

Modern Slavery and Human Trafficking Statement

This statement is made pursuant to Section 54 of the UK Modern Slavery Act 2015 and Part 2 of the Australian Modern Slavery Act 2018 and highlights the programs and initiatives American Airlines, Inc. has undertaken to combat modern slavery and human trafficking during the financial year ending 2019.

Our commitment

American is committed to respecting human rights, including combating illegal human trafficking and child exploitation. As a prominent part of the worldwide travel industry, we conduct our business in a manner that protects human rights and the rights of children within our sphere of influence. We have adopted responsible workplace practices and endeavour to conduct our business operations free from complicity in human rights abuses.

Our structure and operations

American is one of the largest airlines in the world, providing scheduled air transportation for both passengers and cargo throughout the United States and around the world. Together with regional carriers flying as American Eagle, we operate an average of 6,800 flights per day to 365 destinations in more than 60 countries. Each year, American's 130,000 global team members serve more than 200 million customers with a unified purpose: to care for people on life's journey.¹

Assessment of our modern slavery risk

Each day more than half a million people trust American to safely transport them to the moments that matter most. We fly over borders, walls, and stereotypes to connect people from different races, religions, nationalities, economic backgrounds, and sexual orientations. Unfortunately, making the world a smaller place can come with the risk of exploitation by human traffickers. The breadth of products and services American procures across its global supply chain also may expose the company to modern slavery risk.

American's assessment of its operational and supply chain risk falls within a broader enterprise-wide risk management framework. Modern slavery risk is first assessed without consideration given to the mitigation controls American has in place, producing an inherent risk level. In determining this inherent risk level, the company evaluates both internal and external stakeholder data and source material.

The inherent risk is then considered in conjunction with American's existing controls to produce an assessment of the current, or net, level of risk. The goal of this process is to allow senior management to understand if, applying a reasonableness test, a risk is being appropriately controlled, and if not, what additional measures should be taken.

¹ Financial year 2019 estimation.

In 2018 American also undertook a materiality analysis of environmental, social, and governance issues, which included illegal trafficking, to identify the most critical risk areas for the company. We considered the concerns and expectations of stakeholders to identify areas of risk as well as opportunity. To gain maximum insights, we also evaluated where the key impacts of material issues occur across our value chain, which has allowed us to more precisely define our scope of reporting while prioritizing strategic actions for each issue. This work will serve as a foundation for ongoing stakeholder engagement and the development of more targeted initiatives and messaging related to our corporate responsibility strategy.

Our program

As a global airline, we recognise our unique role and responsibility to combat human trafficking and modern slavery. We embrace this responsibility by maintaining a human trafficking prevention program befitting our stature. American's program is comprised of four essential elements: (1) policies addressing human trafficking; (2) training to identify and report suspected human trafficking; (3) internal accountability; and (4) external engagement and collaboration.

POLICIES

Our commitment to human rights is outlined in our [Standards of Business Conduct](#), which require American's team members to uphold the human rights of all persons, including permanent and temporary team members both domestically and internationally. We do not knowingly conduct business with any individual or company that participates in the exploitation of children (including child labour), physical punishment, forced labour, or human trafficking.

As a U.S. federal government contractor, American is subject to the Trafficking Victims Protection Act of 2000 and implementing Federal Acquisition Regulation (FAR) 52.222-50—Combating Trafficking in Persons—which was enacted to combat all forms of human trafficking and forced labour. We have adopted both a Policy Prohibiting Trafficking in Persons and a Combating Trafficking in Persons Compliance Plan that serve as guides to address and comply with these regulatory requirements. We also flow down FAR 52.222-50 as required to our government subcontractors and agents. Any violations of the FAR or American's policy prohibiting trafficking in persons by team members, agents, or subcontractors may result in the agent's or subcontractor's removal from the contract, termination of the contract, reduction in a team member's benefits, or termination of employment.

American's policies and other information on human trafficking and modern slavery, including links to educational and training resources, are available to all team members on the company's intranet site.

TRAINING

American provides human trafficking awareness training to our pilots, flight attendants and airport customer service team members. We also provide anti-trafficking training to team members with relevant purchasing responsibilities, including those who conduct on-site visits

to American's international suppliers on how to recognise signs of human trafficking and what action to take if they suspect human trafficking. All told, we train over 70,000 team members each year.

INTERNAL ACCOUNTABILITY

American encourages the reporting of any incidents of suspected human trafficking or other activity inconsistent with our Standards of Business Conduct. American's Business Ethics helpline, EthicsPoint, is available 24/7 to all team members and those with whom we do business. They can call a toll-free number or use an online, secure web portal to ask questions or report questionable conduct. The helpline is available system wide, and reporters can remain anonymous. American's Business Ethics & Compliance Office and Legal department also receive reports by telephone, mail, and email. We also inform team members that they may report any activity inconsistent with U.S. government policy or American's policy by contacting The National Human Trafficking Hotline.

We will protect anyone suspected of being victims of or witnesses to prohibited activities. We will also cooperate fully with any trafficking-related audits and investigations by the U.S. federal government, including providing reasonable access to our facilities and staff.

American has a zero-tolerance policy against retaliation. Any team member who violates this policy will be subject to appropriate discipline, including reduction in benefits or termination of employment.

EXTERNAL ENGAGEMENT AND COLLABORATION

Collaboration with government agencies, industry partners, and non-government organisations is a key facet of our human trafficking prevention program.

In January 2018 American signed ECPAT-USA's Tourism Child-Protection Code of Conduct. ECPAT-USA is the leading policy organisation in the United States seeking to end the commercial, sexual exploitation of children. The Code, which represents a joint venture between the tourism private sector and ECPAT, is a voluntary set of business principles travel and tour companies can implement to prevent child sex tourism and trafficking of children.

We also joined Texas Businesses Against Trafficking (TBAT), a business partnership established by the Office of the Texas Secretary of State aimed at combating human trafficking by fostering collaboration between the public and private sectors in Texas. American was recognised for its commitment to combating human trafficking by the Texas Secretary of State at the inaugural TBAT forum in October 2019.

Other activities in 2019 included:

- Participating in the Working Together to End Human Trafficking Summit in Washington, D.C. on May 7, 2019.
- Marking World Day Against Trafficking in Persons on July 30, 2019, by sharing a message with 1.6 million followers on Twitter and publishing an American Story on the company's

Newsroom web page highlighting participation in the Safeguarding All from Exploitation (SAFE) Action Project.

- Sponsoring an ECPAT-USA forum on Capitol Hill for the release of the organisation's Public Resource Guide.
- Sponsoring a 5K run/walk at the Global Business Travel Association Convention in Chicago, which raised funds for ECPAT-USA.

Vender management and supply chain assurance

Our commitment to running a responsible airline also extends to our supply chain. We procure high-quality, cost-competitive goods and services from more than 10,000 suppliers. The most significant elements of our supply chain include jet fuel; aircraft and aircraft parts; inflight food and beverages; technology; and office supplies.

Key criteria for doing business with American include providing the best value in price and quality as well as having a deep understanding of the airline industry, being financially stable, and certifying ethical business practices. These expectations are outlined in our [Standards of Business Conduct for Suppliers](#) as well as on an accompanying Supplier Management Portal. To ensure suppliers meet our standards, we include a risk matrix in our standard requests for proposal, which asks about their policies and practices around labour, business ethics, the environment, health, and safety. We monitor supplier performance against these criteria and assess potential risks, such as supply chain disruptions.

American also encourages its suppliers to share our commitment to combat modern slavery. Through our [Standards of Business Conduct for Suppliers](#), we require suppliers to not use forced labour or traffic in persons. We are also adding a provision in our supplier contract templates requiring suppliers to comply with applicable laws and regulations to prevent human trafficking and commercial sexual exploitation of children, including preventing the use of American's premises or products for such exploitation.

This statement was approved by the board of directors of American Airlines, Inc.



Stephen L. Johnson, Director
American Airlines, Inc.