



WHEREAS: The Intergovernmental Panel on Climate Change reports that immediate and significant emissions reductions are required of all market sectors to stave off the worst consequences of climate change.¹ Decarbonizing the industrial and aviation industries is a critical component of global decarbonization, according to the International Energy Agency.² Investor demand for science-aligned emission reductions and transition planning reflects the reality that climate-related risk-exposure is growing alongside proposed and implemented regulations.³

Boeing is subject to substantial emerging regulation and increasing costs in the U.S. and abroad regarding its emissions-intensive processes and products.⁴ The Federal Supplier Climate Risks and Resilience Proposed Rule would require large federal contractors, such as Boeing, to disclose Scope 1, 2, and 3 emissions and set science-based emissions reduction targets.⁵ By reducing emissions from its full value chain, Boeing can reduce regulatory burdens and better assess technological changes, capital deployment, and financial opportunities.

Boeing's disclosures lack forward-looking and quantitative action plans to reduce value chain emissions in line with the Paris Agreement's goal of limiting global warming to 1.5 degrees Celsius (1.5°C). The Company's current commitments do not set a target to reduce value chain emissions, which comprise 99% of its total emissions, and rely largely on carbon offsetting. With increasing investor scrutiny on emissions reduction claims, Boeing's use of carbon offsetting exposes the Company to increasing risk of reputational damage or litigation.⁶ Furthermore, over the past two years, Boeing's total emissions continue to increase.⁷

¹ https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_FullVolume.pdf p.20

² https://iea.blob.core.windows.net/assets/13dab083-08c3-4dfd-a887-42a3ebe533bc/NetZeroRoadmap_AGlobalPathwaytoKeepthe1.5CGoalinReach-2023Update.pdf p.87, p. 88

³ <https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/>;
<https://corpgov.law.harvard.edu/2023/01/30/eu-finalizes-esg-reporting-rules-with-international-impacts/>

⁴ https://www.boeing.com/resources/boeingdotcom/principles/environment/pdf/Boeing_CDP_Climate_Response_Final.pdf, p.10; <https://www.ft.com/content/7a0dd553-fa5b-4a58-81d1-e500f8ce3d2a>;

<https://www.npr.org/2023/10/12/1205068747/climate-change-emissions-companies-disclosure-sec-california>

⁵ <https://www.sustainability.gov/federsustainabilityplan/fed-supplier-rule.html>

⁶ <https://www.theguardian.com/environment/2023/may/30/delta-air-lines-lawsuit-carbon-neutrality-aoe>

⁷ https://www.boeing.com/resources/boeingdotcom/principles/environment/pdf/Boeing_CDP_Climate_Response_Final.pdf, C6;

https://www.cdp.net/en/formatted_responses/responses?campaign_id=74241094&discloser_id=891610&locale=en&organization_name=Boeing+Company&organization_number=2017&program=Investor&project_year=2021&redirect=https%3A%2F%2Fcdp.credit360.com%2Fsurveys%2F2021%2Fdbbr64mv%2F145284&survey_id=73557641, C6



While Boeing supports the commercial aviation industry’s ambition to achieve net-zero emissions by 2050, the Company does not have a value chain emissions reduction target covering its own enterprise. Industry collaboration will be indispensable in decarbonizing; however, Boeing can also position itself through proactive planning and governance to reduce risks and lead in sustainability. Aviation and industrial companies are galvanizing action and investment toward decarbonizing. Peers BAE Systems, Safran, Ford, and Honeywell have established targets through the Science Based Targets initiative and have measurable emission reduction targets across their value chains.⁸

By setting science-aligned emission reduction targets across its full value chain and providing a comprehensive transition plan, Boeing can improve against peers, prepare for regulation, and position itself to maximize benefits from climate-related opportunities.

BE IT RESOLVED: Shareholders request that Boeing adopt a value chain emission reduction target covering all non-de minimis emission categories in alignment with the Paris Agreement’s 1.5°C goal, requiring net zero emissions by 2050 or sooner.

SUPPORTING STATEMENT: Proponents recommend, at Board discretion, that the Company:

- Disclose a timeline for setting 1.5°C-aligned near-term emission reduction targets;
- Disclose a timeline for setting long-term net zero goals including the full value chain;
- Include an enterprise-wide climate transition plan to achieve emissions reduction goals across all relevant emission scopes;
- Annually report progress towards meeting value chain emission reduction goals.

⁸ <https://sciencebasedtargets.org/companies-taking-action>