

MEMORANDUM

To: Dave Calhoun, CEO

From: The Boeing Media Team

Date: February 28, 2024

Subject: Being the CCO: Boeing Briefing Report and Media Reaction #2

SUMMARY OF PRIOR RECOMMENDATION

We should address our quality issue primarily through measures in quality assurance and our reputation issue through measures in public relations.

REACTIONS TO OUR OUTREACH

Boeing parts ways with 737 MAX program head.

In an internal memo, Boeing executive Stan Deal announced that the head of the company's 737 Max program, Ed Clark, would leave the company immediately, to be replaced by vice president of 737 delivery operations, Katie Ringgold. Most commenters on the NYT story disregarded the move, calling Clark a scapegoat. Comments on a Seattle Times article about the move were also generally negative, with several users calling for you to step down. Our publics believe that this is another attempt to shift blame away from our C-Suite. This move will end up being inconsequential unless Ringgold is involved in high profile issues going forward.

Boeing Appoints Uma Amuluru as HR Leader.

Boeing published an external press release on February 22nd, announcing the retirement of Michael D'Ambrose after a 40 year career in business. Former federal prosecutor and current VP and general counsel to Boeing Defense, Space & Security Uma Amuluru will take over the role on April 1st. Reaction on the Reddit community r/boeing was mixed to negative, users claiming to be employees of the company bemoaning the move. Contrastingly, reactions on LinkedIn were mostly positive, focusing on the retirement of D'Ambrose and welcoming Amuluru to the role. The announcement was made in a neutral manner, allowing for some positive responses from the public.

A Boeing Whistleblower Speaks Out.

This entry regards a lack of outreach on our part. On February 15, WBUR, Boston's NPR station, released an interview with Ed Pierson, director of the Foundation for Aviation Safety. Pierson <u>corroborated claims</u> posted by an <u>anonymous</u> whistleblower to an article by <u>Leehamn News</u>, discussing internal issues that may have contributed to the mid-air blowout. He has gone on a media tour discussing his aversion to flying on 737 Max planes after the blowout. Pierson retired from Boeing several years ago, leading users on the <u>r/boeing Reddit community to respond negatively to his statements</u>. NPR states Boeing declined to provide a statement prior to the interview, pointing producers to previous statements on our media website. Should the likes of Pierson continue a negative media blitz, our inaction here could become a major mistake.



MEDIA REACTION

- Boeing. (2024, February 22). Boeing Appoints Uma Amuluru Human Resources Leader. Boeing MediaRoom.
- Chang, J., & Chakrabarti, M. (2024, February 15). *A Boeing whistleblower speaks out*. On Point.
- Gates, D. (2024, February 22). *Chief of Boeing Renton plant ousted in wake of Alaska Flight 1282 Blowout*. The Seattle Times.

ANALYSIS OF COVERAGE

Appointment of Uma Amuluru as the Chief Human Resources Officer for Boeing

- General coverage of Amuluru's appointment has been neutral, leaning slightly positive. Boeing's headline and framing of this announcement set a neutral, yet hopeful tone for this transition.
- <u>HR Times (February 27, 2024)</u> announces this change in leadership and provides additional information about why this transition is taking place. These supplementary facts simply state why former CHRO Michael D'Ambrose stepped down.

Boeing whistleblower speaking out

- General coverage of a whistleblower speaking out about Boeing's safety practices amidst the Alaskan Airlines incident was generally negative, urging consumers to educate themselves about aircraft construction and safety. It should be noted that this is not Ed Pierson, though he has continued to spread the commenters message.
- NewsNation (January 25, 2024) states that the whistleblower, who claims to be a Boeing employee, holds Boeing responsible for the Alaska airlines incident. This whistleblower is getting support from former Federal Aviation Administration safety engineers. These messages raise concerns for Boeing's quality control and safety efforts, with many believing that Boeing cuts corners with regards to safety and quality checks.
- <u>Kiro7 (January 11, 2024)</u> highlights that the Boeing whistleblower was not surprised that a door flew off one of their planes, considering the ways that Boeing neglects aspects of safety efforts. This message solidifies that the Alaska Airlines incident was not a one-off situation, and that Boeing planes are susceptible to similar issues unless they put more robust safeguards in place

Chief of Boeing Renton plant being ousted

- General coverage of leadership leaving Boeing as a result of the Alaska Airlines incident is mixed. It is negative in the sense that the news itself is not good. People leaving jobs are often seen as negative. However, the coverage is positive because it shows the public that Boeing is taking steps to change the systems and processes that enabled the production and use of faulty aircraft.



- NPR (February 21, 2024) states that Boeing has fired Boeing's head of the 737 Max program after the Alaska Airlines incident. They also highlight several smaller leadership changes in order to prioritize safety within aircraft production. The article does reveal a harrowing fact, going back to when two separate and preventable 737 planes crashed, leading to the deaths of 346 people. This statistic was used to highlight the severity of consequences that Boeing faces when safety isn't the priority.

IMPACT

The recent appointment of Uma Amuluru as Chief Human Resources Officer for Boeing has introduced a potentially positive influence on the company's internal dynamics. The announcement indicates a strategic move to address challenges in human resources management. Supplementary information from HR Times sheds light on the departure of former CHRO Michael D'Ambrose, offering insight into the leadership transition. This change signals a commitment to organizational improvement, with hopes of positively impacting Boeing's internal culture and operations.

Negative sentiments arise from a whistleblower within Boeing who has spoken out against the company's safety practices, particularly in light of the Alaska Airlines incident. NewsNation's coverage emphasizes the whistleblower's claims that Boeing is responsible for the incident, further supported by former FAA safety engineers. These allegations raise concerns about Boeing's commitment to safety, potentially eroding trust among stakeholders. The negative publicity surrounding these claims may have repercussions on Boeing's reputation, affecting customer confidence, partnerships, and relationships with regulatory bodies.

In response to the Alaska Airlines incident, Boeing has taken steps to address internal issues, including ousting the head of the 737 Max aircraft at the Renton plant. NPR's report on this leadership change reflects a mixed tone, acknowledging the negative aspect of a change in leadership while emphasizing the positive message that Boeing is actively working to change systems and processes for improved safety. The article also underscores the severe consequences Boeing faces when safety isn't prioritized, referencing past incidents. This mixed impact suggests that, while negative aspects exist, Boeing's commitment to safety improvements may mitigate potential reputation damage in the long term.

RECOMMENDED PUBLIC ACTIONS

It's not enough to address our current 737 MAX problem solely through measures in quality assurance. Even if we had resolved every minor issue, it wouldn't make a difference in how the public perceives us. Simply because we haven't made our quality assurance measures transparent to them. Therefore, our motto to overcome our current quality and image crisis should be: Ensure quality and make it transparent.

There is no content informing the public about the progress in our quality assurance on our social media pages. While there is a timeline on X and our website showing our handling of



the 737 MAX issue, the last post was on February 6th. Having a dedicated website section for Alaska Airlines Flight 1282 and the 737-9 is not enough either. Uploading our Boeing Safety Webcast, where you emphasized the importance of safety, accountability, and transparency to us employees during your speech, was a good start.

We must now make every effort to regularly post additional content about our quality assurance measures. The mistrust in our 737 MAX runs deep in the minds of our stakeholders. A single video does not make a difference - no matter how well the message was conveyed by you. We should focus on communicating our quality measures both internally and externally. Not only should the public regain faith in our 737 MAX, but our own employees as well!

For this purpose, regular intranet posts related to the processes in our quality assurance would be appropriate. We should regularly publish new content on major social media platforms such as Instagram, TikTok, X, Facebook, and YouTube to demonstrate that we are doing everything possible to ensure the quality of our 737 MAX and all other aircraft models: From hiring new employees in this area to quality checks and even to balanced nutrition in our workplace cafeterias and exercise in our workplace gyms. All of these are factors that positively influence quality assurance and should definitely be brought to the public's attention.

The image of our 737 MAX will recover, and we will emerge stronger from this crisis. Our recommendation is that you assign various social media teams, especially the PR division of our company, to develop and implement a cross-media content plan. The main purpose of its content should be to show our strong efforts and improvements in quality assurance, especially concerning our 737 MAX.

RECOMMENDED MANAGEMENT ACTIONS

To effectively implement this cross-media content plan both in the medium and long term, we would strongly advise you to allocate resources for hiring personnel for our PR and social media departments. We can task our marketing department with finding suitable influencers and YouTubers from the tech industry to produce testimonials highlighting the improved quality assurance of our 737 MAX. We encourage you to allocate a budget for additional new personnel dedicated to quality assurance for our 737 MAX. From supply to production to sales, these personnel should be able to cover the entire supply chain.

In summary, we have three budgets: one for new PR and social media personnel, one for influencers and YouTubers, and one for new personnel in the quality assurance department of the 737 MAX. While all of this is certainly not a small amount, it is undoubtedly a worthwhile investment that will positively impact our future. We will see the return on investment primarily in the areas of quality and image improvement as well as assurance, successfully addressing our two current main issues: our quality issue and our reputation issue.