Boeing CEO Outlines Voluntary Plan to Respond to Current Market Conditions

CHICAGO, April 2, 2020—Boeing President and CEO Dave Calhoun issued the following letter to employees today outlining the company's voluntary plan to respond to current market conditions:

Team:

Across Boeing, we're focused on keeping one another and our communities safe as the COVID-19 pandemic reaches every corner of the globe. Our first priority is and will continue to be protecting the health and safety of our people, their families and the stakeholders we touch. We're assessing and enhancing the safety of every one of our sites on a daily basis.

We're also doing everything we can to protect the future of our business. That means continuing to deliver for our commercial and services customers, even as their own businesses slow to a trickle. It means working hard to meet commitments to our defense and space customers. And it means maintaining the stability of our supply chain so we're ready to ramp up again when the pandemic is over.

Most importantly, it means doing everything possible to keep this team intact. We can't get back to regular operations again after the crisis if we don't have the people and skills to make that happen.

But one thing is already clear: It will take time for the aerospace industry to recover from the crisis. When the world emerges from the pandemic, the size of the commercial market and the types of products and services our customers want and need will likely be different. We will need to balance the supply and demand accordingly as the industry goes through the recovery process for years to come.

It's important we start adjusting to our new reality now.

We want to address it through natural turnover and voluntary employment actions to the extent we responsibly can. To that end, we are initiating a voluntary layoff (VLO) plan that allows eligible employees who want to exit the company to do so with a pay and benefits package. This move aims to reduce the need for other workforce actions.

Of course, as we do this, we'll continue to recruit in certain areas to ensure we're able to meet our customer commitments now and in the future. And our businesses and functions will continue adjusting to the changing size and needs of our markets as they always do.

More information on the VLO benefits, who is eligible and how the program works will be on its way to you in three to four weeks.

In the meantime, I promised I would be very transparent with you. We're in uncharted waters. We're taking actions — including offering this VLO plan — based on what we know today. They will bridge us to recovery as long as we're not confronted with more unexpected challenges. I can't predict with certainty what the next few months will bring, but I can commit to being honest about what's happening and doing everything we can to protect our people and our business through this crisis.

We'll continue to deliver on commercial, defense and space, and services programs. We'll continue to drive the safe return to service of the 737 MAX. We'll continue to keep programs going wherever we can do so virtually and with confidence that we can keep you safe and healthy. And I will continue to be supremely confident that Boeing will not just emerge from the crisis but thrive again as the leader of our industry.

I'll keep you posted often. In the meantime, thank you for your dedication, resilience and courage during these challenging days and weeks.

Dave

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