19): ‘Q: A supplier representative knows that I am a big baseball fan. He offered me two great tickets to a baseball game. I know that Boeing policy would not allow me to accept the tickets as a gift, but what if I buy them from him?’
A: You can accept the tickets if you pay for them, unless the tickets are to a “sold-out” event. Under those circumstances, you would be accepting the gift of an opportunity to buy tickets that are not generally available for purchase and that is inappropriate. In addition, business courtesies such as plaques, trophies, door prizes, certificates, meals, gifts (e.g., coffee mugs, posters, pens) can be accepted if the courtesies are of a nominal value, promote goodwill in Boeing business relationships, conform to reasonable and ethical practices of the marketplace, are not in exchange for favorable treatment, do not create a conflict of interest between the employee and Boeing, and avoid an actual or the appearance of impropriety or undue influence.’
A18: Does the anti-corruption policy explicitly apply to all employees and members of the Board?

Score: 2

Comments: Based on public information, the company’s Code of Conduct explicitly applies to all employees and Board members. The company also produces a Code of Ethical Business Conduct for Members of the Board of Directors.

References:
Public:
Ethical Business Conduct Guidelines, p.5:
‘All employees must sign and abide by the Boeing Code of Conduct, which requires that they understand the code, and ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy and the related procedures’.

(p.6): ‘Q: Boeing has issued separate codes of conduct for the Board of Directors and for finance employees. Does this mean that these executives are not subject to the general Boeing Code of Conduct?
A: No. The Boeing Code of Conduct outlines expected behavior for every Boeing employee when performing company responsibilities. Members of the Board of Directors and all Boeing employees, including the Executive Council, all other executives, all other managers, and all other employees are expected to adhere to the Code of Conduct. Members of the Board and executives with defined financial responsibilities may be required to adhere to additional codes addressing more specific obligations related to their scope of responsibility. Any waiver of the Code of Conduct for members of the Board of Directors or executive officers may be made only by the Board or a committee of the Board and must be promptly disclosed to stockholders.’

The Boeing Company Code of Ethical Business Conduct for Members of the Board of Directors, 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.’

‘Directors who also serve as officers of the Company should read this Code in conjunction with the Company’s Ethical Business Conduct Guidelines.’
A20:

Does the company have a policy on potential conflicts of interest, and does it apply to both employees and board members?

Score:

2

Comments:

Based on public information, there is evidence that the company has a policy on potential conflicts of interest. The policy clearly defines a conflict of interest and examples are provided. Board members have a separate conflicts of interest policy.

References:

Public:
Ethical Business Conduct Guidelines, p.16:
‘A conflict of interest may exist when an employee or a member of his or her family is involved in an activity or has a personal interest that could affect the employee’s objectivity in making decisions concerning his or her Boeing company duties and responsibilities. Such interests might include outside employment with a Boeing customer, supplier, or competitor, or having a significant financial interest with one of these entities. This procedure helps employees to identify potential areas of conflict of interest or request a conflict of interest review, and it provides details on the review process. An actual conflict of interest does not need to be present to constitute a violation of this procedure. Activities that create the appearance of a conflict of interest must also be avoided to ensure that the reputation of Boeing and its employees is not harmed. Any outside activities related to the conditions listed in the procedure should be fully disclosed by employees before they or their family members undertake the activity. If the activity is already taking place, disclosure is still required. Unless formally approved in writing, such activities are prohibited. Employees should contact their Ethics Advisor for guidance. Employees who need a conflict of interest determination should submit information to an Ethics Advisor for a review. Employees may access the online COI Review Request form at the Ethics@Boeing web site, under “COI Information and Forms,” where they will find information on the process. Employees without access to the Boeing intranet may contact an Ethics Advisor to obtain a form.’

(p.17): ‘Frequently Asked Questions
Q. I own an outside business and have developed a product I think would be beneficial to
Boeing. Does Boeing prohibit employees from becoming suppliers to Boeing?
A. While not specifically prohibited by policy, Boeing seldom purchases products or services from its employees. The company’s reputation for impartiality and fair dealing with suppliers could be damaged by routinely acquiring products or services from employees, even with full and open competition.

Q. What is wrong with having a relative who works for a customer or supplier?
A. In most cases nothing, 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 and has been involved in procurement activities and your manager has just informed you that he wants you 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. Prior to working for Boeing, I worked for a competitor that invested my personal funds into a savings plan consisting of the competitor’s stock and mutual fund holdings with other possible suppliers, customers, or competitors. Is this a conflict of interest?
A. Because of the nature of the aerospace business, some employees may have financial holdings such as you describe with our suppliers, customers, or competitors. PRO-7 requires full disclosure if an employee’s financial interest in any supplier, customer, or competitor holdings is either
- 5% or more of the stock, assets, or other interests of the entity.
- 10% or more of the employee’s net assets.
If your holdings do not meet the criteria above, in accordance with PRO-7, there is no conflict of interest.

Q. How do I know whether an activity in which I am engaged outside of work creates an actual or potential conflict of interest?
A. It is not possible to anticipate all circumstances that might signal potential conflicts of interest. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your company work objectively and effectively. Conflicts of interest also arise when you or a member of your family receives improper personal benefits as a result of your position in the company. Employees, officers, and directors are also prohibited from (a) taking for themselves personal opportunities that are discovered through the use of corporate property, information, or position, (b) using corporate property, information, or position for personal gain, and (c) competing with the company. Boeing PRO-7 prohibits such conflicts of interest and provides a means for employees, officers, and directors to communicate potential conflicts to the company.’

Corporate Governance Principles (April 2013), p.7:
‘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 Boeing Company Code of Ethical Business Conduct for Members of the Board of Directors, pp.1-2:
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 family, receives improper personal benefits as a result of his or her position as a Director.

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.”
A21:

Does the company have a policy for the giving and receipt of gifts to ensure that such transactions are bona fide and not a subterfuge for bribery?

Score:

1

Comments:

Based on public information, there is evidence that the company has a policy for the giving and receipt of gifts, to ensure that such transactions are bona fide and not a subterfuge for bribery. However, the policy requires employees to determine whether each exchange of gifts is acceptable. The company therefore scores 1. To score higher the company would need to provide evidence that it sets clear upper limits on the acceptable value of a gift, or has a requirement for senior management authorisation if a value threshold is exceeded.

References:

Public:
Ethical Business Conduct Guidelines, p.14:
‘Offering of Business Courtesies Company Procedure PRO-6
‘The Boeing Company deals with its suppliers and customers in a fair and impartial manner; business should be won or lost on the merits of Boeing products and services. Any employee offering a business courtesy must ensure that it is ethical, legal and complies with all applicable Boeing policies and procedures. If your job places you in a position to offer or approve the offer of business courtesies, you should be familiar with this Procedure 6 and with any rules that may determine whether the intended recipient can accept them. A business courtesy is a present, gift, hospitality, or favor for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit such as meals, drinks, entertainment, recreation, door prizes, honoraria, transportation, discounts, promotional items, or use of a donor’s time, materials, facilities, or equipment. Any employee who offers or approves the offer of a business courtesy must ensure that it is proper and that the business courtesy cannot reasonably be interpreted as an attempt to gain an unfair business advantage or that could otherwise reflect negatively on the reputation of Boeing or the recipient. An employee may not use personal funds or resources to do something that cannot be done with Boeing resources. Specific requirements and restrictions apply regarding the offering of business courtesies to government employees, officials, and representatives, as well as officials and representatives of foreign governments. Rules for business courtesies are complex, and each situation must be evaluated carefully.

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Primary approval authority is vested in business management. Ethics Advisors and the Law Department are available to assist in properly resolving issues concerning business courtesies.

(p.15): ‘Frequently Asked Questions
Q: Our first program review will be next month, and a group of U.S. Air Force officers will be attending. We want to make a good impression, but their travel schedules allow only limited time for the meeting. Can we provide a catered lunch?
A: Yes, but only if the Air Force officers pay Boeing the full cost of their meals. Such luncheon arrangements need to be coordinated in advance so that Air Force attendees are aware of your luncheon plans, the cost, and the method of payment.

Q: We have worked closely with a customer on a large contract that is now complete. We want to recognize our achievement by having a special event and giving each member of the joint team a plaque commemorating completion of the project. Would this violate the Boeing rules for ethical business conduct?
A: It depends. In situations involving an agency of the U.S. Government, Boeing policy would allow team members to be offered plaques, certificates, or trophies that are of little intrinsic value and are intended solely for presentation. Otherwise, Boeing policy restricts giving federal executive branch employees (DOD, NASA, FAA, etc.) anything other than promotional items worth less than $10 (coffee mugs, pens, pencils, or similar items with a Boeing logo). For commercial customers, it would depend upon the policy of the individual customer and the reasonable customs of the marketplace. Such events should be reviewed in advance with your management or an Ethics Advisor.

Q: I have a friend who works for the Department of Defense. Does Boeing policy prohibit me from buying her a Christmas present?
A: Not necessarily. Although Boeing policy and U.S. Government standards of conduct regulate gifts to federal government employees by vendors, these rules do not apply to the exchange of gifts between friends or family members when the exchange is exclusively the result of a personal and not a business relationship. However, if the gift is significant, contact your management or Ethics Advisor for guidance as to whether or not you can offer it. It is also important to remember that, in the absence of a personal relationship, Boeing policy does not permit an employee to personally offer business courtesies that the company is prohibited from offering.

Q: Can I have Boeing Transportation drive two of our commercial customers from the airport to the hotel? What if these customers are from the U.S. Navy?
First, you can provide transportation for commercial customers except when their company policy prohibits them from accepting this type of business courtesy. Second, you cannot pick up your Navy customers at the airport unless they pay Boeing the fair market value of the transportation. As a general rule, Boeing employees may not offer or provide transportation to a federal executive branch employee unless the federal executive branch employee pays Boeing the fair market value of the transportation.’

(p.18): ‘Acceptance of Business Courtesies Company Procedure PRO-8
A business courtesy is a gift, hospitality, or favor from persons or firms with which Boeing may do business.
All business courtesies offered to and accepted by Boeing employees are gifts belonging to Boeing; employees should not assume that they may keep a business gift for personal use. Generally, an employee may keep a business courtesy only when acceptance of the courtesy promotes successful working relationships and goodwill for Boeing interests, conforms to the reasonable and ethical practices of the marketplace, does not create actual conflict of interest or divided loyalty, and does not create the appearance of an improper attempt to influence business decisions.

Employees may not ask for a business courtesy. In addition, employees may not accept business courtesies when there is an actual or perceived expectation that the donor may want something in return, may be attempting to gain an unfair advantage, or may be trying to influence an employee to do things that might violate laws.

In deciding whether to accept a gift, employees are expected to use good business judgment and ask questions when in doubt. Employees should not accept a gift if they would be uncomfortable discussing it with their manager, coworkers, or a newspaper reporter. When in doubt about accepting a business courtesy, contact your manager or Ethics Advisor.

(p.19): ‘Frequently Asked Questions
Q: A supplier representative knows that I am a big baseball fan. He offered me two great tickets to a baseball game. I know that Boeing policy would not allow me to accept the tickets as a gift, but what if I buy them from him?
A: You can accept the tickets if you pay for them, unless the tickets are to a “sold-out” event. Under those circumstances, you would be accepting the gift of an opportunity to buy tickets that are not generally available for purchase and that is inappropriate. In addition, business courtesies such as plaques, trophies, door prizes, certificates, meals, gifts (e.g., coffee mugs, posters, pens) can be accepted if the courtesies are of a nominal value, promote goodwill in Boeing business relationships, conform to reasonable and ethical practices of the marketplace, are not in exchange for favorable treatment, do not create a conflict of interest between the employee and Boeing, and avoid an actual or the appearance of impropriety or undue influence.
Q. I have been offered a discount on a product sold by a supplier of the company. May I take advantage of the discount?
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 if I receive a gift that I know is not acceptable? What should I do?
A. You should return it to the donor with a polite explanation that Boeing policy prohibits you from keeping it. In some circumstances, such as a gift from an official of another country, other alternatives may be more appropriate, such as displaying the gift in a public area. Consult your Ethics Advisor. Examples of business courtesies that are unacceptable include items with a large dollar value, such as computers, personal digital assistants, automobiles, all-expense-paid trips, tickets to sold-out events, and so forth.
Q. May I accept travel expenses to speak to a user group or at a professional meeting?
A. Your management is responsible for making this decision. Boeing policy requires that all suppliers be treated fairly and impartially. Therefore, you should accept nothing from a supplier that could give even the appearance of favoritism. Normally, it is not appropriate to
accept payment of expense by vendors to speak at user conferences.
On the other hand, you can accept reimbursement for expenses from associations and professional groups, because such organizations are not vendors who might be using the speaking invitations as a device to secure favorable treatment.’

A22:
Does the company’s anti-corruption policy include a statement on the giving and receipt of hospitality that ensures that such transactions are bona fide and not a subterfuge for bribery?

Score:
1

Comments:
Based on public information, there is evidence that the company has a policy for the giving and receipt of hospitality, to ensure that such transactions are bona fide and not a subterfuge for bribery. However, the policy requires employees to determine whether each exchange of hospitality is acceptable. The company therefore scores 1. To score higher the company would need to provide evidence that it sets clear upper limits on the acceptable value of hospitality, or has a requirement for senior management authorisation if a value threshold is exceeded.

References:
Public:
Ethical Business Conduct Guidelines, p.14:
‘Offering of Business Courtesies Company Procedure PRO-6
‘The Boeing Company deals with its suppliers and customers in a fair and impartial manner; business should be won or lost on the merits of Boeing products and services. Any employee offering a business courtesy must ensure that it is ethical, legal and complies with all applicable Boeing policies and procedures. If your job places you in a position to offer or approve the offer of business courtesies, you should be familiar with this Procedure 6 and with any rules that may determine whether the intended recipient can accept them. A business courtesy is a present, gift, hospitality, or favor for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit such as meals, drinks, entertainment, recreation, door prizes, honoraria, transportation, discounts, promotional items, or use of a donor’s time, materials, facilities, or equipment. Any employee who offers or approves the offer of a business courtesy must ensure that it is proper and that the business courtesy cannot reasonably be interpreted as an attempt to gain an unfair business advantage or that could otherwise reflect negatively on the reputation of Boeing or the recipient. An employee may not use personal funds or resources to do something that cannot be done with Boeing resources. Specific requirements and restrictions apply regarding the offering of business courtesies to...”

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Rules for business courtesies are complex, and each situation must be evaluated carefully. Primary approval authority is vested in business management. Ethics Advisors and the Law Department are available to assist in properly resolving issues concerning business courtesies.

(p.15): ‘Frequently Asked Questions
Q: Our first program review will be next month, and a group of U.S. Air Force officers will be attending. We want to make a good impression, but their travel schedules allow only limited time for the meeting. Can we provide a catered lunch?
A: Yes, but only if the Air Force officers pay Boeing the full cost of their meals. Such luncheon arrangements need to be coordinated in advance so that Air Force attendees are aware of your luncheon plans, the cost, and the method of payment.
Q: We have worked closely with a customer on a large contract that is now complete. We want to recognize our achievement by having a special event and giving each member of the joint team a plaque commemorating completion of the project. Would this violate the Boeing rules for ethical business conduct?
A: It depends. In situations involving an agency of the U.S. Government, Boeing policy would allow team members to be offered plaques, certificates, or trophies that are of little intrinsic value and are intended solely for presentation. Otherwise, Boeing policy restricts giving federal executive branch employees (DOD, NASA, FAA, etc.) anything other than promotional items worth less than $10 (coffee mugs, pens, pencils, or similar items with a Boeing logo). For commercial customers, it would depend upon the policy of the individual customer and the reasonable customs of the marketplace. Such events should be reviewed in advance with your management or an Ethics Advisor.
Q: I have a friend who works for the Department of Defense. Does Boeing policy prohibit me from buying her a Christmas present?
A: Not necessarily. Although Boeing policy and U.S. Government standards of conduct regulate gifts to federal government employees by vendors, these rules do not apply to the exchange of gifts between friends or family members when the exchange is exclusively the result of a personal and not a business relationship. However, if the gift is significant, contact your management or Ethics Advisor for guidance as to whether or not you can offer it. It is also important to remember that, in the absence of a personal relationship, Boeing policy does not permit an employee to personally offer business courtesies that the company is prohibited from offering.
Q: Can I have Boeing Transportation drive two of our commercial customers from the airport to the hotel? What if these customers are from the U.S. Navy?
First, you can provide transportation for commercial customers except when their company policy prohibits them from accepting this type of business courtesy. Second, you cannot pick up your Navy customers at the airport unless they pay Boeing the fair market value of the transportation. As a general rule, Boeing employees may not offer or provide transportation to a federal executive branch employee unless the federal executive branch employee pays Boeing the fair market value of the transportation.’
A business courtesy is a gift, hospitality, or favor from persons or firms with which Boeing may do business.

All business courtesies offered to and accepted by Boeing employees are gifts belonging to Boeing; employees should not assume that they may keep a business gift for personal use. Generally, an employee may keep a business courtesy only when acceptance of the courtesy promotes successful working relationships and goodwill for Boeing interests, conforms to the reasonable and ethical practices of the marketplace, does not create actual conflict of interest or divided loyalty, and does not create the appearance of an improper attempt to influence business decisions.

Employees may not ask for a business courtesy. In addition, employees may not accept business courtesies when there is an actual or perceived expectation that the donor may want something in return, may be attempting to gain an unfair advantage, or may be trying to influence an employee to do things that might violate laws.

In deciding whether to accept a gift, employees are expected to use good business judgment and ask questions when in doubt. Employees should not accept a gift if they would be uncomfortable discussing it with their manager, coworkers, or a newspaper reporter. When in doubt about accepting a business courtesy, contact your manager or Ethics Advisor.

Frequently Asked Questions

Q: A supplier representative knows that I am a big baseball fan. He offered me two great tickets to a baseball game. I know that Boeing policy would not allow me to accept the tickets as a gift, but what if I buy them from him?

A: You can accept the tickets if you pay for them, unless the tickets are to a “sold-out” event. Under those circumstances, you would be accepting the gift of an opportunity to buy tickets that are not generally available for purchase and that is inappropriate. In addition, business courtesies such as plaques, trophies, door prizes, certificates, meals, gifts (e.g., coffee mugs, posters, pens) can be accepted if the courtesies are of a nominal value, promote goodwill in Boeing business relationships, conform to reasonable and ethical practices of the marketplace, are not in exchange for favorable treatment, do not create a conflict of interest between the employee and Boeing, and avoid an actual or the appearance of impropriety or undue influence.

Q. I have been offered a discount on a product sold by a supplier of the company. May I take advantage of the discount?

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

A. You should return it to the donor with a polite explanation that Boeing policy prohibits you from keeping it. In some circumstances, such as a gift from an official of another country, other alternatives may be more appropriate, such as displaying the gift in a public area. Consult your Ethics Advisor. Examples of business courtesies that are unacceptable include items with a large dollar value, such as computers, personal digital assistants, automobiles, all-expense-paid trips, tickets to sold-out events, and so forth.
Q. May I accept travel expenses to speak to a user group or at a professional meeting?
A. Your management is responsible for making this decision. Boeing policy requires that all suppliers be treated fairly and impartially. Therefore, you should accept nothing from a supplier that could give even the appearance of favoritism. Normally, it is not appropriate to accept payment of expense by vendors to speak at user conferences. On the other hand, you can accept reimbursement for expenses from associations and professional groups, because such organizations are not vendors who might be using the speaking invitations as a device to secure favorable treatment. 

A23:
Does the company have a policy that explicitly prohibits facilitation payments?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a policy that explicitly prohibits facilitation payments.

References:
Public:
NA
A24:  
Does the company prohibit political contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?  
Does the company record and publicly disclose all political contributions?  

Score:  

2  

Comments:  
Based on public information, the company regulates political contributions in order to prevent undue influence or other corrupt intent. All political contributions are recommended by the Government Relations organisation, and are reviewed by the Vice President and Assistant General Counsel, Washington D.C. Operations, before they are approved by the Senior Vice President, Washington D.C. Operations. The company states that any corporate political contributions are publically disclosed on its website.  

References:  
Public:  
Ethical Business Conduct Guidelines, p.35:  
‘Under the Federal Election Campaign Act (FECA) and as modified by the Bipartisan Campaign Reform Act (BCRA), The Boeing Company is prohibited from making political contributions, including in-kind contributions, to the campaigns of candidates for federal office. Under the laws of certain states, the Company also is prohibited from making political contributions to the campaigns of candidates for state offices. The company will not make contributions to candidates for federal offices or contributions to candidates for state or local offices in states where corporate contributions are prohibited. Under federal election law, national political party committees may not solicit or accept corporate contributions and The Boeing Company is prohibited from making them. The Company is permitted to establish and administer a separate segregated fund (a political action committee or PAC).  
The Boeing Company Political Action Committee (BPAC) was established by the Company in accordance with federal law. BPAC is governed by a committee comprised of company employees. BPAC makes political contributions solely from the 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.  
Under the Foreign Corrupt Practices Act (FCPA), The Boeing Company is prohibited from corruptly offering to pay, pay, give, or authorize the payment of money, gift or other thing
of value to any foreign political party, official of a foreign political party, or candidate for foreign political office for the purpose of influencing an act or decision or securing an improper advantage in order to help Boeing obtain or retain business. As a matter of policy, The Boeing Company will not make or offer monetary or in-kind political contributions to foreign political parties, foreign political party officials, candidates for foreign political office, or foreign political advocacy groups.

Certain states and localities permit the Company to make contributions to candidates and political parties. The Company makes political contributions in such states and localities when the Company believes contributions to be in the best interests of the Company. The Company also makes contributions in support of, or in opposition to, specific ballot issues in which the Company has a substantial interest.

The Company makes corporate political contributions under the supervision of the Boeing board of directors in compliance with applicable laws and regulations. Authority to approve political contributions has been delegated to the Chief Executive Officer who, in turn, has delegated authority to approve specific contributions to the Senior Vice President, Washington D.C. Operations. All political contributions are recommended by the Government Relations organization and are reviewed by the Vice President and Assistant General Counsel, Washington D.C. Operations before they are approved by the Senior Vice President, Washington D.C. Operations. Contributions are decided on a bipartisan basis with the overriding purpose of supporting candidates and committees who share the Company’s position on issues of importance to its business and its shareholders.’

Company website: Government Operations

‘Certain states and localities permit corporate contributions to candidates and political parties. It is the policy of the Company to make political contributions in such states and localities when the Company determines 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, specific ballot issues in which the Company has a substantial interest. In 2013, the Company did not make any contributions from corporate funds to state or local candidates or political parties or ballot initiatives. Also, in 2013 Boeing did not expend any corporate funds for political contributions to section 527 entities or Super PACs, or for electioneering communications or independent expenditures. Corporate contributions to federal candidates are prohibited by federal law, and Boeing makes no such contributions.’

‘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 and in compliance with applicable laws and regulations. Authority to approve any such contributions has been delegated by the Board of Directors to the Chief Executive Officer who, in turn, has delegated authority to approve specific contributions within the established budgets to the Senior 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 Senior Vice President, Government Operations. Any direct contributions would be made on a nonpartisan basis in support of candidates and committees who support business issues of importance to the Company and
its shareholders. Any corporate political contributions are disclosed on this website on at least a semi-annual basis.'
A25:
Does the company have a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent, and discloses the issues on which the company lobbies?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company has a clear policy on engagement in lobbying activities, in order to prevent undue influence or other corrupt intent.

References:
Public:
NA
A25(a):
Does the company prohibit charitable contributions, or regulate such contributions in order to prevent undue influence or other corrupt intent?

Score:
0

Comments:
Based on public information, there is no readily available evidence that the company prohibits or regulates charitable contributions, in order to prevent undue influence or other corrupt intent. While the company states that the FCPA applies to charitable contributions, there is no evidence of how the company specifically regulates charitable contributions, such as due diligence on potential recipients. Also, the company provides an overview of charitable contributions, but the corporate charitable contributions amount is assessed to be unclear and does not specify individual recipients.

References:
Public:
Ethical Business Conduct Guidelines, p.26:
‘The FCPA applies to a wide variety of situations, including payments to foreign government officials, payments to foreign airline officers, relationships with foreign representatives and consultants, charitable and political contributions, maintenance of books and records, procurement payment procedures, and industrial participation transactions’.

(p.37): ‘We continue to fulfill our commitment to good citizenship by contributing cash, in-kind and surplus donations, and the expertise of our people. We support programs that encourage the charitable generosity and volunteer spirit of our employees and retirees. Workplace giving is focused through the Employees Community Fund, which is the largest employee-owned charitable organization in the world. Boeing people at every level are encouraged to become involved in their communities, and we recognize outstanding community service through annual awards for employee and retiree volunteers’.

2013 Corporate Citizenship Report
Boeing helps enhance lives and communities worldwide, investing more than $176 million in 2013, as well as thousands of volunteer hours, where we live and work.

2012 Corporate Citizenship Report
A26:

Does the company provide written guidance to help Board members and employees understand and implement the firm’s ethics and anti-corruption agenda?

Score:

2

Comments:

Based on public information, there is evidence that the company provides written guidance, to help Board members and employees understand and implement its ethics and anti-corruption agenda. The Ethical Business Conduct Guidelines clearly describes key ethics policies and contains a series of FAQs after every section.

References:

Public:
Ethical Business Conduct Guidelines, p.14:
‘Offering of Business Courtesies Company Procedure PRO-6
‘The Boeing Company deals with its suppliers and customers in a fair and impartial manner; business should be won or lost on the merits of Boeing products and services. Any employee offering a business courtesy must ensure that it is ethical, legal and complies with all applicable Boeing policies and procedures. If your job places you in a position to offer or approve the offer of business courtesies, you should be familiar with this Procedure 6 and with any rules that may determine whether the intended recipient can accept them.

A business courtesy is a present, gift, hospitality, or favor for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit such as meals, drinks, entertainment, recreation, door prizes, honoraria, transportation, discounts, promotional items, or use of a donor’s time, materials, facilities, or equipment.

Any employee who offers or approves the offer of a business courtesy must ensure that it is proper and that the business courtesy cannot reasonably be interpreted as an attempt to gain an unfair business advantage or that could otherwise reflect negatively on the reputation of Boeing or the recipient. An employee may not use personal funds or resources to do something that cannot be done with Boeing resources.

Specific requirements and restrictions apply regarding the offering of business courtesies to government employees, officials, and representatives, as well as officials and representatives of foreign governments.
Rules for business courtesies are complex, and each situation must be evaluated carefully. Primary approval authority is vested in business management. Ethics Advisors and the Law Department are available to assist in properly resolving issues concerning business courtesies.

(p.15): ‘Frequently Asked Questions
Q: Our first program review will be next month, and a group of U.S. Air Force officers will be attending. We want to make a good impression, but their travel schedules allow only limited time for the meeting. Can we provide a catered lunch?
A: Yes, but only if the Air Force officers pay Boeing the full cost of their meals. Such luncheon arrangements need to be coordinated in advance so that Air Force attendees are aware of your luncheon plans, the cost, and the method of payment.

Q: We have worked closely with a customer on a large contract that is now complete. We want to recognize our achievement by having a special event and giving each member of the joint team a plaque commemorating completion of the project. Would this violate the Boeing rules for ethical business conduct?
A: It depends. In situations involving an agency of the U.S. Government, Boeing policy would allow team members to be offered plaques, certificates, or trophies that are of little intrinsic value and are intended solely for presentation. Otherwise, Boeing policy restricts giving federal executive branch employees (DOD, NASA, FAA, etc.) anything other than promotional items worth less than $10 (coffee mugs, pens, pencils, or similar items with a Boeing logo). For commercial customers, it would depend upon the policy of the individual customer and the reasonable customs of the marketplace. Such events should be reviewed in advance with your management or an Ethics Advisor.

Q: I have a friend who works for the Department of Defense. Does Boeing policy prohibit me from buying her a Christmas present?
A: Not necessarily. Although Boeing policy and U.S. Government standards of conduct regulate gifts to federal government employees by vendors, these rules do not apply to the exchange of gifts between friends or family members when the exchange is exclusively the result of a personal and not a business relationship. However, if the gift is significant, contact your management or Ethics Advisor for guidance as to whether or not you can offer it. It is also important to remember that, in the absence of a personal relationship, Boeing policy does not permit an employee to personally offer business courtesies that the company is prohibited from offering.

Q: Can I have Boeing Transportation drive two of our commercial customers from the airport to the hotel? What if these customers are from the U.S. Navy?
First, you can provide transportation for commercial customers except when their company policy prohibits them from accepting this type of business courtesy. Second, you cannot pick up your Navy customers at the airport unless they pay Boeing the fair market value of the transportation. As a general rule, Boeing employees may not offer or provide transportation to a federal executive branch employee unless the federal executive branch employee pays Boeing the fair market value of the transportation.’
A27:
Does the company have a training programme that explicitly covers anti-corruption?

Score:
1

Comments:
Based on public information, there is evidence that the company has a training programme on its ethics and compliance systems, which includes an anti-corruption policy. The company therefore scores 1. To score higher the company would need to provide evidence of an explicit anti-corruption module as part of its ethics and compliance training programme.

References:
Public:
Ethics Education:
http://www.boeing.com/boeing/companyoffices/aboutus/ethics/education.page?
‘Although maintaining ethical behavior is woven throughout our daily communications and activities, the company conducts three mandatory and educational activities annually as reminders about our commitment to ethics and business conduct standards at Boeing. Annual activities include Recommitment to Ethics, Code of Conduct and the Ethics Challenge.
The Recommitment to Ethics event is a designated time for employees to gather as a team to recommit to the Boeing values and to discuss personal, co-worker and customer responsibilities. Recommitment is led by senior executives and includes leadership affirmation and participation at all levels of the organization.
The Boeing Code of Conduct certification occurs annually. Employees certify once a year that they will adhere to the Code of Conduct, which outlines the ethical business conduct required of employees in the performance of their company responsibilities. Individuals certify that they will not engage in conduct or activity that may raise questions as to the company’s honesty, impartiality or reputation or otherwise cause embarrassment to the company, among other things.
The annual Ethics Challenge training educates employees about situations they might face in daily business using specific case scenarios. Participants answer questions about ethical dilemmas; then learn which is the best answer and why. This training, which is administered by managers, is typically completed in a group setting’.

BOEING 06/10/14
HTTP://WWW.BOEING.COM/
A28:
Is anti-corruption training provided in all countries where the company operates or has company sites?

Score:

1

Comments:
Based on public information, there is some evidence that the company conducts three mandatory and educational activities annually and a Code of Conduct annual certification. However, it is not explicitly clear that these apply to all employees in all countries where the company operates. The company therefore scores 1.

References:
Public:
Ethics Education:
‘Although maintaining ethical behavior is woven throughout our daily communications and activities, the company conducts three mandatory and educational activities annually as reminders about our commitment to ethics and business conduct standards at Boeing. Annual activities include Recommitment to Ethics, Code of Conduct and the Ethics Challenge.
The Recommitment to Ethics event is a designated time for employees to gather as a team to recommit to the Boeing values and to discuss personal, co-worker and customer responsibilities. Recommitment is led by senior executives and includes leadership affirmation and participation at all levels of the organization.
The Boeing Code of Conduct certification occurs annually. Employees certify once a year that they will adhere to the Code of Conduct, which outlines the ethical business conduct required of employees in the performance of their company responsibilities. Individuals certify that they will not engage in conduct or activity that may raise questions as to the company's honesty, impartiality or reputation or otherwise cause embarrassment to the company, among other things.
The annual Ethics Challenge training educates employees about situations they might face in daily business using specific case scenarios. Participants answer questions about ethical dilemmas; then learn which is the best answer and why. This training, which is administered by managers, is typically completed in a group setting’.
http://www.boeing.com/boeing/companyoffices/aboutus/ethics/education.page
A29:
Does the company provide targeted anti-corruption training to members of the Board?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides targeted anti-corruption training to Board members.

References:
Public:
NA
A30:
Does the company provide tailored ethics and anti-corruption training for employees in sensitive positions?

Score:

0

Comments:
Based on public information, there is no readily available evidence that the company provides tailored anti-corruption training for employees in sensitive positions.

References:
Public:
NA
A31:
Does the company have a clear and formal process by which employees declare conflicts of interest?

Score:
2

Comments:
Based on public information, there is evidence that the company has a clear and formal process for employees to declare conflicts of interest, by which they must seek approval from an Ethics Advisor in writing.

References:
Public:
Ethical Business Conduct Guidelines, p.16:
‘A conflict of interest may exist when an employee or a member of his or her family is involved in an activity or has a personal interest that could affect the employee’s objectivity in making decisions concerning his or her Boeing company duties and responsibilities. Such interests might include outside employment with a Boeing customer, supplier, or competitor, or having a significant financial interest with one of these entities. This procedure helps employees to identify potential areas of conflict of interest or request a conflict of interest review, and it provides details on the review process. An actual conflict of interest does not need to be present to constitute a violation of this procedure. Activities that create the appearance of a conflict of interest must also be avoided to ensure that the reputation of Boeing and its employees is not harmed. Any outside activities related to the conditions listed in the procedure should be fully disclosed by employees before they or their family members undertake the activity. If the activity is already taking place, disclosure is still required. Unless formally approved in writing, such activities are prohibited. Employees should contact their Ethics Advisor for guidance. Employees who need a conflict of interest determination should submit information to an Ethics Advisor for a review. Employees may access the online COI Review Request form at the Ethics@Boeing web site, under “COI Information and Forms,” where they will find information on the process. Employees without access to the Boeing intranet may contact an Ethics Advisor to obtain a form.’

(p.17): ‘Frequently Asked Questions

Q. I own an outside business and have developed a product I think would be beneficial to
Boeing. Does Boeing prohibit employees from becoming suppliers to Boeing?
A. While not specifically prohibited by policy, Boeing seldom purchases products or services from its employees. The company’s reputation for impartiality and fair dealing with suppliers could be damaged by routinely acquiring products or services from employees, even with full and open competition.

Q. What is wrong with having a relative who works for a customer or supplier?
A. In most cases nothing, 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 and has been involved in procurement activities and your manager has just informed you that he wants you 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. Prior to working for Boeing, I worked for a competitor that invested my personal funds into a savings plan consisting of the competitor’s stock and mutual fund holdings with other possible suppliers, customers, or competitors. Is this a conflict of interest?
A. Because of the nature of the aerospace business, some employees may have financial holdings such as you describe with our suppliers, customers, or competitors. PRO-7 requires full disclosure if an employee’s financial interest in any supplier, customer, or competitor holdings is either
• 5% or more of the stock, assets, or other interests of the entity.
• 10% or more of the employee’s net assets.

If your holdings do not meet the criteria above, in accordance with PRO-7, there is no conflict of interest.

Q. How do I know whether an activity in which I am engaged outside of work creates an actual or potential conflict of interest?
A. It is not possible to anticipate all circumstances that might signal potential conflicts of interest. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your company work objectively and effectively. Conflicts of interest also arise when you or a member of your family receives improper personal benefits as a result of your position in the company. Employees, officers, and directors are also prohibited from (a) taking for themselves personal opportunities that are discovered through the use of corporate property, information, or position, (b) using corporate property, information, or position for personal gain, and (c) competing with the company. Boeing PRO-7 prohibits such conflicts of interest and provides a means for employees, officers, and directors to communicate potential conflicts to the company.’
A32:
Is the company explicit in its commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities?

Score:
1

Comments:
Based on public information, there is some evidence that the company makes managers responsible for taking corrective action against conduct in violation of the company’s standards. The company therefore scores 1. To score higher the company would need to provide evidence of an explicit commitment to apply disciplinary procedures to employees, Directors and Board members found to have engaged in corrupt activities.

References:
Public:
Ethical Business Conduct Guidelines, p.5:
‘All employees must sign and abide by the Boeing Code of Conduct, which requires that they understand the code, and ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy and the related procedures’.

(p.6): ‘Q: Boeing has issued separate codes of conduct for the Board of Directors and for finance employees. Does this mean that these executives are not subject to the general Boeing Code of Conduct?
A: No. The Boeing Code of Conduct outlines expected behavior for every Boeing employee when performing company responsibilities. Members of the Board of Directors and all Boeing employees, including the Executive Council, all other executives, all other managers, and all other employees are expected to adhere to the Code of Conduct. Members of the Board and executives with defined financial responsibilities may be required to adhere to additional codes addressing more specific obligations related to their scope of responsibility. Any waiver of the Code of Conduct for members of the Board of Directors or executive officers may be made only by the Board or a committee of the Board and must be promptly disclosed to stockholders.’

(p.5):
‘Retaliation against employees who raise genuine concerns will not be tolerated.’

(p.8): ‘Retaliation against employees who raise genuine concerns will not be tolerated. Retaliation against any employee is cause for appropriate corrective action, up to and including dismissal.’

‘Managers should maintain a work environment that encourages open and honest communication regarding ethics and business conduct issues and concerns. Managers are also responsible for taking appropriate and timely corrective action for conduct in violation of the standards.’
A33:
Does the company have multiple, well-publicised channels that are easily accessible and secure, to guarantee confidentiality or anonymity where requested by the employee (e.g. web, phone, in person), to report concerns or instances of suspected corrupt activity?

Score:

1

Comments:
Based on public information, there is evidence that the company has multiple, well-publicised channels that are accessible, secure and confidential. Channels include Ethics Advisors in each business unit and the Ethics Line. The company therefore scores 1. To score higher the company would need to provide evidence that at least one of the channels is independent and allows anonymous reporting.

References:
Public:
Ethical Business Conduct Guidelines, p.2:

*Management
Feel free to approach your supervisor or manager with whatever ethical concern or question you might have. Your management might refer you to another resource, but under most circumstances they should be your first point of contact.

Ethics Advisors
Ethics Advisors are Boeing employees who serve as independent counselors. They have access to top management and are well versed in Boeing values and the Boeing Ethical Business Conduct policy and related procedures. They are responsible for advising Boeing employees on matters of ethical concern and for helping them to resolve ethical dilemmas. Names and telephone numbers of Ethics Advisors are listed on the Boeing Web at http://ethics.whq.boeing.com/needa.html.

The Boeing Ethics Line
The Boeing Ethics Line is also available to help you with your ethics questions and to enable you to report concerns you might have about possible misconduct.

Phone: 1-888-970-7171
Mail code: 14-14
The Boeing Ethics Line listens to and acts on concerns expressed by employees and others about possible violations of company policies, laws, or regulations such as improper, or unethical business practices, and health, safety, and environmental issues. Employees are encouraged to communicate their concerns, as well as ask questions about ethical issues. The Ethics Line is available to all Boeing employees, in all payrolls, from anywhere in the company, including subsidiaries. It is also available to concerned individuals outside the company.

Toll free telephone: 1-888-970-7171
Fax: 1-888-970-5330

Ethics Advisors

Each Boeing Business Unit has an Ethics Executive and Ethics Advisors assigned to provide guidance and answer questions regarding proper behavior in the workplace, business ethics issues, and the Boeing Values.

http://www.boeing.com/boeing/companyoffices/aboutus/ethics/hotline.page?
A33(a):
Are the whistleblowing channels available to all employees in all geographies?

Score:
2

Comments:
Based on public information, there is evidence that more than one whistleblowing channel is available to all employees, in all geographies. All business units have Ethics Advisors and the Ethics Line is available to all employees, from anywhere in the company, as well as external individuals.

References:
Public:
Ethical Business Conduct Guidelines, p.2:
‘Management
Feel free to approach your supervisor or manager with whatever ethical concern or question you might have. Your management might refer you to another resource, but under most circumstances they should be your first point of contact.
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The Boeing Ethics Line
The Boeing Ethics Line is also available to help you with your ethics questions and to enable you to report concerns you might have about possible misconduct.
Phone: 1-888-970-7171
Mail code: 14-14
TDD/TTY: 1-800-617-3384
E-mail: ethicsline.ethics@boeing.com’.
Company website: Ethics

‘The Boeing Ethics Line listens to and acts on concerns expressed by employees and others about possible violations of company policies, laws, or regulations such as improper, or unethical business practices, and health, safety, and environmental issues. Employees are encouraged to communicate their concerns, as well as ask questions about ethical issues. The Ethics Line is available to all Boeing employees, in all payrolls, from anywhere in the company, including subsidiaries. It is also available to concerned individuals outside the company.

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Ethics Advisors

Each Boeing Business Unit has an Ethics Executive and Ethics Advisors assigned to provide guidance and answer questions regarding proper behavior in the workplace, business ethics issues, and the Boeing Values’.

http://www.boeing.com/boeing/companyoffices/aboutus/ethics/hotline.page?
A33(b):
Does the company have formal and comprehensive mechanisms to assure itself that whistleblowing by employees is not deterred, and that whistleblowers are treated supportively?

Score:

1

Comments:
Based on public information, there is some evidence of company efforts to ensure whistleblowing is not deterred. Multiple statements encourage employees to report ethical issues and state that retaliation will not be tolerated. The company therefore scores 1. To score higher the company would need to provide evidence of detailed analysis of whistleblowing data or independent employee surveys.

References:
Public:
Ethical Business Conduct Guidelines, preface:
Message from the CEO and Chairman
‘We commit to you that Boeing will celebrate the courage of people who point out existing or potential ethical problems, and that we will not tolerate retaliation against people who raise legitimate ethical concerns’.

(p.8): ‘Retaliation against employees who raise genuine concerns will not be tolerated. Retaliation against any employee is cause for appropriate corrective action, up to and including dismissal’

(p.9): ‘Something doesn’t feel right to me, but I don’t feel comfortable approaching my manager. Can an Ethics Advisor really help? Yes. An Ethics Advisor can listen to your concerns and suggest approaches to resolving the issues. You can also call the Boeing Ethics Line. Trust your sense of integrity; if something doesn’t feel right, you should seek guidance.

Will I get into trouble with my manager if I call an Ethics Advisor about an ethics issue?
No. Boeing employees have a responsibility to express concerns about ethical issues and to report any suspected violations. The company will not tolerate retaliation against
employees who properly use company reporting mechanisms.

What is meant by an open and honest culture?

An open and honest culture is one in which all employees feel free to share opinions and perceptions in a professional manner in order to resolve issues. It is one in which management listens to these concerns and does not retaliate against those who raise them. This does not give permission to disclose confidential Boeing, supplier, customer, or competition-sensitive information.

The Guidelines state that “retaliation against employees who raise genuine concerns will not be tolerated.” How does the company protect employees who come forward with ethical issues?

Boeing Business Process Instruction (BPI)-3751, “Process to Identify and Monitor to Prevent Retaliation,” establishes guidelines on identifying and monitoring for retaliation employees who bring forth potentially significant violations. Boeing investigates all allegations of retaliation and takes appropriate corrective action whenever such investigations conclude that retaliation has occurred.’

Boeing Code of Conduct (January 2012)

‘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.’

A34:
Does the company have well-publicised resources available to all employees where help and advice can be sought on corruption-related issues?

Score:
2

Comments:
Based on public information, there is evidence that the company has well-publicised resources available to all employees, where advice can be sought on corruption-related issues. These resources include supervisors, managers, ethics advisors, and the Ethics Line.

References:
Public:
Ethical Business Conduct Guidelines, p.10:
‘Where to go for help
If you have questions after reading the appropriate section in this booklet, there are several other sources you may contact for help. The company expects all employees and others who support the work of The Boeing Company to ask questions, seek guidance, express concerns, and report any suspected violations of the established standards of business conduct. The company will not tolerate retaliation against employees who use the resources of the Ethics and Business Conduct program for reporting ethical concerns.

Management
Feel free to approach your supervisor or manager with whatever ethical concern or question you might have. Your management might refer you to another resource, but under most circumstances they should be your first point of contact.

Ethics Advisors
Ethics Advisors are Boeing employees who serve as independent counselors. They have access to top management and are well versed in Boeing values and the Boeing Ethical Business Conduct policy and related procedures. They are responsible for advising Boeing employees on matters of ethical concern and for helping them to resolve ethical dilemmas. Names and telephone numbers of Ethics Advisors are listed on the Boeing Web at http://ethics.whq.boeing.com/needa.html.

The Boeing Ethics Line
The Boeing Ethics Line is also available to help you with your ethics questions and to enable
you to report concerns you might have about possible misconduct.

Phone: 1-888-970-7171
Mail code: 14-14
TDD/TTY: 1-800-617-3384
E-mail: ethicsline.ethics@boeing.com

The Ethics and Business Conduct home page

You can access this page at http://ethics.whq.boeing.com/. You’ll find useful information about the Boeing Ethics and Business Conduct program. Included are the summaries and full texts of the Boeing Ethics procedures, a listing of the Ethics Advisors, and a Conflict of Interest Determination form.’
A35:
Is there a commitment to non-retaliation for bona fide reporting of corruption?

Score:
2

Comments:
Based on public information, there is evidence that the company has a commitment to non-retaliation for bona fide reporting of corruption. Evidence suggests that disciplinary measures are applied to employees who breach this policy.

References:
Public:
Ethical Business Conduct Guidelines, preface:
Message from the CEO and Chairman
‘We commit to you that Boeing will celebrate the courage of people who point out existing or potential ethical problems, and that we will not tolerate retaliation against people who raise legitimate ethical concerns’.

(p.5): ‘Retaliation against employees who raise genuine concerns will not be tolerated.’

(p.8): ‘Retaliation against employees who raise genuine concerns will not be tolerated. Retaliation against any employee is cause for appropriate corrective action, up to and including dismissal’

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Information Sources:

Company website:
www.boeing.com

Code of Conduct (January 2012):

Ethical Business Conduct Guidelines: