

PRO-3
Issue Date
February 6, 2007

Ethics and Business Conduct Program

Purpose/Summary

This procedure provides an overview of the Boeing Ethics and Business Conduct program and employees' responsibilities. It establishes the company's ethics and business conduct education requirements and gives information on how employees can resolve business ethics concerns. This procedure applies to all employees of The Boeing Company, including subsidiaries, contingent labor, consultants and others acting for the company unless otherwise approved by the vice president of Ethics and Business Conduct.

Supersedes

April 2, 2004

Applies To

All Boeing

Maintained By

Vice President of Ethics and Business Conduct

Authority Reference

Policy [POL-2](#), "Ethical Business Conduct"

Approved By

Martha Ries
Vice President, Ethics and Business Conduct

Summary of Changes to the Title Page

The Issue Date and Supersedes date have changed. In addition, new responsibilities have been added for the Ethics and Business Conduct Committee in Section 4.F.

1. Introduction

Boeing's stated values, Policy [POL-2](#), "Ethical Business Conduct," and related procedures [PRO-3](#) through [PRO-12](#) and the Boeing Code of Conduct constitute Boeing standards of conduct.

2. Company Commitment

The company is committed to fostering an environment where integrity is valued and is the foundation for all decisions. The company will maintain a culture that encourages open and honest communication where employees appreciate and understand the importance of complying with policies and procedures and demonstrating ethical behavior in all that we do.

3. Requirements

- A. Employees of The Boeing Company are expected to know and comply with Boeing policies and procedures. The Ethics and Business Conduct program is in place to foster a culture where only legal, proper and ethical behavior will take place. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities.
- B. Employees are encouraged to address questions or concerns with management. Employees may also direct questions or concerns regarding Boeing standards of conduct to Ethics Advisors.
- C. 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.
- D. Violations of Boeing standards of conduct are cause for appropriate corrective action.
- E. Ethics Education Programs

1. Companywide ethics and business conduct education programs are designed to ensure that all employees have an awareness of the standards of conduct and the ramifications of unethical behavior.
2. All employees participate in a formal ethics awareness training session at least once a year.
3. Newly hired employees receive an ethics orientation.
4. The Boeing Leadership Center includes a focus on ethics and compliance issues in their management programs.

F. Publicity and Communication

1. Ethics and business conduct guidelines are available to all employees and the public.
2. Management communicates ethics and business conduct expectations all employees.
3. The Ethics Line telephone number is published on internal and external web sites and other communication media.

G. Ethics Process

1. Reported allegations are reviewed and investigated in a timely manner.
2. Appropriate management is advised of investigation findings and recommended corrective actions.
3. A database system is maintained to ensure all information relative to investigations are maintained for a period of three years. .
4. When appropriate, investigation results and corrective actions are communicated to employees who report concerns.
5. Measures are taken to maintain confidentiality and protect anonymity.

H. Corrective Action

1. Appropriate corrective action will be imposed for conduct deemed to be a violation of Boeing standards of conduct.

4. Responsibilities

A. Employees

1. Each employee is responsible for the company's commitment to integrity.
2. Comply with the Boeing standards of conduct
3. Prompt reporting of any illegal or unethical conduct.
4. Request for a conflict of interest determination for any activity or personal interest that might interfere with the employee's objectivity in performing company duties and responsibilities.

B. Managers

1. Promote the Boeing values and Code of Conduct, and comply with the companywide standards of conduct required of all employees. This includes knowledge of the resources available to assist them and their employees in resolving questions or concerns.
2. Create a work environment that encourages open communication and disclosure regarding ethics, business conduct, and legal issues and concerns.
3. Take appropriate and timely corrective action for conduct in violation of this procedure in consultation with the Global Staffing organization. Refer to Procedure [PRO-1909](#), "Administration of Employee Corrective Action."

C. Senior Executive of Business Units

1. Overall responsibility for compliance with the standards of conduct and applicable laws within their respective Business Unit.
2. Support implementation of the Ethics and Business Conduct program in the Business Unit.
3. Participate with the vice president of Ethics and Business Conduct in the selection of a Business Unit Ethics Executive.
4. Ensure that Business Unit members participate in annual ethics training.
5. Establish the expectation that appropriate corrective action is taken when there have been violations of the company's standards of conduct.

D. Ethics and Business Conduct Program

1. Issue procedures and establish companywide processes to assist employees in obtaining guidance, resolving questions, expressing concerns, and reporting suspected violations of the standards of conduct and the law.

2. Establish companywide criteria for ethics education and awareness programs.
3. Coordinate initiatives that foster a culture of open and honest communication.
4. Provide advice to employee questions about ethical conduct and compliance.
5. Provide confidential assistance to callers reporting suspected misconduct, collect information, assign matters for investigation and recommend corrective action when appropriate.
6. Adhere to the Federal Sentencing Guidelines and Defense Industry Initiative principles.
7. Provide visibility of the effectiveness of the Boeing Ethics program.

E. Internal Audit

1. Provide appropriate auditing and evaluation of systems and processes that monitor compliance with company policies and procedures and legal obligations.
2. Conduct assessments and report annually to the vice president of Ethics and Business Conduct on (1) the status of monitoring activities in the company to ensure compliance with company procedures and legal obligations, and (2) whether the company's Ethics and Business Conduct program and related compliance activities meet the criteria established in the Federal Sentencing Guidelines for an effective program to prevent and detect violations of law.

F. Ethics and Business Conduct Committee

1. Responsible for ensuring that appropriate policies and procedures exist to help employees comply with Boeing expectations of ethical business conduct.
2. Consists of key members of the Executive Council and the vice president of Ethics and Business Conduct, who heads the Committee. The senior vice president of OIG, or designee, serves as the secretary.
3. The Committee meets quarterly