

**SUPPLEMENTARY FIG. S2.** Lung epithelium expresses markers distal lung epithelium and not proximal lineages. (A) Matured lung epithelial cells remain negative for markers of the thyroid (PAX8. PAX9, HHEX, and TG), the forebrain (PAX6), and the upper airway epithelium (MUC5AC, FOXJ1, and SOX17). (B) Confocal microscopy of polarized mature distal airway epithelium expressing CD26 and CFTR (C) or ZO1 and Pro-SFTPC. (D) Matured lung epithelium expresses CFTR that colocalizes with NKX2.1 and not markers of the intestine (CDX2) or pancreas (PDX1). *White bars* = 100  $\mu$ M. CFTR, cystic fibrosis transmembrane conductance regulator; FL, human fetal lung control; AL, adult lung control; C, undifferentiated hESC control; D25, airway epithelium cultured for 25 days.