

## Review of China Business and ESG Commitments

### **RESOLVED:**

Shareholders request that the Board of Directors commission and publish a third-party review within the next year (at reasonable cost, omitting proprietary information) of whether the Company's activities and expenditures related to doing business in China align with its ESG commitments. The Board of Directors should report on how it addresses the risks presented by any misaligned activities and expenditures and the Company's plans, if any, to mitigate these risks.

### **Supporting Statement:**

The Boeing Company ("Company") touts the virtues of its ESG initiatives, such as its commitment to reduce operational greenhouse gas emissions 55 percent by 2030 below 2017's, and to achieve 100 percent renewable electricity by the end of the decade, as part of commercial aviation's goal of "net zero" greenhouse gas emissions by 2050.<sup>1</sup> The Company also insists human rights are protected throughout its operations,<sup>2</sup> as outlined in its "Basic Working Conditions and Human Rights in Boeing's Supply Chain."<sup>3</sup>

But the Company's environmental promises and human rights commitments are belied by its cozy relationship with China, a country that is controlled by the dictatorial and inhumane Chinese Communist Party (CCP).<sup>4</sup>

China is the world's largest generator of greenhouse gases, emitting more than the entire U.S. and the developed world combined.<sup>5</sup> Its emissions have more than tripled over the last three decades.

And compared to many other corporations with significant operations in China, Boeing's human rights accountability measures are weak. Assessments of the potential for human trafficking or slavery are conducted internally, not by third parties.<sup>6</sup> The Company says it "does not conduct audits of suppliers to evaluate their compliance with company standards for trafficking and slavery in supply chains," and "does not verify through independent, unannounced audits." Also, the Company "does not require its suppliers to certify that the materials incorporated into the products they deliver to Boeing comply with the laws regarding slavery and human trafficking of the country or countries in which they are doing business."

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<sup>1</sup> <https://www.boeing.com/resources/boeingdotcom/principles/sustainability/sustainability-report/2023/assets/2023-Boeing-Sustainability-Report.pdf>

<sup>2</sup> <https://www.boeing.com/principles/human-rights.page>

<sup>3</sup> <https://www.boeing.com/resources/boeingdotcom/principles/sustainability/sustainability-report/2023/assets/2023-Boeing-Sustainability-Report.pdf>

<sup>4</sup> [https://www.sec.gov/Archives/edgar/data/12927/000109690623000580/nlpc\\_px14a6g.htm](https://www.sec.gov/Archives/edgar/data/12927/000109690623000580/nlpc_px14a6g.htm)

<sup>5</sup> <https://www.cnbc.com/2021/11/01/india-targets-2070-for-net-zero-emissions-china-makes-no-new-commitments.html>; <https://www.cnbc.com/2021/05/06/chinas-greenhouse-gas-emissions-exceed-us-developed-world-report.html>; <https://rhg.com/research/chinas-emissions-surpass-developed-countries/>

<sup>6</sup> <https://www.boeing.com/resources/boeingdotcom/principles/sustainability/sustainability-report/2023/assets/2023-Boeing-Sustainability-Report.pdf>

The Chinese government has an abhorrent human rights record, as evidenced by its abuses against the Muslim Uyghurs and other ethnic minorities in Xinjiang, including forced labor programs, forced sterilizations, and torture.<sup>7</sup> Chinese authorities perpetrate genocide and use emerging technologies to carry out discriminatory surveillance and ethno-racial profiling measures designed to subjugate and exploit minority populations.<sup>8</sup> Thus Boeing's advisory for employee whistleblowers to "report [workplace violations] through established channels," with the promise that "no retaliatory action will be tolerated" against them, is absurd.<sup>9</sup>

Doing business with China counters everything Boeing claims to stand for, especially with its shabby accountability measures. It is therefore critical that the Board commission and publish a third-party review that includes expertise from those who understand the dangers that China poses, to ensure the Company is not exposed to unacceptable reputational, operational and financial risk.

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<sup>7</sup> <https://www.state.gov/forced-labor-in-chinas-xinjiang-region/>; <https://www.bbc.com/news/world-asia-china-59595952>; <https://www.state.gov/wp-content/uploads/2022/07/Forced-Labor-The-Hidden-Cost-of-Chinas-Belt-and-Road-Initiative.pdf>

<sup>8</sup> [https://www.state.gov/wp-content/uploads/2022/08/22-00757-TIP-REPORT\\_072822-inaccessible.pdf](https://www.state.gov/wp-content/uploads/2022/08/22-00757-TIP-REPORT_072822-inaccessible.pdf)

<sup>9</sup> <https://www.boeing.com/principles/human-rights.page>