

**Whereas**, we believe in full disclosure of Boeing’s direct and indirect lobbying activities and expenditures to assess whether Boeing’s lobbying is consistent with its expressed goals and in shareholders’ best interests.

**Resolved**, the shareholders of Boeing request the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by Boeing used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. Boeing’s membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of management’s and the Board’s decision-making process and oversight for making payments described above.

For purposes of this proposal, a “grassroots lobbying communication” is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. “Indirect lobbying” is lobbying engaged in by a trade association or other organization of which Boeing is a member. Both “direct and indirect lobbying” and “grassroots lobbying communications” include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Boeing’s website.

### **Supporting Statement**

We encourage transparency in Boeing’s use of corporate funds for lobbying. Boeing is described as “one of the biggest players in the Washington influence game”<sup>1</sup> and spent \$152,795,000 from 2010 – 2018 on federal lobbying. This does not include state lobbying, where Boeing also lobbies but disclosure is uneven or absent. In the wake of the two 737 Max jet crashes, questions have been raised whether Boeing’s lobbying led to relaxed Federal Aviation Administration oversight,<sup>2</sup> including “long-standing concerns about industry capture of the FAA, from lobbying by the aerospace industry—Boeing spends millions lobbying Congress and federal agencies each year—to the revolving door between the FAA and Boeing and other companies and lobbying groups in the industry.”<sup>3</sup>

Boeing belongs to the Business Roundtable (BRT) and National Association of Manufacturers (NAM), which together spent \$68,128,048 on lobbying for 2017 and 2018. Both the BRT and NAM are lobbying against shareholder rights to file resolutions. Boeing does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying.

Investors participating in the Climate Action 100+ representing \$34 trillion in assets are asking companies to align their lobbying with the goals of the Paris agreement. We are concerned that Boeing’s lack of lobbying disclosure creates reputational risks. We also believe the reputational damage stemming the 737 Max crashes and any misalignment between general policy positions and actual direct and indirect lobbying efforts harms long-term value creation by Boeing. Thus, we urge Boeing to expand its lobbying disclosure.

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<sup>1</sup> <https://www.cnn.com/2019/03/12/politics/boeing-capitol-hill-lobbying/index.html>

<sup>2</sup> <https://www.nytimes.com/2019/07/27/business/boeing-737-max-faa.html>

<sup>3</sup> <https://www.pogo.org/analysis/2019/03/how-the-faa-ceded-aviation-safety-oversight-to-boeing/>