



Tax Governance & Compliance

Aligned with the Company values, we are committed to being a responsible taxpayer in every jurisdiction where we operate. Our global team of tax professionals is responsible for maintaining the highest compliance standards, being transparent in our dealings with tax authorities and sustaining robust internal controls for risk management. Boeing's approach to taxes includes a commitment to ethical business practices, tax guidance that follow business substance and our purpose of having people work together as a global enterprise for aerospace industry leadership.

For a more in-depth analysis of Boeing's approach to global tax governance and compliance, please visit [Boeing Global Tax Governance and Compliance](#).



Boeing in Brief

Boeing is the world's largest aerospace company and leading manufacturer of commercial jetliners, defence, space and security systems, and service provider of aftermarket support. The company supports airlines and both U.S. and allied government customers in more than 150 countries. Boeing products and tailored services include commercial and military aircraft, satellites, weapons, electronic and defence systems, launch systems, advanced information and communication systems, performance-based logistics and training.

Boeing is organised into three business units: Commercial Airplanes; Defense, Space & Security; and Global Services. Supporting these units is Boeing Capital Corporation, a global provider of financing solutions.

In addition, functional organisations working across the company focus on engineering and programme management; technology and development-programme execution; advanced design and manufacturing systems; safety, finance, quality and productivity improvement and information technology. Across Boeing, we're focused on keeping one another and our communities' safe as the COVID-19 pandemic reaches every corner of the globe.

Boeing in the UK

Boeing has had a presence in the United Kingdom for more than 80 years and is a significant part of the national aerospace ecosystem. Boeing directly employs 2,600 people and spends £2 billion a year in the supply chain in the UK.

This year Boeing and its employees in the UK have worked hard to serve its customers, employees and communities, and to uphold commitments to the future of our company, aviation and the Armed Forces. Besides maintaining commercial and defence fleets throughout the UK, Boeing's year has been marked by investments in suppliers, start-ups, research centres, infrastructure, charitable partners and STEM education.

Background

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 lawmakers or via participation in industry organizations and working groups.



In key markets, we support initiatives aimed at tax law modernization, tax law reform or reducing barriers to trade and business either through open and direct dialogue or via participation in trade organizations and working groups.

Boeing takes compliance with global tax requirements as a serious and core obligation of the company. Our ethical codes of conduct require all company directors, officers and employees to ensure that such obligations are met in a timely manner.

The UK Leadership Team has overall responsibility, oversight and approval for the tax strategy in the UK, and is supported by the Group Head of Tax.

This tax strategy document satisfies the requirements in Schedule 19 of the UK Finance Act 2016, in respect of our financial year ending 31 December 2021. While published in the context of the UK, it describes the global tax policies of Boeing which are applied consistently in all territories in which we do business.

Boeing's approach to taxes

Our approach to taxes is consistent in all countries in which we operate, and is summarised below for the UK:

- Ethical business practices and conduct required by all directors, officers and employees of Boeing
- Effective tax stewardship and governance to meet compliance obligations
- Attitude to tax planning and acceptable tax risk
- Developing and maintaining an open relationship with HM Revenue & Customs (HMRC)

Ethical Business Conduct

Boeing expects all directors, officers and employees to act ethically at all times and adhere to the policies comprising the Company's codes of ethical conduct. Boeing has adopted a code of ethical business conduct for directors as well as a code of conduct for all employees. There is an additional code of conduct applicable to employees in finance roles. Copies of both the employee and finance code of conduct are available at www.boeing.com/corp_gov/.

Effective tax stewardship and governance

Boeing manages its tax risks by applying effective tax governance and applying our tax control framework, making continual adjustments to be compliant with evolving tax obligations globally. In order to achieve our commercial objectives, we form active links between tax personnel and the wider business. This ensures sufficient tax knowledge and support is available for Boeing to make good business decisions. There are controls and processes in place to ensure that the businesses keep the Corporate Tax department informed of any changes or new activity/transactions so that they are fully evaluated for any tax consequences. Where appropriate, we will seek advice from external professional advisors to ensure we remain compliant with our obligations, including paying the correct amount of tax in the jurisdictions where we operate.

We aim to ensure that we are compliant in our tax filing obligations and are proactively mitigating tax risks to acceptable levels, and undertake all business activities in compliance with laws and regulations. Boeing will foster long-term sustainability in line with our core aim of realising value. We have processes and controls to ensure all new business activities are reviewed with a view to compliance by appropriate functional teams and to ensure that new legislative and other compliance developments are monitored and implemented as required.

Material tax issues or risks are elevated through the organisational structure as appropriate. At a global level, tax issues are considered at the Board/Audit Committee level as appropriate and at a country level, local tax teams will provide updates to the local boards as needed on a regular basis.



Tax planning and acceptable tax risk

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 organisation follow the arm's length principles in line with our Transfer Pricing policies and in compliance with the principles of the Transfer Pricing regulations globally as well as Organisation for Economic Co-operation and Development guidelines.

Following these Transfer Pricing regulations, Boeing ensures that appropriate market-based earnings results are reported in the other jurisdictions in which we operate.

Relationship with HMRC

Boeing maintains an open, honest and pro-active relationship with HMRC which is consistent with Boeing's global approach to Tax Authorities in jurisdictions where we operate. We maintain full and timely disclosure of information as required by law. The relationship is overseen by a team of tax experts providing HMRC with relevant information, as part of regular filings or during the course of any review or audit. Boeing and HMRC engage collaboratively with regular open dialogue, with any issues being discussed on a real time basis.¹

¹ This tax strategy covers the following UK companies and sub-groups: Boeing Defence UK Ltd., Aviation Training International Ltd., Boeing United Kingdom Ltd., Boeing Commercial Aviation Services Europe Ltd., Boeing Technical Services UK Ltd., Boeing Operations International Inc. (UK branch), Jeppesen UK Ltd., Boeing European Holdings Ltd., AerData UK Ltd., Boeing UK Training and Flight Services Holding Ltd., Boeing UK Training and Flight Services Ltd., 2d3 Ltd., Miro Technologies Ltd., Boeing Distribution UK Inc. (UK branch), Boeing Distribution Services I Ltd., Boeing Distribution Services II Ltd., Boeing Distribution Services III Ltd., Boeing Distribution Services IV Ltd.