

GLOBAL ENGAGEMENT SUMMARY

For nearly 100 years, Boeing has been **innovating** to meet the needs of an ever-changing, fast-paced, worldwide environment. Our understanding of how to best **connect and support people, businesses and communities** has been paramount to our ability to operate and **create value** in, and for, almost every region of the world.

Creating shared value is what we do every day. We welcome you to experience Boeing.

EMPOWER

Encouraging every generation of leaders to innovate — in our company, our industries and around the globe.

Learn more: Vision, Community Engagement, Diversity, Military and Veterans.



FEATURE STORIES

Golden Experience

A Boeing-funded MBA and five years of experience as a mechanic have been "like gold" for Wayne Price, a manager on the 767 program.

His first job at Boeing, as a structures mechanic on the 777 program, was a good fit for his skills. He already had a bachelor's degree in business, which helped him land that first role at Boeing. But he wanted to learn more about the business.

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Boeing has invested more than \$1 billion in employees' college tuition, books and fees for degrees and professional certificate programs and individual courses.

So in 2010, when he transitioned to his current position in compliance, Price began work on his master's degree in business administration from the City University of Seattle — with tuition help from Boeing's Learning Together Program.

Price believes that his experience as a mechanic — combined with an MBA — empowers him as a product integration manager on the 767 program in Everett, Wash.



Wayne Price, a manager on the 767 program, is shown on graduation day with his daughter.

"Education can help you compete with others who have more experience. It helps you stay competitive for positions, even at a younger age," Price said.

More Than a Paycheck

Brian Eisenbeis had a passion for things that fly. Eisenbeis discovered Boeing at a career fair.

In 2006, he was selected for a Boeing internship. As a young engineering intern, Eisenbeis signed up for Boeing's Voluntary Investment Plan, or VIP, a 401(k) plan, which enables employees to save for retirement on a pretax and after-tax basis. Today, Eisenbeis is an aerodynamics engineer with Product Development in Boeing Commercial Airplanes. And he's still contributing to the VIP and taking advantage of other benefits from Boeing's total compensation package.

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Last year, the company invested \$23.6 billion in total compensation for employees, including pay, incentives, benefits and well-being programs, according to Boeing financial data.

Total compensation at Boeing generally falls into those four major categories.

Boeing offers a comprehensive, market-leading benefits program that adds significant value to the total compensation package. These benefits include medical, dental, vision and prescription drug coverage, life and accident insurance, short- and long-term disability plans, and retirement benefits.



Brian Eisenbeis at the Bomarc building in Everett, Wash.

Boeing Well Being offers a number of services, including Family Care Resources, the Employee Assistance Program, Health Screening and Assessment, Boeing on the Move, and financial planning services.

Hire Purpose

As a diversity recruiter, La'Tonja Hunter has an opportunity to help shape the current and future workforce of Boeing, and make an impact on the company's bottom line.

Hunter recently met a manufacturing engineer at a smaller career fair in Seattle who was on the fence about attending a National Society of Black Engineers conference. She let him know that Boeing would be recruiting at the event and that hiring managers would be there to perform interviews.

He attended, interviewed, and received an offer from Boeing. He later emailed Hunter, noting that he wouldn't be in his current position without her encouragement.

Growing up in the Beacon Hill neighborhood of Seattle, Hunter could look out and see Boeing Field and remembers being fascinated with the many different airplanes arriving and departing.

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"It's exciting to know I am now working for Boeing, a global company with great influence, and I'm part of an organization that is responsible for attracting and recruiting talented men and women to our company – because they are our future," Hunter said.



La'Tonia Hunter at a recruiting event for Boeing.

Instructional CEOs: Boeing Helping Students by Developing School Leaders

Leadership matters — it matters in business, it matters in government. And it matters in schools, especially when it comes to educating students about science, technology, engineering and math (STEM).

Boeing supports and partners with New Leaders, the New Teacher Center, and the National Governors Association to highlight the link between quality teachers and school leaders and advancing the future workforce in STEM careers.

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Schools led by graduates of the New Leaders programs achieve at higher levels and have higher graduation rates than their peers, and many are on track to close achievement gaps in subjects such as math and reading.

"At Boeing, we look at the development of these skills through a STEM lens because as an engineering company, that is the most authentic perspective for us," said Deepa Gupta, director of Education Initiatives and Strategy for Boeing Global Corporate Citizenship. "But the main goal of our efforts is to improve both what and how students learn and ensure educators can create the settings in which students can learn and practice the skills essential to success — critical thinking, creativity, communications and collaboration."



Deepa Gupta, director of Education Initiatives and Strategy for Boeing Global Corporate Citizenship, illustrates the importance of 21st-century skills.

SNAPSHOTS

hrough a multiyear strategic investment grant to The Mission Continues,
Boeing will support 90 fellowships for veterans returning to civilian life that will
establish them as future service leaders, beginning in 2013 through 2015.

Having diverse employees, business partners and community relationships is vital to creating advanced aerospace products and services.

Working with the IDEP Selara Alam Foundation in Bali, Boeing is helping to equip local farmers with the knowledge and tools they need to grow organic foods and improve their quality of life.

Since 2008, Boeing has supported more than 1,100 FIRST Teams with funding and active participation from employee volunteers. **Watch Video** >

PARTNER

Boeing's global network of employees and suppliers provides unparalleled opportunities to meet the needs of our industry, customers and communities.

Learn more: Boeing International, Education, Government Operations, Suppliers

Estimated cost Boeing spends with suppliers around the globe

BOEING has 11 research and development centers around the world

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GLOBALLY

Boeing supports hundreds and thousands of jobs at Boeing and with its suppliers

Boeing subcontracted to small minority and womanowned businesses in 2013

FEATURE STORIES

Boeing Proves Big in China

China Eastern Airlines celebrated the delivery of the 1,000th Boeing airplane to China, one of the world's most dynamic markets for commercial airplanes.

With more than 1.3 billion people, China has one of the fastest-growing economies and an expanding middle class looking to travel. To meet that need, Boeing forecasts China will need 6,020 new airplanes over the next two decades, accounting for 17 percent of worldwide demand for new airplanes, totaling a staggering \$870 billion.

"We're pleased to be part of this historic delivery for Boeing and China," said Tang Bing, vice president of China Eastern Airlines. "We look forward to working with Boeing to leverage the reliability, comfort, economics and good environmental performance of Boeing airplanes and bring more value to our customers."

> China is a significant partner with Boeing in many areas - and the relationship is growing.

Chinese suppliers contribute parts and components to every current commercial airplane model we make, including the 737, 747, 767, 777 and 787. Today, more than 8,000 of our airplanes operating throughout the world use major parts and assemblies from China.



Boeing delivers its 1,000th Boeing airplane to China.

Dutch Collaboration

The Netherlands has been a pioneer in aviation for more than a century, and Boeing has long been part of that Dutch journey.

The country's air force was the first international customer for the AH-64D Apache combat helicopter. KLM Royal Dutch Airlines — part of the Air France–KLM Group and one of the world's oldest international airlines — has been flying Boeing airplanes since the early 1930s.

With offices in Amsterdam, Boeing spends more than \$100 million annually with Dutch suppliers. During the past 10 years, Boeing and its supply chain have undertaken more than 300 projects with 80 Dutch companies.

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"As Boeing expands its international footprint, the Netherlands is helping us develop new, creative partnering models," said Matt Ganz, president, Boeing Germany and Northern Europe.

In 2009, Boeing, with Dutch industry and the University of Twente, opened the ThermoPlastic Composite Research Center to advance the search for new carbon-fiber materials. Boeing Research & Technology–Europe is involved in a number of local partnerships, including an ongoing cooperative agreement to improve air traffic operations in the Netherlands.



During the Cold War, the Royal Netherlands Air Force was in command of F-15A Eagles flown by the 32nd Tactical Fighter Squadron.

Boeing also is helping to advance education in the Netherlands by supporting hands-on learning through programs like the Lego Solar Race car competition and hosting interns from the Netherlands, with many coming from the Technical University of Delft.

Teaming in Brazil to Develop Aerospace Technologies

The new Boeing Research & Technology-Brazil (BR&T-Brazil) center is focused on sustainable aviation biofuel development, advanced air traffic management, remote sensing, advanced metals and bio-materials, and support and services technologies.

The center is located in the São José dos Campos Technology Park.

"As part of Boeing's long-term commitment to Brazil, Boeing Research & Technology–Brazil will focus on collaborative R&D that will benefit Brazilian companies and the people of Brazil, while supporting Boeing's technology development goals," Donna Hrinak, president of Boeing Brazil and Boeing Latin America.

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The new facility is Boeing's sixth advanced research **center** outside of the United States, joining centers in Europe, Australia, India, China and Russia.

The center's staff will initially conduct and coordinate ongoing projects with the Federal University of Minas Gerais (UFMG) and University of São Paulo (USP), companies such as Embraer and Brazil's Department of Aerospace Science and Technology (DCTA) and National Institute for Space Research (INPE).



The joint biofuels research effort in Brazil announced by Boeing and Embraer also will include further work with GOL, a Brazilian airline.

Boeing Mentors Through NASA Mentor-Protégé Program

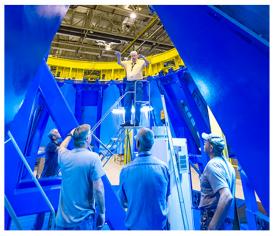
Boeing helps small businesses by partnering with companies like AMRO Fabricating Corp., based in El Monte, Calif., through NASA's Mentor-Protégé Program.

The NASA Mentor-Protégé Program pairs large and small businesses to enhance capabilities and enable them to compete for larger, more complex prime contract and subcontract awards.

During 2013, Boeing subcontracted approximately \$5 billion to small, minority- and woman-owned businesses.

The focus of Boeing's collaboration with AMRO is NASA's Space Launch System (SLS), the next-generation heavy-lift launch vehicle for deep-space exploration. We are sharing Lean+ manufacturing practices with AMRO, which provides aluminum alloy panels for SLS, and helping with marketing and business development, management development and supply-chain management.

"In the 36 years of AMRO's history, this Mentor-Protégé Program is certainly one of the most valuable partnership opportunities we've engaged in, and we're excited to be part of it," said Aquilina Hutton, AMRO's owner.



Boeing teams mentor AMRO through the NASA Mentor-Protégé Program

AMRO is a certified small, minority- and woman-owned manufacturing company, specializing in the manufacturing of lightweight metallic structures for demanding environments on missiles, launch vehicles and spacecraft.

SNAPSHOTS

affordability.

In 2013, Boeing honored 16 suppliers who focus on quality, delivery, support and Working with the University of Aizu in Japan, Boeing is helping the university offer the first cybersecurity course in the region.

leading universities now concluding its second year — recently saw four college and business partners as well as local economies. Watch Video student teams collaborate across multiple time zones to create unmanned aerial

AerosPACE — an engineering/education collaboration between Boeing and four Around the world, Boeing is developing partnerships that benefit its customers

INNOVATE

Boeing is innovating by delivering advanced technologies and constantly re-examining our capabilities and processes to ensure that our company is as strong and vital as our heritage.

Learn more: Environment Report, Beyond Earth, History, Build Something Better

40%

REDUCTION

in operational noise footprint in the 737 MAX that incorporates the latest quiet engine technology

20%

REDUCTION

in fuel consumption and CO₂ emissions in our new airplanes

13,000+

Boeing patents held worldwide, named No. 1 aerospace and defense innovator in 2014 by The Patent Board

5 YEARS

Goal of zero growth in greenhouse gas emissions, water use, hazardous-waste generation and solid waste sent to landfills even as we increase production rates over that same period

FEATURE STORIES

World's First All-electric Satellites on Track for Delivery

Boeing is on track to deliver the world's first all-electric propulsion satellites in early 2015, as we have met key production milestones on our initial 702SP (small platform) satellites.

We recently completed thermal testing activities for the 702SP inaugural customers ABS and Eutelsat, with the spacecraft scheduled to be launched as a pair in a stacked configuration. The initial contract was signed in 2012 between Boeing and Satmex. Eutelsat acquired Satmex in January 2014.

"We will be first to launch a commercial all-electric satellite, providing customers new flexibility and next-generation technology for increased performance," said Craig Cooning, president of Boeing Network & Space Systems.

The all-electric propulsion design gives customers more affordable launch options and the ability to nearly double payload capacity.

Boeing is building two pairs of 702SP satellites under a joint four-satellite agreement with ABS and Eutelsat. Boeing employees designed the two satellites to be in a lighter-weight, "stacked" configuration, allowing two satellites to be launched together on a smaller rocket. This represents a cost savings for customers, along with environmental advantages.



Boeing recently completed static qualification testing, verification and assembly of the primary structures for 702SP.

Phantom Eye Takes Huge Step Forward

Boeing's Phantom Eye has received experimental status from the US Air Force 412th Operations Group based on the recommendation of officials at NASA's Dryden Flight Research Center.

The designation is for the liquid hydrogen-fueled, high-altitude long-endurance (HALE) unmanned aircraft system (UAS), which is a prodigy of sorts, having earned it after completing just six successful test flights.

"Graduating from unproven to experimental status is crucial to Phantom Eye successfully reaching its testing goals this year, so we can bring this capability to the market," said Phantom Eye program manager Brad Shaw. "Meeting NASA's stringent safety criteria in six flights is reflective of its confidence in the Phantom Eye team's hard work and dedication in maturing our system to this point."

No other system holds the promise of offering on-demand, persistent intelligence, surveillance and reconnaissance, communications, and Earth-sensing technology to any region in the world, at a very affordable cost.



Boeing's Phantom Eve takes off during a test flight.

Phantom Works' Advanced Boeing Military Aircraft team is preparing for more Phantom Eye test flights designed to achieve the program's intended goal of more than 60,000 feet (18,288 meters) in altitude, while also increasing endurance with each flight. The Phantom Eye demonstrator is designed to stay airborne longer than any other unmanned HALE aircraft currently in production.

Human Factor

By the time Emily Howard was 12 years old, she knew she wanted to become a psychologist.

In college, she discovered the quickly growing field of engineering psychology, often referred to as "human factors." A perceptive professor, aware of a lack of women in aerospace, convinced Howard that the diversity she would bring to this field could be a challenge, but would ultimately prove to be an advantage for her

"I was always fascinated by why people would behave the way they did," she explained. "I also knew I wanted to help people."

Howard had found her calling. She was recruited by Boeing heritage company Rockwell International and worked up the engineering ranks into the Boeing Technical Fellowship, which she now leads as the company's first chairwoman.

Aerospace human factors is a critical part of Boeing's technology mix. Among other advantages, the field fuses the principles of engineering and psychology to make sure that pilots effectively interact with flight systems. Specialists such as Howard are involved in the analysis and design of platforms, as well as the study
Senior Technical Fellow Emily Howard reviews data with Linhcat Nguyen of factors affecting aviator performance. Howard's innovative contribution has been to translate this discipline to apply to a broad range of products and



A Sorted Experience

Partnering with airline customers is a vital piece of Boeing's effort to improve its environmental performance while growing business at the same time.

So we work closely with customers like Alaska Airlines to improve efficiency and reduce fuel consumption.

"Boeing has been very supportive to its airline customers and has helped with policy issues and driving initiatives like biofuels," said Jacqueline Drumheller, sustainability manager for Alaska Airlines. "When it comes to things like reducing emissions and conserving fuel, we rely on Boeing to help us with that and collaborate, for example in the arena of biofuels. We couldn't do it by ourselves."

> Alaska is proudly the only US-based carrier to recycle on all of its flights.

Alaska Airlines uses more than a million gallons of jet fuel every day to operate its

"Fuel consumption represents anywhere from 35 to 50 percent of our total costs," Drumheller said. "Even a 1 or 2 percent improvement in fuel efficiency is going to save us 10 million gallons (38 million liters) over the course of a year, which is around \$30 to \$40 million at today's prices."



Learning how items are recycled, Boeing employees helped sort items at the LSG Sky Chefs' facility, which processes items from Alaska's flights.

SNAPSHOTS

United States, Europe, China, Japan, Middle East, Southeast Asia, Brazil, southern Africa, and Australia.

n 2013, our Spectrolab set a new world record by producing a solar cell that converted 38.8 percent of solar energy into electricity.

We have active biofuel development projects on six continents, including in the The first test flight of NASA's Space Launch System in 2017 will lead to critical heavy-lift launch capability that will enable human exploration beyond Earth orbit.

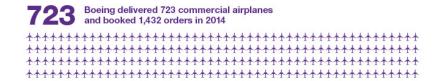
> Bringing innovations from its airplane assembly lines to GPS production, Boeing is helping to make GPS service available wherever, whenever it is needed. Watch

PERFORM

Boeing is a global, principled organization with core strengths in innovation, productivity and disciplined execution. Guided by integrity, our strong operational performance allows us to succeed in our business and for our stakeholders.

Learn more: 2013 Annual Report, Corporate Governance, Employee Safety, Ethics & Compliance

58.2% of our revenues in 2014 came from non-US customers



NEW NET ORDERS

Boeing added \$152 billion in net new orders in 2014, expanding our record company backlog to \$502 billion - more than 5 times current annual revenues

FEATURE STORIES

Safety First: Going for Zero

'Go for Zero' aims to reduce workplace injuries as Boeing builds a robust safety culture.

Thanks to a new tool, climbing on the exterior sections of a 747 fuselage in the Everett, Wash., factory is not only easier but safer for John Hopp and other mechanics.

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"Each of us has a role in creating a safer workplace," Hopp said. "My teammates are watching out for my safety, and I'm doing the same thing for them."

The new 747 fuselage tool is but one example of workplace safety improvements and changing attitudes about safety across Boeing since last year's launch of Go for Zero — One Day at a Time. The companywide safety-enhancement effort aims to eliminate workplace injuries.

Leaders say the effort helped drive down employee injuries that led to missed work to a record low in 2013. Now we are significantly raising the goal and aiming to reduce injuries 25 percent every year.



Boeing Fabrication's Bobby McDonald (from left), Melanie Faulkner, Tony Hamilton and Jennifer Cameron are part of a team that conducts "listening tours" among shop-floor workers at the Frederickson and Auburn, Wash., factories to gather direct input on safety issues.

More for Less

Inside the fuselage of a 737-900ER (Extended Range) on the Renton, Wash., assembly line, Boeing technical designer James Pounds watched as a mechanic prepared to make the first installation of a redesigned part for the airplane's ventilation system.

He was part of an initial brainstorming group that began as an effort by the 737 Environmental Control Systems team to find a way to reduce cost and weight on the best-selling airplane. Working with longtime supplier PECO Astronics of Portland, Ore., which makes the 737 Environmental Control Systems, a Boeing team came up with an out-of-the-box solution. What had been a three-nozzle air distribution system on the 737 will be changed to one with only two nozzles.

The result?

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Boeing expects an eventual savings of about \$4 million a year, along with a weight reduction of 26 pounds (12 kilograms) per airplane when the second phase of the project installs in

The supply chain accounts for about two-thirds the cost of Boeing products and services, so suppliers must be as vigilant as Boeing in looking for ways to reduce costs and streamline their operations, he and other Boeing leaders say.



Boeing is implementing a lighter, simpler air distribution system in the 737 cabin.

Adding Up Gains Savings

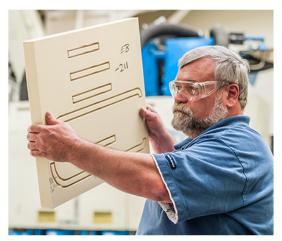
An easy-to-use calculator now ensures a precise amount of material is ordered to manufacture a Boeing part.

Before the calculator was part of the process for ordering raw material, a full sheet of composite material would be designated for an aircraft part that might only require a fraction of that amount.

"The former process would include leftover material and created unneeded inventory," said Greg Moser, manufacturing engineer. Ordering the right amount of material is a critical step in reducing waste and cutting costs.

"What we do is reflect what's consumed in the building of the part, not the finished product," said Brett Price, a manufacturing engineer who designed the calculator. "The calculator helps engineers order the right amount of

Moser estimates in the past two years the calculator has helped Boeing's South Carolina site reduce the amount of composite material ordered by 37 percent, or 44,000 pounds (20,000 kilograms), adding up to \$1.1 million in avoided costs.



Brett Price inspects cuttings to a section of foam.

To help create this more efficient process, Moser and his teammates turned to the calculator, a best practice first developed at the interior parts fabrication facility in Everett, Wash

Increasing Quality and Time Efficiency

Many of Phantom Works' Immersive Development (ImDev) capabilities are being applied to different programs across the Boeing enterprise.

Travis Durand, director of Engineering for Boeing Military Aircraft, utilized capabilities such as 3-D printing when he was chief engineer on the F-15 program.

"This was a complete redesign from the ground up," he said. "Every single part was redesigned, put into 3-D models, and integrated with the use of these tools."

The result was a lot of savings not only in terms of shop hours coming off the assembly time but also in terms of the whole back office, including the supply chain.

The team says it spent fewer hours and had better-quality products all the way with the use of this environment and these tools.

"ImDev shortens product development cycle time and therefore shortens the cost of product development, and we do that by pulling together all the stakeholders early," Dan Seal, ImDev program manager said. "When you do that, you get first-time quality, reduced cycle time and reduced cost. It's an important step in our efforts to break the development cost curve."



A team analyzes a model in the Mission Systems lab.

SNAPSHOTS

Boeing will nearly triple its footprint near Charleston International Airport with a new 230,000-square-foot (21,370-square-meter) facility to apply customer liveries, or paint jobs, to 787 Dreamliners, expected to open in 2016.

Through Go for Zero — One Day at a Time, a companywide safety enhancement — Jim McNerney, Boeing chairman and chief executive officer effort, Boeing is aiming to reduce injuries by 25 percent every year.

"Integrity is foundational to The Boeing Company. Our employees renew annually their commitment to fair dealings in all transactions and interactions, and to compliance with laws, rules and regulations, avoiding even the perception of conflict of interest or personal gain."

In October 2014, Boeing broke ground for its new 777X 1-million-square-foot (92,900-square-meter) Composite Wing Center at the Everett, Wash., campus, allowing for an accelerated start to construction. Watch Video