



Boeing Australia

Modern Slavery Statement 2023



1. Introduction

Boeing Australia Holdings Pty Ltd (ACN 101 168 932) ('BAH') is a wholly owned subsidiary of The Boeing Company (NYSE: BA), a global aerospace company headquartered in the United States that develops, manufactures and services commercial airplanes, defence products and space systems for customers in more than 150 countries. The Boeing Company ('TBC') and its wholly owned subsidiaries (together, 'Boeing'), are committed to a set of core values that include transparency, integrity, accountability and respect. These values serve as guiding principles for all that we do at Boeing, while compliance, ethical behaviour, and sustainability serve as the foundation for Boeing and our supply chain. As a consequence, Boeing does not tolerate any form of modern slavery (including servitude, forced labour, exploitation, human trafficking, debt bondage, and deceptive recruiting) in its operations or supply chain. Boeing is committed to raising awareness of, and taking steps to combat modern slavery across our global footprint and expect our partners and suppliers to do the same.

This Modern Slavery Statement ('Statement') is in respect of the 12 months ended 31 December 2023 ('2023') and is made jointly on behalf of BAH and all its subsidiaries:

- Boeing Aerostructures Australia Pty Ltd (ACN 103 165 466) ('BAA')
- Boeing Defence Australia Ltd (ACN 006 678 119) ('BDA')
- Boeing Distribution Australia Pty Ltd (ACN 006 224 764) ('BDAPL')
- Insitu Pacific Pty Ltd (ACN 122 991 333) ('Insitu Pacific')
- Jeppesen Australia Pty Ltd (ACN 010 573 814) ('Jeppesen') and
- Ozrunways Pty Ltd (ACN 145 926 941) ('Ozrunways'), (collectively, 'Boeing Australia' or 'we').

BAH, BAA, BDA and Insitu Pacific qualify as reporting entities for the purposes of the Modern Slavery Act 2018 (Cth) ('Act') for 2023. With the exception of Insitu Pacific, these entities were also reporting entities in 2022. Whilst this Statement focuses primarily on the operations and supply chains of these reporting entities, it also provides information about the other Boeing Australia entities, consistent with Boeing Australia's commitment to addressing modern slavery risks as a matter of principle, irrespective of an entity's reporting status.

2. Our Structure, Operations and Supply Chain

Structure

BAH is the holding company for Boeing in Australia. It is largely a corporate services entity which employs shared group functions including communications, legal, tax, information technology, global trade controls and human resources. It operates from the corporate head office in Sydney.

Boeing's history in Australia spans almost 100 years. Boeing Australia represents one of TBC's largest operational footprints outside the United States with approximately 4,500 employees. Boeing Australia has the broadest portfolio in Australian aerospace. Its employees and an extensive supply chain support our advanced manufacturing of commercial aircraft composite components, defence services and systems design and development, modelling and simulation, research and development, training services and autonomous uncrewed systems.

Boeing Australia has employees located in every state and territory in Australia with major operations located in Melbourne, Brisbane, Sydney, Canberra, Adelaide and various defence bases throughout the country including Amberley, Darwin, Nowra, Townsville, Williamtown and Edinburgh.



Operations

BAA and BDA are wholly owned subsidiaries of BAH and the largest businesses comprising Boeing Australia.

BAA

BAA's manufacturing facility is based in Port Melbourne and currently has around 1,000 employees (with approximately 850 covered under an enterprise agreement). BAA produces flight control surfaces for Boeing commercial aircraft and is Australia's only designer and manufacturer of structural composite commercial aircraft components. BAA has developed a successful advanced manufacturing ecosystem involving hundreds of local suppliers, university research at various universities including the Royal Melbourne Institute of Technology, and the on-site support of Boeing Research and Technology-Australia engineers.

Additional capabilities at BAA's site in Fishermans Bend include design and analysis, materials and process technology, testing, structural bonding, resin infusion, non-destructive testing, automated assembly and paint.

BDA

BDA currently has around 3,200 employees (with approximately 325 covered under an enterprise agreement). Building on a foundation of successful execution of development and sustainment programs for the Australian Defence Force, BDA has forged a reputation as a trusted service provider and leader in defence aerospace innovation and growth.

From its headquarters in Brisbane and other sites across Australia, BDA provides capabilities in the areas of engineering, product support, training and maintenance and supply chain management.

Insitu Pacific

Insitu Pacific currently has around 130 employees. Insitu Pacific delivers uncrewed aerial systems to Australia and Asia and a range of defence, commercial and civil customers. The majority of Insitu Pacific's employees are located in its head office in Brisbane, which serves as a base for warehousing, logistics, engineering, production, maintenance and repairs and training. It also has two other sites in Brisbane for training.

Non-reporting entities

BDAPL, Jeppesen and Ozrunways are also wholly owned subsidiaries of Boeing. These entities do not qualify as reporting entities for the 2023 reporting period.

BDAPL is an Australian-based warehouse and distributor of aviation parts and consumables and currently has approximately 30 employees across Melbourne, Perth, Brisbane and New Zealand.

Jeppesen provides digital aviation technology solutions and flight planning software. It is largely a sales office for the main Jeppesen business based in the United States and has five employees who work remotely.

Ozrunways provides software to pilots for planning, briefing, flight plan filing and moving map navigation. It has approximately 17 employees with primary operations based in Adelaide.

Supply chain

Due to the nature of the industries in which they operate, the reporting entities cultivate long-term strategic relationships with their suppliers, which include small or medium enterprises as well as larger corporations. The goods and services procured range from commercial off-the-shelf software through to bespoke, highly technical solutions.

As shown in the table below, BAA, BDA, and Insitu Pacific recognise the importance of a reliable and local supply chain. BAA and BDA source more than 50% of their supplies (by value) from suppliers based in Australia, and Insitu Pacific sources approximately 40% of its supplies (by value) from Australian suppliers.

Suppliers are engaged through various types of arrangements, including one-off purchases under standard purchase order terms and conditions, through to high value strategic and longer-term agreements reflective of the product lifecycles and the specialist nature of many goods and services.

Each Boeing Australia entity has its own supplier management function which is responsible for sourcing goods and services. This includes the full end to end procurement lifecycle which is supported by subject matter experts within the business units and other relevant functions to ensure procured goods and services are consistent with relevant specifications, requirements and legal obligations.

Table 1: 2023 spend analysis of reporting entities

2023	Total number of tier one suppliers	Location of suppliers by % of total spend	Top categories of total spend
BAA	530	Australia - 54% USA/Canada - 17% Asia - 19% Europe - 9% India - 1%	Metallic parts - 18% Facilities and management services - 13% Composite materials - 10% Composite parts - 8% Professional Services - 8% Fasteners and standards - 4%
BDA and BAH	824	Australia - 61% USA /Canada- 35% Europe - 3% Other - 1%	Aviation maintenance, repair and overhaul - 32% Labour hire - 30% Research and development - 9% Avionics components - 8% Electrical, mechanical and hydraulic components - 6% Software - 5%
Insitu Pacific	13	USA/Canada - 55% Australia - 40% Asia - 3% Other - 2%	Aviation components - 52% Ground structures - 18% Payloads - 12%

Supplies (by value) from suppliers based in Australia



3. Risk of modern slavery practices

Boeing Australia operates in sophisticated and advanced technology industries with highly skilled workforces. While no business can definitively certify that it is free of modern slavery, Boeing Australia considers the risk that it causes, contributes to, or is

directly linked to modern slavery through its operations and supply chains to be 'low'. An assessment of the nature of the risks that may be present in the operations and supply chains of Boeing Australia is set out below.

Category of risk	Type of risk
Sector and industry risks	Risk of being directly linked to modern slavery practices through third-party suppliers of electronics, construction and fit-out services, cleaning services, clothing and merchandise, or personal protective equipment.
Product and services risk	Risk of being directly linked to modern slavery practices through labour practices of downstream raw materials suppliers or cleaning services providers. Risk of contributing to modern slavery practices through arrangements with suppliers to minimise production costs or use of contingent labour.
Geographic risks	Risk of being indirectly linked to modern slavery practices through suppliers with operations in countries with a higher prevalence of modern slavery such as India, China, and South East Asia.

4. Mitigation activities

In order to reduce the risk of modern slavery in its operations and supply chains, Boeing Australia employs a number of mitigation activities. Some of these activities are specific to the business unit, whilst others derive from controls that exist at the Boeing global enterprise level.

BOEING ENTERPRISE CONTROLS

Supplier Code of Conduct

As a wholly owned group of TBC, Boeing Australia operates under many TBC group-wide policies and procedures, including the Boeing [Supplier Code of Conduct](#) ('Supplier Code'). This Supplier Code reiterates Boeing's core values including transparency, integrity, accountability and respect. The Supplier Code sets the expectation that all suppliers adhere to the Supplier Code while they do business with Boeing, and notify Boeing of any instances where these expectations are not met. Our values serve as guiding principles for all that we do at Boeing, while compliance, ethical behaviour, and sustainability serve as the foundation for Boeing and our supply chain.

Boeing is a member of the international Forum on Business Ethical Conduct ('IFBEC'), and the Supplier Code outlines expected behaviours for all suppliers, including their employees, subcontractors and agents, building upon the voluntary model created by the IFBEC.

Code of Basic Working Conditions and Human Rights

To supplement the Supplier Code, Boeing also has a [Code of Basic Working Conditions and Human Rights](#) which represents our commitment to fundamental standards that make Boeing an exemplary workplace. The Code expresses Boeing's firm commitment to the protection and advancement of human rights in our worldwide operations and the expectation that all Boeing employees support this commitment.

This Code describes Boeing's belief that the fundamental values underlying all aspects of the employment relationship include a workplace free from discrimination and harassment, freedom of association, fair and equitable compensation, and lawful, ethical, fair and efficient supplier relationships. Boeing believes that the employment relationship should be voluntary and comply with all applicable laws and regulations. Pursuant to these core beliefs as set out in this Code, Boeing is opposed to slavery, human trafficking, forced labour and child labour and is committed to complying with applicable laws prohibiting such exploitation.

Boeing Code of Conduct

The [Boeing Code of Conduct](#) which applies to all Boeing employees, underpins a commitment to the values of safety, quality, integrity and transparency above profit, schedule or competitive edge. This Code reflects a belief that compliance and ethical behaviour are everyone's responsibility and that observing the highest ethical standards is not only the right thing to do, but is critical to long-term success. Boeing leadership encourages employees to proactively seek out issues, speak up and report concerns, and engage with transparency. Each year, all Boeing employees are required to reaffirm their commitment to complying with the Boeing Code of Conduct, which includes the obligation to promptly report any illegal, improper or unethical conduct.

Enterprise Procedure

Boeing has a formalised procedure applying to all employees and suppliers that sets out the requirements and responsibilities for managing compliance with global laws and regulations aimed at combatting human trafficking and modern slavery. Boeing respects and values human life and human rights and does not tolerate any form of human trafficking or modern slavery. This procedure requires all Boeing entities, including all Boeing employees, contractors and their employees, subcontractors and agents, to comply with all laws and regulations prohibiting all forms of modern slavery and human trafficking. The procedure stipulates that all Boeing personnel must immediately report suspected or actual human trafficking or modern slavery violations. Each year, Global Compliance conducts an annual assessment to determine compliance with the relevant controls contained in the procedure (as outlined further below).

Annual Compliance Risk Assessment

Boeing's compliance risk management ('CRM') program is designed to identify, assess, and prioritise Boeing's regulatory compliance risks and ensure that appropriate resources and mitigation measures are in place to manage them. The CRM process is overseen by TBC board's Audit Committee, led by the Chief Compliance Officer and Vice President of Corporate Audit, and is governed by the newly-integrated Compliance Risk Management and Enterprise Risk Management team. The integrated team is composed of over 30 senior leaders responsible for overseeing compliance, strategic and operational execution for the businesses and functions they manage. Under its oversight, Boeing conducts an annual assessment of its most significant compliance risks, validates the effectiveness of mitigation strategies, and seeks to ensure ongoing awareness of current and emerging risks.

One of the compliance risks within the CRM program is the Supply Chain Human Rights risk area which covers compliance with local and global laws, regulations, and customer contract requirements governing human rights in the supply chain, including prohibitions and due diligence/reporting requirements related to anti-human trafficking, modern slavery, forced labour, basic working conditions, child labour and conflict minerals.

Enterprise Wide Training

As part of the Boeing global enterprise, Boeing Australia benefits from a strong governance framework which includes Boeing-wide training on topics including anti-human trafficking, social responsibility awareness training for supply chain teams, and anti-retaliation awareness training.

Boeing's Global Compliance and Ethics function drives compliant company performance across all geographic locations, encourages integrity and transparency, and demonstrates Boeing's commitment to compliant and ethical business practices.

Ethics Hotline

Boeing has also established an [Ethics hotline](#) which allows any Boeing employee or external party (including a supplier) to raise an ethical concern or question either by phone, or online (and anonymously if preferred).



Ethics Hotline 1800 297 091

Recruitment practices

The risk that Boeing Australia causes modern slavery practices in its operations is low due to a combination of highly centralised recruitment practices, standard employment contracts (where 25% of employees are on enterprise agreements), high entry requirements and a culture of compliance and ethics where employees are held to the highest standard of conduct in the way they do their work and how they treat each other.

LOCAL BOEING AUSTRALIA CONTROLS

Modern Slavery Committee

To supplement the Boeing global enterprise measures above, Boeing Australia established the Modern Slavery Compliance Committee ('Committee') in 2019 in response to the passing of the Act. This Committee is comprised of key supply chain leaders from every business unit (including non-reporting entities) and is sponsored by the Modern Slavery Compliance Officer (currently Boeing Australia's Regional Legal Counsel). The Committee meets on a monthly basis and is responsible for driving a collaborative approach and actively engaging with business units and functions (including business unit supplier management and compliance teams) to drive awareness about modern slavery, assess and manage identified modern slavery risks, and promote modern slavery compliance across the organisation.

Quality management certifications

To complement the internal review of specific modern slavery controls undertaken by the Committee, the external quality management system audits (i.e. AS9100) of BDA, BAA, Insitu Pacific and BDAPL identify if there have been deviations from accepted supplier engagement processes. These audits will highlight if any further training or other improvements are required to ensure approved hiring and procurement practices (e.g. onboarding and due diligence) are followed consistently across those businesses. Boeing Australia employees conducting supplier site quality audits are also educated on how to identify forms of modern slavery and how to report concerns through Boeing's Ethics hotline as referenced above.

Due diligence

As part of a Boeing global enterprise-wide process, Boeing Australia has access to third-party due diligence tools for the assessment of various supply chain risks. Boeing Australia utilises a third-party supply chain risk management software tool to assess supplier risk and provide alerts if a supplier is identified as potentially or actually engaging in modern slavery practices.

The reporting entities undertake due diligence and evaluation assessments and monitor suppliers on an ongoing basis. This can include desktop evaluations, supplier questionnaires and also on-site supplier audits. Factors considered when assessing the suitability of a supplier include the supplier's industry and safety certifications, organisational structure and relationships, employment practices (e.g. turnover and training) and diversity credentials where relevant. The reporting entities also undergo regular external audits as part of maintaining their own quality management certifications.

Supplier contracts

Each of Boeing Australia's supplier management teams implement stringent procurement policies and codes of conduct (as discussed above), as well as use of standardised contracts which specifically address safety, employment conditions and compliance with applicable legislation. The standard contracts require suppliers to comply with the Supplier Code.

Training

The Modern Slavery Committee commissioned a dedicated Modern Slavery Awareness training package which was rolled out to all Boeing Australia entities in November 2023. The training package focused on how to manage the risks of modern slavery in Boeing Australia's complex global supply chains and stressed the need for a collaborative approach across Boeing Australia to combat it.

Boeing Australia is actively working to eliminate modern slavery from its supply chains to the greatest extent possible by increasing employee awareness of the issues and its common signs, contracting ethically, reporting suspicions and sharing knowledge.

5. Effectiveness of controls

The main mechanism Boeing Australia has for assessing the effectiveness of its control environment against modern slavery resides within first line business functions with oversight provided by the Committee.

If a modern slavery incident is suspected or identified, Boeing's Modern Slavery Compliance Officer would be notified and the report investigated in conjunction with the relevant supply chain focal in accordance with the Boeing Enterprise Remediation Plan ('Remediation Plan'), which is outlined further below.

Internal review

At the request of the Committee, the Compliance team conducted a review to ascertain how effectively modern slavery risk is being managed at BDA. This review focused on the effectiveness of controls in the higher risk areas of human resources and supply chain management.

This review highlighted four opportunities for improvement around strengthening controls in risk management, employee awareness, contractor management and supplier due diligence. These opportunities will be incorporated into future planning activities and will underpin Boeing Australia's modern slavery commitments moving forward.

Remediation Plan

If there is an allegation of modern slavery in Boeing Australia's supply chain, the Boeing Enterprise Remediation Plan sets out the recommended course of action to be taken. The Remediation Plan enunciates the principle that Boeing does not tolerate any form of human rights abuse in its supply chain and will take all actions necessary to investigate violation allegations and remediate substantiated allegations.

The Remediation Plan prescribes that modern slavery allegations are to be investigated by the Boeing Ethics team, Supply Chain, Corporate Investigations, Global Compliance or the Law Department as necessary.

The Remediation Plan states that if required, the relevant supply chain focal is to issue a corrective action to the relevant supplier and request the

supplier to explain how it will address the modern slavery incident. Failure to resolve the incident or possible incident to the satisfaction of Boeing's supply chain team could lead to a loss of work. Where feasible, Boeing will support the supplier in developing a human rights risk mitigation plan and Boeing's supply chain will also undertake ongoing monitoring of corrective actions.

6. Consultation process

This Statement was circulated to the Committee and supply chain focals from each of Boeing Australia's business units were provided with an opportunity to comment on the contents of the Statement.

This Statement was approved by the board of directors of the reporting entities.

7. Progress against commitments made in 2022 statement

2022 Commitment	Action
<p>Awareness and education</p> <p>Offer targeted training to procurement teams and more general education to all Boeing Australia employees.</p>	<p>Dedicated modern slavery training package commissioned and rolled out to all Boeing Australia employees.</p>
<p>Supplier due diligence</p> <p>The International Aerospace Environmental Group (IAEG) has formed a strategic partnership with EcoVadis (one of the world's largest providers of business sustainability ratings) to create a voluntary standard approach to sustainability assessment for the global aerospace and defence industry and build a more transparent and sustainable supply chain for its members. The Boeing Company was a founding member of IAEG and through The Boeing Company's Supply Chain Sustainability team is spearheading the project on behalf of Boeing's worldwide operations which is expected to deliver tools and resources to make supplier due diligence and risk assessments more robust and industry specific.</p>	<p>EcoVadis, a third-party sustainability assessment platform was implemented by BDA. All suppliers are assessed for inherent risk based on industry and location of operations.</p>
<p>Supplier engagement</p> <p>Improve supplier awareness of modern slavery, and implement more targeted and comprehensive modern slavery assessments in existing due diligence, onboarding and auditing processes.</p>	<p>BDA sent a questionnaire to its higher risk suppliers based on industry, region, product and spend. Suppliers were also uploaded to EcoVadis to further assess the inherent risk of modern slavery. The supplier audit checklist was updated to include targeted questions about modern slavery.</p> <p>BAA also sent a questionnaire to its higher risk suppliers and embedded modern slavery questions in its supplier onboarding processes.</p> <p>Insitu Pacific is in the process of implementing a questionnaire for its higher risk suppliers.</p>

8. Areas of focus in 2024

During the 2024 reporting period, Boeing Australia intends to undertake the following activities to further improve the mitigation, identification and remediation of modern slavery in its operations and supply chains:

a. BAH, BAA, BDA and Insitu Pacific will select their highest risk suppliers utilising the EcoVadis platform and undertake a deep dive to better understand the modern slavery risk associated with each of those suppliers. The deep dive will include desktop research, review of the supplier's modern slavery statement (if applicable), administration of a specific modern slavery questionnaire, review of any other modern slavery disclosures and a discussion of findings with the supplier

b. New Boeing Enterprise training will be rolled out to supply chain focals, quality and human resources teams to further educate key stakeholders about what modern slavery is, how to recognise it, and the processes that need to be followed in the event of a modern slavery allegation or incident

c. Boeing Australia will support a number of Boeing Enterprise initiatives slated for 2024 which include the deployment of an industry standard sustainability assessment throughout Boeing's supply chains, supplier acknowledgement of Boeing's Supplier Code of Conduct and expanded communications to external stakeholders.

This Modern Slavery Statement 2023 is made on behalf of Boeing Australia Holdings Pty Ltd and its subsidiaries and was approved by the board of directors of Boeing Australia Holdings Pty Ltd, on 27 June 2024, in accordance with the requirements of the Modern Slavery Act 2018 (Cth).



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