



## Tax Governance & Compliance

Tax plays a significant role in achieving Boeing's purpose to protect, connect and explore the world and beyond – safely and sustainably. Boeing's 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 it does business. Boeing's tax function is responsible for maintaining the highest compliance standards, being transparent in dealings with tax authorities and sustaining robust internal controls for risk management. Organisations have an obligation to comply with tax laws, and a responsibility to all stakeholders to meet expectations of ethical tax practices.



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

### 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 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 employs more than 140,000 people across the United States and in more than 65 countries. This represents one of the most diverse, talented and innovative workforces anywhere. Our enterprise also leverages the talents of hundreds of thousands more skilled people working for Boeing suppliers worldwide.

Boeing is organised into three business units: Commercial Airplanes; Defense, Space & Security, and Global Services. Supporting these business 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.

### 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 has a highly-skilled workforce of over 3,000 people in the UK 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, partners and communities, and to uphold commitments to the future of the company, aviation and the armed forces. Along with maintaining and sustaining commercial and defence fleets throughout the UK – and training the crews that fly them - Boeing's year has been marked by investments in suppliers, start-ups, research centres, infrastructure, charitable partners and STEM education, including a refresh of our 2016 Prosperity Agreement with the UK Government.

### **Basis of preparation of the UK tax strategy**

This tax strategy document<sup>1</sup> satisfies the requirements in Schedule 19 of the UK Finance Act 2016, in respect of the financial year ending 31 December 2022. While published in the context of the UK, it describes the global tax policies of Boeing which are applied consistently in all jurisdictions in which the enterprise does business.

The UK Leadership Team has overall responsibility, oversight and approval for the tax strategy in the UK, and is supported by the Vice President of Tax along with a global team of tax professionals.

### **Boeing's approach to taxes**

Boeing's approach to taxes is consistent in all countries in which the enterprise operates and is summarised below for the UK:

- Ethical, fair and transparent business practices
- Effective tax governance including collaboration with the UK Leadership Team
- Operation in compliance with all tax laws
- Tax following business substance
- Developing and maintaining an open relationship with HM Revenue & Customs (HMRC) and all tax stakeholders

### **Tax risk and governance**

#### *Ethical behaviour*

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 behaviour. Our enterprise pledge to receiving and responding to ethical issues or concerns includes financial whistleblowing.

#### *Strategy and 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.

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<sup>1</sup> This tax strategy covers the following UK companies and sub-groups: Boeing Defence UK Ltd., Aviation Training International Ltd. (in liquidation), 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. (in liquidation), Miro Technologies Ltd., Boeing Distribution UK Inc. (UK branch), Boeing Distribution Services I Ltd., Boeing Distribution Services II Ltd. (in liquidation), Boeing Distribution Services III Ltd., Boeing Distribution Services IV Ltd. (in liquidation).



Material UK 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 UK Leadership Team 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. 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.

### **Compliance and controls**

Boeing operates in compliance with both the letter and the spirit of tax laws in all countries it does 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 Boeing operates. Boeing collects and pays a range of global taxes on its products and services. 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**

Boeing pays tax where value is created. The complexities of existing tax systems, which are relevant to Boeing's business require careful tax consideration and planning. The organisational structures resulting from any tax planning are fundamentally driven by economic and business substance. In order to achieve its commercial objectives, Boeing forms 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, Boeing will seek advice from external professional advisors to ensure it remains compliant with its obligations. All transactions within the organisation follow the arm's length principles in line with the 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.

### **Relationship with tax stakeholders**

Boeing maintains an open, honest and pro-active relationship with HMRC, which is consistent with Boeing's global approach to tax authorities in the jurisdictions where it operates. Boeing maintains 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 and HMRC engage collaboratively with regular open dialogue and any issues are discussed on a real time basis.