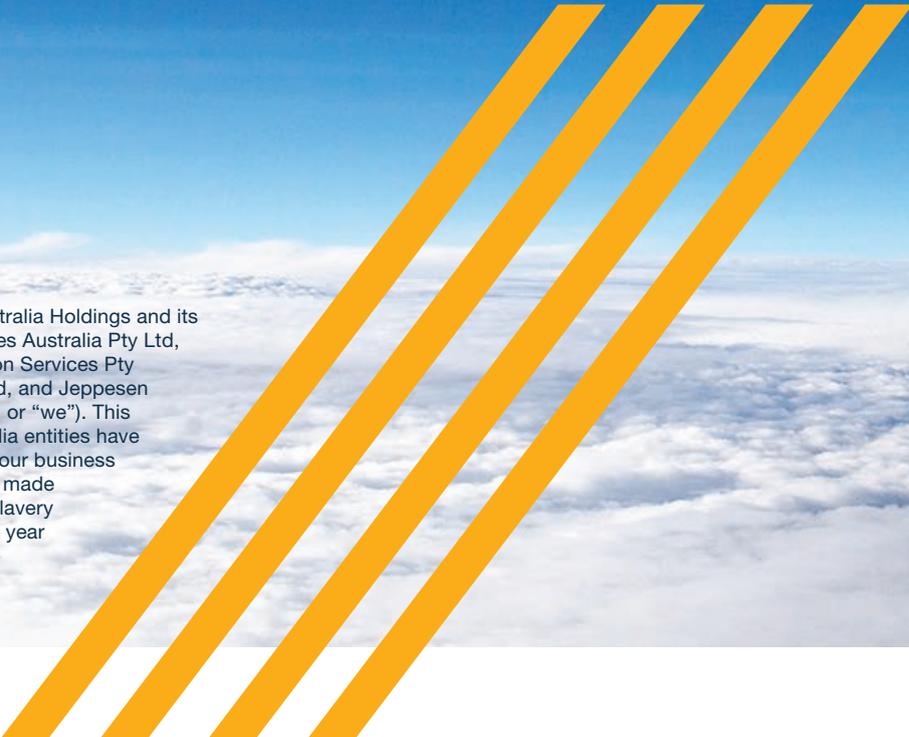




BOEING AUSTRALIA: MODERN SLAVERY STATEMENT 2020



This statement is made on behalf of Boeing Australia Holdings and its wholly owned subsidiaries: Boeing Aerostructures Australia Pty Ltd, Boeing Defence Australia Ltd, Boeing Distribution Services Pty Ltd, Aviall Australia Pty Ltd, Insitu Pacific Pty Ltd, and Jeppesen Australia Pty Ltd (collectively, "Boeing Australia" or "we"). This statement sets out the steps that Boeing Australia entities have taken to address risks of modern slavery within our business operations and supply chains. This statement is made pursuant to sections 13 and 16 of the Modern Slavery Act 2018 ("the Act") with respect to the financial year ending 30 November 2020 which aligns with the financial year of our parent company.

Our structure, operations and supply chain

Boeing Australia Holdings (ACN: 101 168 932) is a subsidiary of The Boeing Company, a multinational corporation headquartered in the United States. Despite only two of our Boeing Australia entities (Boeing Aerostructures Australia and Boeing Defence Australia) meeting the reporting entity threshold under the Act, our local leadership team has decided to establish a nationwide framework to demonstrate our commitment to addressing the Commonwealth Government's desire for modern slavery risks to be accounted for by businesses operating within the Australian economy. In a statement of our company's principles, Boeing believes that the employment relationship should be voluntary, and the terms of employment must comply with applicable laws and regulations. We are therefore opposed to slavery, human trafficking, forced labour and child labour and are committed to complying with applicable laws prohibiting such exploitation.

Boeing Australia represents the company's largest operational footprint outside the United States and the broadest portfolio of products and services in the Australian aerospace industry. With approximately 3,800 employees and a heritage stretching back more than 90 years, Boeing plays an integral role in the region's aerospace and defence industry as a leader in advanced manufacturing for commercial aeroplane components, defence systems and sustainment, training and services, research and development, and unmanned systems.

Boeing Australia is headquartered at and registered to L10, 10 Bridge Street, Sydney NSW. With employees in every state and territory excluding Tasmania, our major operating locations include:

- Brisbane, where our Boeing Defence Australia and Insitu Pacific subsidiaries are headquartered;
- Melbourne, where our Boeing Aerostructures Australia manufacturing facility resides;
- Sydney, home to Boeing Australia Holdings;
- And Royal Australian Air Force (RAAF) bases including RAAF Base Townsville, RAAF Base Williamstown, RAAF Base Edinburgh and others.

As part of the world's largest aerospace company, Boeing Australia sells, manufactures and maintains a broad portfolio of products and services for Australian aviation and defence customers. In the commercial space, this includes the manufacturing and maintenance of aeroplane components for passenger aircraft, procurement and delivery of global services including pilot training, maintenance and support services, digital (particularly navigation) solutions, and aircraft parts supply. For the defence industry, it includes

managing the complete lifecycle of defence platforms and providing platforms and networked systems to government customers in Australia, New Zealand and Southeast Asia.

In addition, Boeing Australia has a significant research and development team which partners with universities around Australia, CSIRO, the Defence Science and Technology Group (DSTG) and others to create and deliver cutting-edge technologies that advance the local Australian and global aerospace industries.

Boeing Australia has a robust supplier base in Australia as part of its commitment to building out sovereign capabilities and bringing Australian ingenuity into the global aerospace industry supply chain. The majority of our first tier suppliers are Australian companies. Our remaining first tier suppliers are located within Boeing's global supply chain, predominantly in North America and Europe, and with a limited number based in Asia and southern Africa. Products and services procured from our suppliers primarily include equipment, parts and materials to manufacture and maintain aircraft, as well as information technology, uniforms and cleaning services.

Our risk assessment

The risk of modern slavery practices in Boeing Australia's operations and first tier supply chain is low. That is because Boeing Australia, and the aerospace industry on the whole, is heavily regulated. In addition, Boeing Australia aligns to its two primary customers—our parent company (The Boeing Company) and the Commonwealth of Australia, which are subject to significant regulatory requirements and oversight.

If a modern slavery violation were to occur within our Australian operations, it would likely be within our supply chain. Whilst we judge the risk to be low, as stated earlier, it could present itself when suppliers face unrealistic cost targets or delivery timeframes, or seek to negotiate subcontracts for the cheapest possible labour or goods and services.

The majority of our first tier suppliers are based in countries with existing or impending human rights or modern slavery legislation, subjecting many of our suppliers to their own reporting requirements. Within our first tier, those suppliers more likely to pay employees or contractors a minimum wage or to employ migrant workers present the higher risk; areas that these suppliers operate in include office cleaning, uniforms, and IT hardware.

We acknowledge that potential risk could present itself several tiers down our supply chain. We will continue to assess the risk presented by these sub-suppliers as our due diligence continues to mature.

Our due diligence

In accordance with the United Nations Guiding Principles on Business and Human Rights, Boeing Australia conducts ongoing supplier due diligence to identify risks of modern slavery within our supply chain. This includes carrying out annual risk assessments of our global supply chain by matching the locations of our suppliers with the most vulnerable countries and industries listed on the Global Slavery Index.

Aligned with our parent company, The Boeing Company, we engaged a third party company, FRDM, with expertise in supply chain due diligence, to assess our first tier suppliers based on their location, industry, and any historical issues pertaining to business and human rights. In the event the due diligence identified a high-risk supplier, our Modern Slavery Compliance Officer would be notified and investigate the concern in partnership with the relevant contract or supply chain management focal to address the modern slavery risk with the supplier. At the time of publishing this document, none of our first tier suppliers have been identified as high risk.

Boeing Australia's entities have adopted and published an aligned policy which specifies our supplier due diligence procedures, acknowledges our obligations under the Act, and states Boeing Australia's commitment to conducting business according to ethical, professional and legal standards in a fair, honest and open matter. The policy was widely shared among our workforce and has been featured in internal employee communications. Like many of our other legislative obligations and ESG-related responsibilities, we have kept Boeing Australia employees abreast of modern slavery related updates and plan to train groups of employees involved in supply chain management, procurement and contracting throughout 2021.

Our effectiveness

Boeing Australia continues to refine our strategy to address risks of modern slavery in our business operations and supply chain. This has included conducting our risk assessment, reviewing and updating internal processes and policy, keeping all employees updated as to our due diligence progress in our internal communications, and investigating potential ways to enhance our procedures for addressing modern slavery risk in the coming years.

In the near term, we are working to appoint a compliance focal to specifically assess our due diligence efforts. We will continue to work with functions within Boeing Australia's business operations and with suppliers to further mature our due diligence processes to identify and address potential risk across additional tiers of our supply chain.

Our consultation

While Boeing Australia operates in various facets of the aerospace industry, our subsidiaries generally have analogous risk profiles as they each use similar materials within their products, engage similar suppliers, and create similar products. They also share much of the same functional support and are closely connected to each other. Throughout the development and implementation of Boeing Australia's modern slavery compliance and due diligence program, the managing directors of each of our entities have contributed to the project and the Board of Directors have been informed of our next steps. In addition, each entity has a modern slavery supply chain management focal to align processes and due diligence steps with the rest of the corporate group.

Our next steps

In the financial year ending 30 November 2021, we aim to:



Continue to assess and monitor the risks in our supply chain using our processes outlined above;



Implement a specific modern slavery clause in our supplier contracts, including mandating suppliers take steps to ensure against modern slavery risks within their own supply chain;



Appoint compliance focal(s) to specifically assess our effectiveness in respect of modern slavery risk and supply chain due diligence;



Continue to provide modern slavery training awareness and implementation to identified functional groups including our contracts, procurement and supply chain management employees; and



Further align our due diligence globally with Boeing entities in Canada and Europe, in addition to our existing alignment with Boeing in the United States and United Kingdom.



Board approval

This Modern Slavery Statement 2020 was approved by the Board of Directors of Boeing Australia Holdings, its responsible governing body on 10 February 2021, in accordance with the requirements of the Modern Slavery Act 2018.

BRENDAN NELSON
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BOEING AUSTRALIA, NEW ZEALAND AND SOUTH PACIFIC

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