APPROACH TO TAXES

Tax plays a significant role in achieving Boeing’s purpose to protect, connect and explore the world and beyond - safely and sustainably. Our approach to tax aligns with the enterprise’s goal to build trust and drive long-term economic, social and environmental value as described in this disclosure.

Boeing’s global tax policies are applied consistently in all jurisdictions where we do business. Boeing’s tax function is responsible for maintaining the highest compliance standards, being transparent in our dealings with tax authorities and sustaining robust internal controls for risk management. Organizations have an obligation to comply with tax laws, and a responsibility to all stakeholders to meet expectations of ethical tax practices.

Tax Risk and Governance

Ethical Behaviors
Boeing engages in ethical, fair and transparent business activities. Doing our jobs with integrity is imperative for operating in alignment to our values and our Boeing Code of Conduct. Boeing’s Code of Conduct is a source of guiding principles to foster ethical decision-making, including a focus on compliance with laws, rules and regulations; confidentiality; avoiding conflicts of interest; and reporting of illegal or unethical behavior.

To ensure Boeing’s values are the foundation of our business conduct, robust processes are established. Across our company, we introduced the Seek, Speak & Listen (SS&L) habits to build stronger teams and achieve better business outcomes aligned with company values. Reinforcing our Seek, Speak & Listen habits, Boeing encourages employees to have open and candid conversations with managers and leaders at every level.

If employees are concerned about retaliation, they can speak up using the company’s confidential and anonymous reporting channels. Boeing’s robust whistleblowing process and non-retaliation policies are described in detail on our Ethics & Compliance website. Our enterprise pledge to receiving and responding to ethical issues or concerns includes financial whistleblowing.

Strategy & Oversight
Boeing pays tax where value is created and has a low tolerance for tax risk. The Boeing Vice President of Tax has overall responsibility for Boeing’s corporate tax strategy and is supported by a team of global tax professionals. Material business activities and relevant tax considerations are reported to the Vice President of Tax to ensure appropriate levels of executive review and risk assessment. Boeing’s experienced tax team collaborates with external professional advisors to deliver tax advice, file required returns, and navigate a complex regulatory environment.

Together, the Board of Directors and Vice President of Tax are committed to ensuring that our approach to taxes aligns with the Company’s values, business strategies, and long-term shareholder interests. The Vice President of Tax provides an annual update of tax results,
changes in the regulatory environment and risk mitigation strategies to the audit committee (established by the Board of Directors). Further, the Board, with an understanding of Boeing’s approach to tax risk and planning, has visibility and oversight of key tax outcomes through the quarterly earnings and financial reporting process.

Compliance and Controls
Boeing operates in compliance with both the letter and the spirit of tax laws in all countries we do business. Tax compliance is a serious and core obligation of the company. Our global team of tax professionals maintains rigorous internal controls to ensure all compliance and accounting disclosure requirements are met in a timely and accurate manner, including paying the correct amount of tax where we operate. Boeing collects and pays a range of global taxes on its products and services, including but not limited to, corporate income tax, sales and use tax, value added tax, property tax, payroll tax and withholding tax. Tax provisions are audited by Deloitte. Boeing invests in technology and training to improve quality and agility, make informed decisions and leverage best practices to promote tax efficiency and reliability.

Tax Follows Business Substance
The complexities of existing tax systems, which are relevant to Boeing’s business require careful tax consideration and planning. The organizational structures resulting from any tax planning are fundamentally driven by economic and business substance. Boeing does not participate in transactions with a principal purpose of avoiding tax. The majority of Boeing’s sales, production, development and other core activities occur in the United States. Further, the majority of the company’s Intellectual Property is held in the United States. All transactions within the organization follow the arm’s length principle.

Relationship with Tax Stakeholders
Boeing maintains an open, honest and pro-active relationship with tax authorities in the jurisdictions where we operate. We maintain full and timely disclosure of information as required by law, providing tax authorities with relevant information as part of regular filings or during the course of any review or audit. Boeing supports a corporate taxation system that encourages innovation, job growth and prevents international double tax. Boeing engages either through open and direct dialogue with law makers or via participation in industry organizations and working groups.

Updated: June 2022