



The Boeing Global Supply Chain Business Environment

8 June 2021

Kellie Lish

Senior Manager, Globalization and Supplier Development

WHAT WE DO TODAY



COMMERCIAL AIRPLANES

Boeing 7-series
family of airplanes
leads the industry



GLOBAL SERVICES

A dedicated services
business focused on the
needs of global defense,
space and commercial
customers



DEFENSE, SPACE & SECURITY

One of the world's largest
manufacturers of military aircraft and
satellites and major
service provider to NASA

Large-scale systems integration,
networking technology and solutions
provider

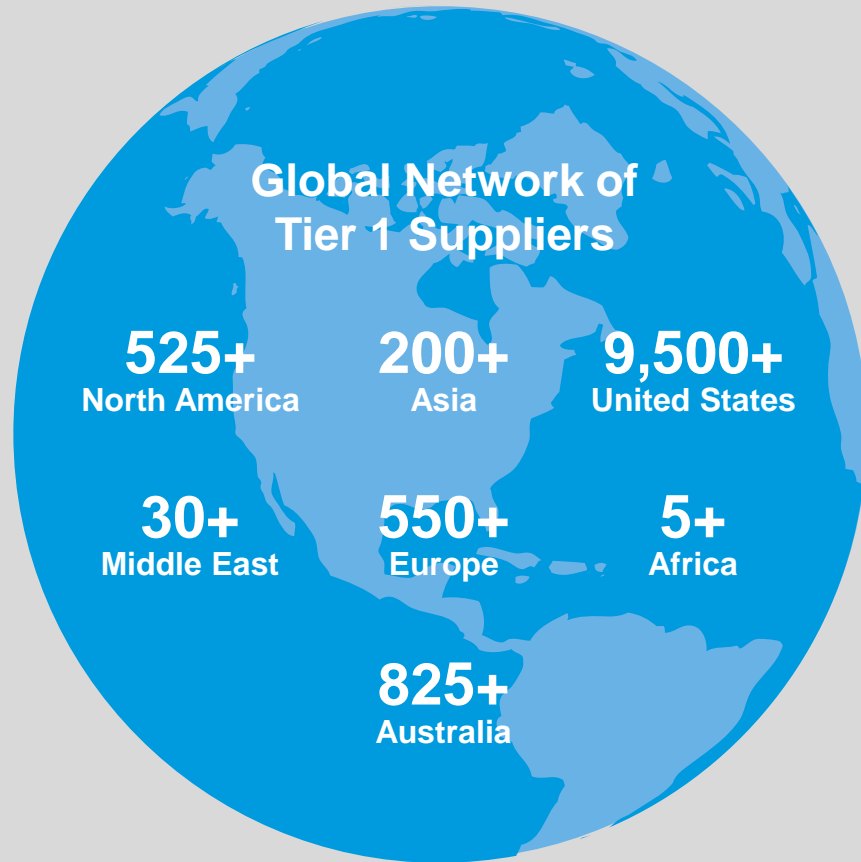


BOEING CAPITAL CORPORATION

Global expertise in
innovative aerospace
financing solutions



SUPPLY CHAIN AT A GLANCE



2.9k+

Production
Suppliers

11k+

Tier 1
Suppliers

6-10

Average Sub-Tier
Suppliers Per Tier 1
Supplier

\$47B+

In Supplier
Payments

\$5B+

Spend to Small and
Diverse Businesses

1.1B+

Parts
Delivered

50

U.S.
States

435

U.S. Congressional
Districts

58

Non-U.S.
Locations

Supply Chain Business Environment

- Pandemic impact on commercial aviation causing widespread disruption in the global supply chain
- Defense and space continue to be strong market segments
- OEMs and Tier 1 suppliers reducing costs by closing/selling underperforming, non-core businesses to produce needed cash flow
- Acquisition and insourcing of strategic technologies to protect production and jobs while utilizing open capacity
- Lack of adequate government financial support in some regions will lead to consolidation
- Opportunity exists for companies who can step in quickly (via open capacity or acquisition)
- Rate ramp up as industry rebounds will be critical



Customer Expectations

What they want

- First-time Quality
- Value Added Services
- Product Reliability
- Low Operating Cost

How they want it

- Environmentally Progressive
- Differentiated from the Market
- Customer Focused
- Long-range and Fast



Technology changes that will affect Boeing Supply Chain in the midterm

- Additive Manufacturing, Electric Propulsion, Advanced Batteries
- Tooling advances (Robotics)
- Artificial Intelligence
- Reduction in traditional airplane materials (Aluminum, Titanium, etc.)
- Data Analytics for proactively managing our In-Service Airplanes
- Autonomous Systems



Supply Chain Principles

**Safety and Quality
are paramount**



Safety is never compromised.

We collaboratively design quality into all products and services, with a goal of perfect products at every stage of the production system.

**Relationships
based on integrity;
diversity is valued**



Relationships are beneficial, and we respect diverse thinking.

We commit time and resources to nurture a healthy relationship.

We build trust by doing what we say we're going to do.

**Transparent
communication**



Communication is based on honesty and integrity.

The digital thread links our businesses and ensures our shared success.

We jointly advocate for the success and sustainability of the supply chain.

**Delivery
performance is
fundamental**



Perfect parts and services are delivered on time, every time.

Sufficient capacity is maintained to meet total demand.

Demand forecasts are shared as quickly as possible to enable delivery success.

**Sustainable
continuous value
creation**



We meet the demand from our customers for continuous value creation.

Rewards are balanced with risks and investments across the economic life cycle.

We use objectively derived optimal cost data to find opportunities for cost reduction.

Boeing is looking for suppliers who:



Do their homework to understand how their products & services can directly benefit Boeing



Share our commitment to performance excellence in terms of safety, quality and delivery



Are financially healthy & continuously improving affordability & efficiency

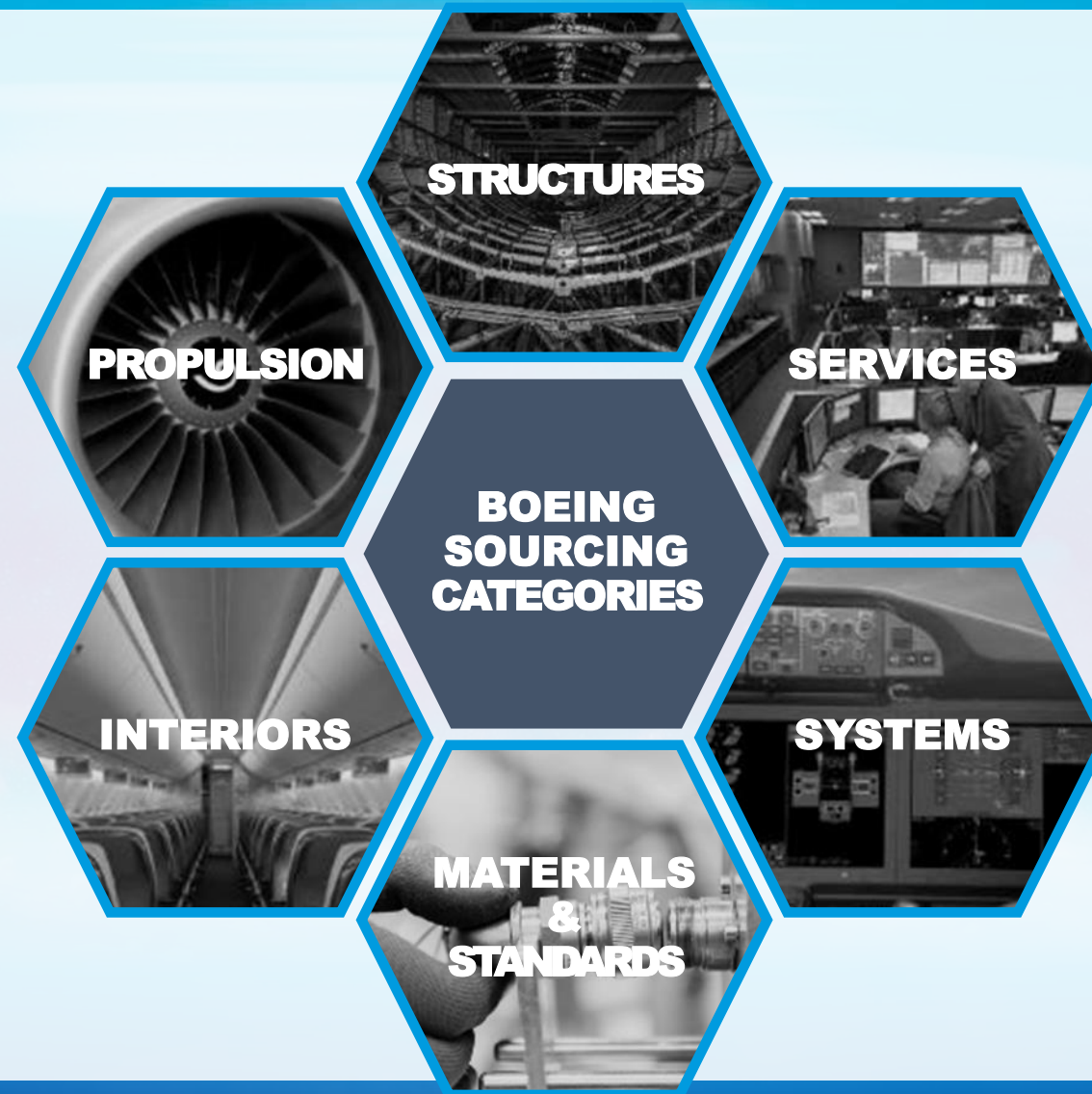


Share their knowledge



Provide visibility and insight into their extended supply chains

Sourcing categories across Boeing



Global Supplier Diversity

- Enterprise approach to supplier diversity and development
- Actively develop diverse supply base
- Integrate priorities by category strategies
- Accelerate cycle time for supplier identification, development and qualification for onboarding



Premier Bidder Program

What is it?

- A collaborative program that recognizes high performing BCA suppliers

Why are we doing it?

- We benchmarked industry-leading programs and listened to your feedback

Who is eligible?

- All BCA production suppliers
- BGS suppliers beginning mid-2021

How are Premier Bidders doing?

- 85% more bid opportunities
- 26% more awards

Premier Bidder Program				
Criteria	Overall Enterprise Performance (delivery & quality)	BSCA / BSFA	Commercial Issues	Sourcing (Bid) Performance
Premier Bidder	Silver/Silver* (or higher)	In-place or 120 days	No Major Disputes	On-time & Compliant

Invitation to Premier Bidder Conferences

Meet and interact with key Supply Chain leaders

Access to relevant Supply Chain topics and discussions

Visibility of upcoming Request for Proposals (RFP)

Extra consideration in RFP evaluation*

* Must submit a fully compliant bid

