Offsets

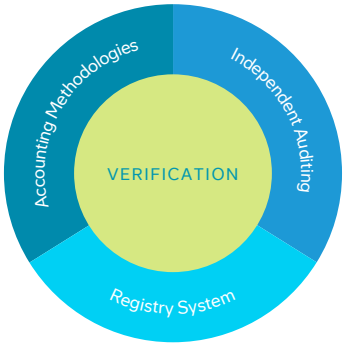
Boeing's decarbonization strategy across its manufacturing sites and other operations facilities prioritizes direct emission reductions first via efficiency improvements, conservation, and renewable energy. Third-party verified offsets are used to mitigate emissions Boeing could not first avoid, reduce, or replace.

HOW CARBON OFFSETS WORK

- **Offsets finance projects that avoid or reduce emissions,** many in developing countries, that would not have otherwise occurred without investment. They are utilized to meet compliance requirements and/or voluntary goals.
- **Strict environmental criteria ensure** the projects provide real and additional emission reductions that are measured, reported, and verified.
- **Offsets compensate** for producing CO_2 in one area by funding a project that reduces emissions in another. Offsets are in units of one metric ton of CO_2.
- **Offsets fund a range of projects** such as forestry, peatland restoration, methane capture, and hydropower. As technology matures, offsets will include permanent carbon removal, such as projects that draw CO_2 out of the air or ocean.

HOW ARE OFFSETS VERIFIED?

- **Independent crediting agencies** ensure integrity. Credits issued from major carbon crediting agencies ensure offsets have undergone a verification process by an accredited third-party verifier.
- **Credits are tracked** in registries to ensure emissions are not double counted.
- **Credits are verified** in three ways: accounting methodologies, independent auditing, and a registry system.



BOEING'S HISTORY WITH OFFSETS

Boeing began voluntarily offsetting our Scope 1 and 2 emissions as well as our business travel in 2020 allowing us to achieve net zero operations at our manufacturing sites and other facilities.

Boeing chooses offsets that meet rigorous requirements set by Verified Carbon Standard (VCS), American Carbon Registry or Gold Standard, and utilize CORSIA-eligible offsets for our business travel emissions. In 2022, Boeing achieved net-zero at manufacturing and work sites, for a third year, by prioritizing and incentivizing employee conservation, energy efficiency, and increasing renewable electricity use, and procuring third-party verified offsets to mitigate residual emissions. In 2023, Boeing developed a partnership with Equatic, a technology company that permanently removes carbon dioxide from the ocean.

GOAL NET ZERO

Net zero CO_2 emissions for international aviation by 2050

Agreed to by 193 ICAO member states in 2022

Verified Carbon Standard A VERRA STANDARD
American Carbon Registry
Gold Standard

CASE STUDY: WINSTON CREEK FOREST CARBON PROJECT

Boeing invested in Winston Creek, a 10,000 acre (4,047 hectare) forest and certified offset project in southern Washington state. A family-owned company established five generations ago works to lower atmospheric carbon dioxide levels by supporting improved forest management, such as wildlife habitat protection, watershed management and fostering mature trees through delayed harvesting, which substantially increases the volume of carbon sequestered.

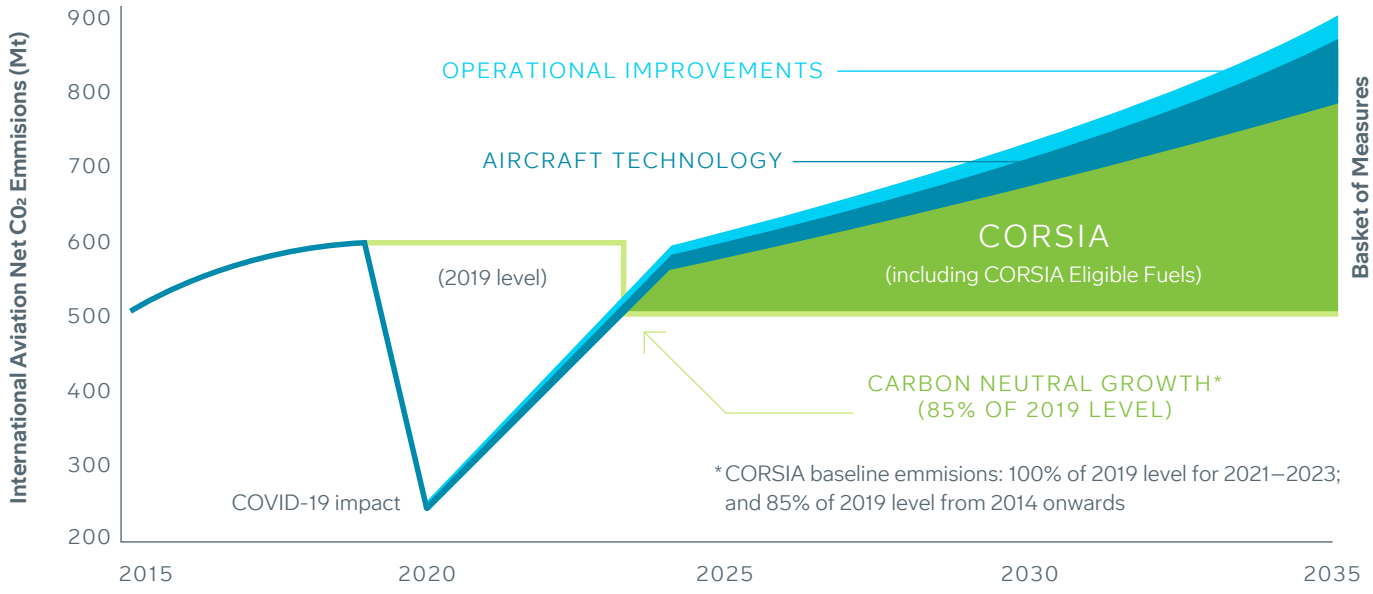
CORSIA AND THE ROLE OF CARBON OFFSETS IN INTERNATIONAL AVIATION

The Carbon Offsetting and Reduction Scheme for International Aviation, or CORSIA, is overseen by the International Civil Aviation Organization (ICAO) and is the first global market-based measure for any sector. CORSIA utilizes emissions units from the carbon market, and offsets CO_2 emissions that cannot be reduced through the use of technological improvements, operational improvements, and sustainable aviation fuels. CORSIA is helping to ensure aviation meets its environmental goals and commitment to carbon neutral growth from 2020.

ENSURING INTEGRITY

- Technical experts appointed by member states assess the eligibility of carbon offset programs.
- Emissions reductions must be additional, quantifiable, permanent, verified, and cause no net harm.
- ICAO regularly reviews and approves programs to supply CORSIA-eligible offsets that meet eligibility standards.

CONTRIBUTION OF CORSIA FOR REDUCING INTERNATIONAL AVIATION NET $C0_2$ EMISSIONS



Source: ICAO