

AMR 2009 Corporate Responsibility Report





CEO MESSAGE

In late 2009, American Airlines introduced Flight Plan 2020, a framework intended to guide our company to success in the decade to come. Embedded in this framework are five key tenets: invest wisely, earn customer loyalty, strengthen and defend our global network, be a good place for good people, and fly profitably.

We have a responsibility to drive the best possible outcomes for all our stakeholders. Moreover, as this report details, the actions we are taking within the context of our strategic framework -- finding new ways to serve our customers, modernizing our fleet, eliminating inefficiencies, and cultivating diverse talent, among others—not only position us for financial success, but also help us deliver positive environmental, social, and economic change.

In our view, corporate responsibility and financial success go hand in hand. To illustrate, when we consume less fuel, we lower our greenhouse gas emissions and cut costs at the same time. When our workforce truly reflects the diversity of the customers we serve, we better anticipate and serve their needs. And when we fly in and out of our 250 communities around the world, we enrich lives, drive economic growth and make the world a smaller, more tolerant and peaceful place.

Like all airlines, we have been hit hard by the global economic slowdown, capital market contraction, and soaring fuel prices of recent years. But despite these challenges, we have continued to invest in the areas our stakeholders told us were most important to them: reducing our environmental footprint, safety and security, customer service, diversity and inclusion, employee relations, and supporting the communities we serve. And our investments and the hard work of our people are paying off.

- Greenhouse gas emissions related to jet fuel decreased by 7.1% from 2008 to 2009
- We were one of only four carriers to achieve "Level 1" implementation in the Federal Aviation Administration's Safety Management System pilot program
- We rolled out new "One-Way Flex Awards", an enhancement to our frequent flier mileage redemption program that provides customers more flexibility in award redemption
- Our efforts to promote diversity and inclusion were recognized for the 2nd year in a row, as our AMR Diversity Advisory Council was one of the top 25 Diversity Councils in the Country. The Diversity Council Honors Award recognizes the outstanding contributions and achievements of employee Diversity Advisory Council members who actively promote diversity and inclusion in their company.
- In early 2010, we were the first on the ground in Haiti after that country's disastrous earthquake. We flew more than 30 relief missions and organized a donation drive in partnership with the Red Cross that has yielded more than \$1.5 million in customer and employee donations as March 31, 2010

We face an uncertain economic climate in 2010, and no shortage of tough strategic challenges. But I'm confident that with the support of our great team of employees around the world, and our 250 "home towns," we will build on the progress we have already made, meet our responsibilities, and continue to create positive outcomes for all of our stakeholders.

Thank you for your interest in our company.

Sincerely,
Gerard J. Arpey
Chairman & CEO

OUR APPROACH

2009 Highlights

AMR Global Corporate Responsibility Statement

As a global airline carrying more than 100 million passengers and more than 500,000 tons of cargo a year, AMR promotes commerce, trade, and economic prosperity, as well as a sense of global community and citizenship. Our business also affects the environment around us, and we are committed to being good stewards by minimizing our environmental footprint.

With more than 88,000 employees worldwide, we understand that our responsibility as a global citizen begins with our people and extends to communities around the world. Our sustained investment in responsible business practices takes many forms—from ethical governance to our commitment to diversity and inclusion, to our focus on safety, the environment, and giving back to our communities. We continuously strive to make a positive impact in the lives of our customers, employees, shareholders, and in the communities and environments where we live, work, and play.

Our commitment to corporate responsibility is more than a business decision. It's an important part of our culture—part of who we are. At AMR, operating in a responsible manner is not just an aspiration; it's the way we do business.

2009 Performance highlights

Customers	Environment	Employees	Community
We seek to earn customer loyalty by meeting or exceeding our customer's expectations.	We embrace the opportunity to act as good environmental stewards, and are implementing innovative ideas and wise investments that will minimize our company's environmental footprint.	We strive to make our company a good place for good people to work and build a career by devoting ourselves to creating and maintaining a safe, collaborative, inclusive, and respectful work environment.	We are a part of the communities we serve and are deeply committed to supporting important causes and local economic development.
Safety is our top priority. In 2009, American became one of only four U.S. based air carriers to achieve a "Level 1" rating under a Federal Aviation Administration (FAA)-sponsored pilot program to improve airline safety management systems	<p>We reduced our greenhouse gas emissions related to jet fuel by 7.1 percent from 2008</p> <p>Our greenhouse gas reduction goals are to:</p> <ul style="list-style-type: none">• Improve CO₂ efficiency of aircraft by an average of 1.5 percent per year, measured on an intensity basis, through 2020• Achieve carbon neutral growth from 2020 onwards• Reduce aviation net carbon emissions by 50 percent by 2050, as compared to 2005 levels	<p>We employed more than 88,500 full-time and part-time employees worldwide as of December 31, 2009</p> <p>American Airlines and American Eagle reduced employee injuries over each of the past five years in terms of both absolute numbers and the rate of employee injuries.</p> <p>We rolled out our flagship employee safety initiative, Partnership for Safety, at London's Heathrow airport, our largest international operation.</p> <p>We continued to promote primarily from within the company and encourage job rotation to energize and further develop employees.</p> <p>We were recognized for our excellence in promoting a diverse and inclusive workplace, and received a perfect score of 100 percent for the eighth consecutive year on the Human Rights</p>	<p>In 2009, we estimate that American and American Eagle contributed almost \$100 billion to the U.S. and international economies, helped create more than 870,000 jobs worldwide, and supported approximately 1,400 non-profit organizations worldwide</p> <p>Over the past ten years, we invested more than \$4 billion in facilities, including our \$1.5 billion investment in New York's John F. Kennedy Airport, renovations at London Heathrow, our investments in Terminal 2 at Tokyo's Narita airport, and facilities improvements in Latin America.</p> <p>In 2009, direct and indirect support for the Susan G. Komen Race For The</p>
On a daily basis, our airlines and affiliates transport customers on more than 3,400 daily flights between nearly 240 cities in over 40 countries			
We added key routes, such as flights from Dallas Fort-Worth to Madrid, to support our cornerstone strategy and strengthen our alliance-based networks			
We continued our	Our Fuel Smart program's run-rate of annual fuel savings stood at 108 million gallons at		

Customers

investment in fleet renewal, with an average of one new Boeing 737 aircraft brought into service every ten days. American Eagle announced plans to add a First Class cabin to its fleet of 25 Bombardier CRJ regional jets

We significantly improved our year-over-year on-time departure and arrival performance

The introduction of AAdvantage® One-Way Flex awards provided customers more flexibility for award redemption by introducing a variety of new award redemption options that were previously unavailable

We have more than 250 local Customer Experience teams helping to improve customers' travel experience

Employees collectively earned more than \$45 million in customer experience cash awards that recognize the achievement of high levels of customer satisfaction and travel dependability

American Airlines launched a first-of-its-kind website, BlackAtlas.com, that creates a dynamic online network for travelers within the black community

Environment

the end of 2009

We signed agreements in partnership with 15 other airlines to purchase future supplies of alternative fuel

We saved over \$10 million annually through energy-saving initiatives implemented by our Utilities Management Council

We received and deployed 31 new Boeing 737 aircraft by the end of 2009 that are 35 percent more fuel-efficient on an available seat-mile basis than the MD-80 aircraft they are replacing

We reduced ozone depleting substances by almost 80 percent through the replacement of certain industrial cleaning products

Employees

Campaign's 2009 Corporate Equality Index

Our 16 Employee Resource Groups positively influence our business decisions by

- supporting new route launches,
- raising cultural awareness,
- assisting the company in recognizing the needs of diverse customers, and
- ensuring that American is well-represented in the communities we serve

Our 60 Joint Leadership Teams, comprised of independent, union represented, and management employees across the company, provide input for business decisions that influence their work, how customers will perceive us, and the ultimate success of our company

Community

Cure® was estimated to be more than \$12 million and involved more than 10,000 employee donors and volunteers

Employees celebrated the 5th anniversary of their support of American Cancer Society's Relay For Life by reaching the \$1 million mark in donations

American Airlines flight attendants and other ground personnel helped gather \$1.2 million from passengers under the UNICEF Change for Good program, also proudly supported by Airline Ambassadors International

In 2009, American helped carry out the largest one-time shipment to Iraq in Operation Iraqi Children's history

Thousands of employees donated their time and funds to thousands of charities around the world

In early 2010, we flew 30 relief missions to Haiti carrying over 400,000 pounds of relief supplies in addition to transporting medical and relief personnel. We also helped raise more than \$1.5 million for Red Cross relief efforts

Click [here for a full list of awards and recognition](#) received by American Airlines in 2009.

Materiality Analysis

We performed a materiality analysis to prioritize the topics to be discussed in this report. The analysis helped us better understand which issues are both important to our stakeholders and could potentially have a significant impact on our company. Issues that ranked highly in both categories are considered "material" and receive more extensive coverage.

Methodology

To conduct the analysis, we identified a broad range of economic, environmental, social, and governance topics relevant to our company and the airline industry. We then used stakeholder input, either directly sourced from employees, customers, and other stakeholders, or as represented in materials such as ratings questionnaires, peer reports, industry and trade association issues lists, and customer requests, to establish overall stakeholder level of concern. Issues were also ranked against criteria related to impact on company, including impact on revenue, cost savings, risk management, employee engagement, service delivery, and brand and reputation.

The resulting materiality matrix and list of high-priority issues was reviewed and refined by our Citizenship Steering Committee and the Ceres stakeholder advisory council.

High-priority issues

- Customer safety and security
- Customer service and satisfaction
- Diversity and inclusion
- Employee health and safety
- Employee pay, benefits, training
- Energy use
- Greenhouse gas emissions
- Impact on communities
- Labor and union relations

Engaging with our stakeholders

We recognize the importance of engaging with our stakeholders in order to identify and address the issues they care about. We have structured this report around our key stakeholders, with sections devoted to [customers](#), the [environment](#), [employees](#), and our [communities](#).

We engage with stakeholders in the following ways, among others:

- Customer interactions at the gate and in our airplanes, online surveys, internet contact, focus groups, reservation agents, AAdvantage Customer Service, and through our sales organization
- Employee communication through team meetings, CEO messages, intranet announcements, labor negotiations
- Involvement in local community activities, briefings to local and state officials
- Investor briefings, presentations, and financial reporting
- Participation in trade associations and industry groups such as the International Air Transportation Association (IATA), the Air Transport Association of America (ATA), and the Regional Airline Association (RAA)
- Advisory and stakeholder groups advising us on various aspects of our business

About this report

American Airlines' 2009 Corporate Responsibility Report presents a summary of the company's performance related to our customers, employees, the environment, and the communities we serve for the calendar year ending December 31, 2009. The report builds on American's [2008 Corporate Responsibility Report](#) (the company's first integrated report), the [2007 Environmental Responsibility Report](#), and the [2007 Corporate Citizenship Report](#). The 2009 Corporate Responsibility Report encompasses the activities of AMR Corporation, the parent company of American Airlines and its regional affiliate, American Eagle.

We view the publication of each annual corporate responsibility report as an opportunity to continue our dialogue with stakeholders. We also strive to highlight the alignment of our corporate responsibility efforts with our overall corporate goals, as stated in Flight Plan 2020, our strategic framework.

We see reporting as a process of continuous improvement, each year building on the past. As such, we consider the precautionary principle in identifying topics that need to be addressed in our reporting as potentially posing risk to our organization either now or in the future, and build this concept into our materiality analysis process.

With regard to data collection and tracking, American transitioned in 2009 to the Environmental Protection Agency's Climate Leaders methodology to calculate the company's total carbon footprint. This methodology incorporates different emissions factors than were used in previous years, and because a fuller range of sources is tracked, represents a more conservative estimate of total emissions.

We welcome your feedback on our corporate responsibility efforts and this report. Please contact Mr. Tom Opperbeck at tom.opperbeck@aa.com with any questions or comments.

Ceres stakeholder advisory panel

American Airlines has been a member of Ceres since 1999. Ceres is a nonprofit network of investors, environmental organizations, and public interest groups that work with companies and investors to address sustainability challenges.

We have been fortunate to be able to draw upon the expertise of a stakeholder advisory panel convened by Ceres to shape the direction and content of our corporate responsibility and environmental responsibility reports since 2006. The 11-member panel comprises Ceres subject-matter experts, corporate practitioners, representatives of nonprofit organizations involved in environmental and airline industry-related issues, and analysts at socially responsible investment firms.

The panel provided input at various stages of the development of the 2009 Corporate Responsibility Report:

- The panel provided feedback on our 2008 Corporate Responsibility Report, highlighting strengths as well as areas for improvement and greater depth of reporting. For example, the panel
 - recognized the 2008 report for its in-depth coverage of governance issues, diversity, and the quantification of both direct and indirect economic impact generated by our presence in local communities; and
 - recommended that the 2009 report include a more comprehensive discussion on materiality, be more visible and accessible to readers, and contain more information about labor relations, among other suggestions.
- We presented this feedback to our Citizenship Steering Committee and engaged in internal dialogue as to where we felt enhanced disclosure would be beneficial. We also incorporated panel comments into our materiality analysis process.
- We shared the report content outline with the panel and incorporated some of their feedback during report drafting.

GRI Content Index

American Airlines has applied the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines in developing the 2009 Corporate Responsibility Report. We are self-declaring a level C GRI Application Level.

The GRI Content Index below provides links to GRI disclosures found on the Corporate Responsibility Report webpages and other locations on American Airlines' corporate website.

GRI Disclosure	Type	Location
Strategy and analysis		
1.1 CEO statement	Core	CEO Message
1.2 Description of key impacts, risks, and opportunities	Core	CEO Message
		Flight Plan 2020
		Materiality Analysis
Organizational profile		
2.1 Name of the organization	Core	AMR Corporation
2.2 Primary brands, products, and services	Core	AMR Corporation
2.3 Operational structure	Core	AMR Corporation
2.4 Headquarters location	Core	AMR Corporation
2.5 Countries of operation	Core	AMR Corporation
2.6 Nature of ownership and legal form	Core	2009 Annual Report
2.7 Markets served	Core	AMR Corporation
2.8 Scale of organization	Core	AMR Corporation
2.9 Significant changes during the reporting period regarding size, structure, or ownership	Core	2009 Annual Report
		AMR Corporation
2.10 Awards received during the reporting period	Core	Recent awards and recognition
Report Parameters		
3.1 Reporting period	Core	About This Report
3.2 Date of most recent previous report	Core	About This Report
3.3 Reporting cycle	Core	About This Report
3.4 Contact	Core	About This Report
3.5 Process for defining report content	Core	About This Report
		Materiality Analysis
3.6 Boundary of the report	Core	About This Report
3.7 Limitations of the scope or boundary of the report	Core	About This Report
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that could affect comparability	Core	About This Report
3.9 Data measurement techniques and assumptions	Core	About This Report
3.10 Explanation of the effect of any restatements of information provided in earlier reports	Core	Environmental Data
3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	Core	Environmental Data
		About This Report
3.12 GRI content index	Core	GRI Content Index
3.13 Policy and current practice with regard to seeking external assurance for the report	Core	We did not seek external assurance for this report; however, we drew upon the expertise of a stakeholder advisory panel convened by Ceres to shape the report's direction and content.
		About This Report

4.1 Governance structure	Core	Governance Investor Relations/Corporate Governance
4.2 Indicate whether the Chair of the highest governance body is also an executive officer	Core	Governance Investor Relations/Corporate Governance
4.3 State the number of members of the highest governance body that are independent and/or non-executive members	Core	Governance Investor Relations/Corporate Governance
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the board	Core	Procedures to Facilitate Communications Between the Directors and Employees, Shareholders and Other Interested Third Parties (PDF)
4.5 Linkage between compensation for members of the board, senior managers, and executives and the organization's performance	Core	Executive Compensation Directors' Unit Incentive Plan (PDF) Amendment to the Directors' Unit Incentive Plan (PDF)
4.6 Processes in place for the board to ensure conflicts of interest are avoided	Core	Board of Directors Governance Policies (PDF) Director Nominating Policies (PDF) Investor Relations/Corporate Governance
4.7 Process for determining the qualifications and expertise of the members of the board for guiding the organization's strategy on economic, environmental, and social topics	Core	Governance Nominating / Corporate Governance Committee Charter (PDF)
4.8 Statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	Core	Ethics and Compliance Employee Standards of Business Conduct (PDF) Waivers and Amendments of the Standards of Business Conduct for Executive Officers (PDF)
4.9 Board procedures for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	Core	Governance Audit Committee Charter (PDF)
4.10 Processes for evaluating the board's own performance	Core	Nominating / Corporate Governance Committee Charter (PDF)
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization	Core	About This Report
4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Core	None
4.13 Memberships in associations or advocacy organizations	Core	Ceres International Air Transportation Association (IATA), the Air Transport Association of America (ATA), and the Regional Airline Association (RAA)
4.14 List of stakeholder groups engaged by the organization	Core	Engaging With Our Stakeholders
4.15 Basis for identification and selection of stakeholders with whom to engage	Core	Engaging With Our Stakeholders
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Core	Engaging With Our Stakeholders
4.17 Key topics and concerns that have been raised	Core	Materiality Analysis

through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting		Engaging With Our Stakeholders
		Ceres Stakeholder Advisory Panel
Economic Performance		
Disclosure on Management Approach	Core	2009 Annual Report Flight Plan 2020 Economic Impact CEO Message
EC1. Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	Core	2009 Annual Report Economic Impact Strengthening Our Workforce Global Giving More than an Airline
EC2. Financial implications and other risks and opportunities for the organization's activities due to climate change	Core	Climate Change 2009 Annual Report, pp 10, 20
EC3. Coverage of the organization's defined benefit plan obligations	Core	Keeping Our Commitments to Employees
EC8. Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement	Core	More than an Airline Economic Impact/Investing in Infrastructure
EC9. Understanding and describing significant indirect economic impacts, including the extent of impacts	Additional	More than an Airline Economic Impact
Environmental Performance		
Disclosure on Management Approach	Core	EMS, Environmental Oversight, and Environmental Policy
EN1. Materials used by weight or volume	Core	Materials Use Materials Recycling
EN3. Direct energy consumption by primary energy source	Core	Jet Fuel Consumption Energy Efficiency
EN5. Energy saved due to conservation and efficiency improvements	Additional	Energy Efficiency Minimizing our Environmental Impact
EN6. Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Additional	Creating a Market for Alternative Fuels
EN7. Initiatives to reduce indirect energy consumption and reductions achieved	Additional	Energy Efficiency
EN8. Total water withdrawal by source	Core	Water Use
EN9. Water sources significantly affected by withdrawal of water	Additional	None
EN16. Total direct and indirect greenhouse gas emissions by weight	Core	GHG Emissions
EN18. Initiatives to reduce greenhouse gas emissions and reductions achieved	Additional	Climate Change Energy Efficiency Creating a Market for Alternative Fuels
EN19. Emissions of ozone-depleting substances by weight	Core	Ozone-Depleting Substances
EN26. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	Core	Climate Change Creating a Market for Alternative Fuels Our Fleet
Social		

Labor Practices and Decent Work		
Disclosure on Management Approach	Core	Working at American Strengthening Our Workforce
LA1. Total workforce by employment type, employment contract, and region	Core	Our Workforce
LA2. Total number and rate of employee turnover by age group, gender, and region	Core	Our Workforce
LA3. Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operation	Additional	Working at American Benefits Offered to Our Employees
LA4. Percentage of employees covered by collective bargaining agreements	Core	Labor Relations AANegotiations.com
LA5. Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	Core	AANegotiations.com
LA7. Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region	Core	Health and Safety
LA8. Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	Core	Health and Safety
LA10. Average hours of training per year per employee by employee category	Core	Training and Development
LA11. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Additional	Strengthening Our Workforce
LA12. Percentage of employees receiving regular performance and career development reviews	Additional	Training and Development
LA13. Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity	Core	Diversity and Inclusion Diversity & Inclusion website Governance
Society		
SO1. Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting	Core	More than an Airline Economic Impact
SO3. Percentage of employees trained in organization's anti-corruption policies and procedures	Core	Ethics and Compliance
SO5. Public policy positions and participation in public policy development and lobbying	Core	Public Policy
Product Responsibility		
Disclosure on Management Approach	Core	Safety and Security
PR1. Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Core	Safety and Security American Eagle Safety Focus
PR5. Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Additional	Engaging Our Customers Customer Experience Flying American
PR8. Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Additional	There were no breaches of customer personal information in 2009

CUSTOMERS

Progress

Meeting customer needs

Flight Plan 2020's tenet "Earn Customer Loyalty" recognizes that to achieve long-term success, our customers must be able to count on us to meet or exceed their expectations.

When purchasing our product, customers expect a global route network, competitive pricing, and a frequent flyer program with many opportunities to earn and redeem miles. Once onboard, customers count on a safe and dependable travel experience, clean aircraft, with timely bag delivery. Throughout the process, customers want to interact with professional and caring employees who treat them with respect regardless of differing cultural backgrounds, experiences, and languages.

We are pursuing initiatives across all of these areas of customer experience, supported by cross-functional teams throughout the company. In 2009:

- American became one of only four U.S. based air carriers to achieve a "Level 1" rating under a Federal Aviation Administration (FAA)-sponsored pilot program focused on improving airline safety management systems.
- We achieved significant improvement in year-over-year on-time arrival rates for both American and American Eagle.
- Enhancements to our Baggage Handling and Resolution processes resulted in both American and American Eagle reporting fewer mis-handled bags than in the previous year. In 2009, American and American Eagle handled bags appropriately for 99.6 percent and 99.2 percent of passengers, respectively.
- Employees collectively earned approximately \$45.4 million in customer experience cash rewards that recognize the achievement of high levels of customer satisfaction and travel dependability.
- We continued our investment in fleet renewal, with an average of one new Boeing 737 aircraft brought into service every 10 days. These modern aircraft offer enhanced entertainment systems, more power ports, and more overhead space than the MD-80s they are replacing.
- American Eagle announced plans to add a First Class cabin to its fleet of 25 Bombardier CRJ700 regional jets and also signed a letter of intent with Bombardier to exercise options for the purchase of 22 additional CRJ700 aircraft, which will come equipped with First Class cabins, for delivery beginning in mid 2010.
- The introduction of AAdvantage® One-Way Flex awards provided customers more flexibility for award redemption by introducing a variety of new award redemption options that were previously unavailable.
- The addition of key routes, such as flights from Dallas Fort-Worth to Madrid, supported our cornerstone strategy and strengthened our alliance-based networks.
- American Airlines has launched a first-of-its-kind website, BlackAtlas.com, that combines the best features of a travel site with the power of social networking to create a dynamic online community for travelers within the black community.

Safety and Security

Safety is the single most important priority for American and American Eagle. It is the first and foremost consideration in any decision, as well as the foundation of our success as an airline. Everyone, from senior management to front line employees, plays a critical role in creating a safe environment.

Our Safety Management System



Employee maintaining aircraft to keep customers safe

The core of our safety focus is our Safety Management System (SMS). The SMS is a set of flight standards developed in conjunction with the FAA that put in place strategies and oversight to enhance passenger safety. The SMS consists of four major components:

- A Safety Policy that outlines the SMS philosophy and American's commitment to safety, personal accountability, and individual responsibility.
- Safety Assurance practices that ensure safety through reviews, evaluations, audits, inspections, and investigations.
- A Safety Risk Management framework that allows hazards to be identified and assessed for risk, while also allowing us to institute mitigation strategies and feedback mechanisms.
- Safety Promotion programs that include training mechanisms which contribute towards our positive safety culture.

There are 12 data collection and analysis programs within the SMS that continuously monitor the safety of every aspect of our operations. Examples of these collection and analysis programs include:

- Flight Operations Quality Assurance (FOQA): FOQA collects and analyzes digital flight data generated during normal flight operations. This data provides greater insight into the total flight operations environment.
- Aviation Safety Action Program (ASAP): The foundation of ASAP is a safety partnership between the FAA, our company, and our employee labor unions. The program's focus is to encourage voluntary reporting of any safety issues and events that come to the attention of pilots, flight attendants, dispatchers, and maintenance workers. Events or issues are analyzed, and corrective action is taken when necessary. American Airlines was the first airline to implement the ASAP program in 1994.
- Internal Evaluation Program (IEP): IEP audits and inspects company policies, procedures, and systems to identify and correct potential problems before they occur. IEP provides a functionally independent review beyond what is required for regulatory compliance.

American Airlines and American Eagle: Partners in safety

American Airlines and American Eagle work hand in hand to apply the same standards of safety across both sets of operations. We have a close and fully integrated safety relationship and regularly share best practices to enhance our operations.

[Read more](#) about American Eagle's safety focus.

The entire airline industry, including American Airlines, is subject to extensive safety testing and oversight by external regulatory agencies. We undergo both scheduled and unscheduled auditing, including the following:

- Local inspectors audit American and American Eagle operations as part of the FAA's Air Transportation Oversight System.
- AMR participates in the Air Carrier Evaluation Process, in which inspectors from the FAA's national headquarters review our operations
- AMR holds the International Air Transport Association (IATA) Operational Safety Audit safety certification, which it received after passing a rigorous set of audits across more than 900 standards reflecting aviation industry operational safety best practice.
- Civil aviation security authorities in our countries of operation regularly audit and inspect our facilities and operations to verify that we are appropriately applying all applicable safety and security measures.

American Airlines partners with FAA on safety

In 2008, American Airlines began its participation in a FAA-sponsored Pilot Project geared towards improving safety management systems. The project adopts a phased approach, beginning with Level 0 (Commitment), through subsequent Levels 1, 2, 3, and 4 that apply additional levels of implementation. In December 2009, American Airlines became one of only four U.S. carriers to have achieved Level 1 pilot project implementation across its entire organization.

Responding to disasters and emergencies

American Airlines created the Customer Assistance Relief Effort (CARE) program in 1993. The program established teams of American and American Eagle volunteers who are available at a moment's notice to assist passengers and their families after any airline incident or to help with disaster relief efforts.

CARE team members are composed of more than 1,000 specially trained volunteers who collectively speak over 50 languages. During deployment, CARE volunteers are assigned to passengers, crewmembers and their families, and perform various duties such as making flight and other travel arrangements, securing hotel accommodations, and providing emergency food and clothing.

Please click [here](#) to read more about the [CARE program](#).

Security



New security checkpoint at Los Angeles International Airport

An important part our role as a travel services provider is making sure that our customers feel secure at all times. We work in close collaboration with government agencies to recommend policies that enhance security levels without impeding travel. We also apply a variety of security measures to ensure the safety of our passengers, employees, and assets.

We are proud to have been recognized by the Transportation Security Administration (TSA) for becoming the first airline to implement [Secure Flight](#). Secure Flight is a program that enhances the security of domestic and international commercial air travel through the use of improved passenger watch list matching.

By requesting each customer's full name, date of birth, gender, and address and phone number, we make our passengers safer while also improving the travel experience for passengers who have been misidentified in the past as individuals on government watch lists. We store this information for AAdvantage members in order to provide them with an expedited reservation experience, while maintaining the privacy of individuals by collecting the minimum amount of personal information necessary and managing the information in accordance with stringent guidelines and all applicable privacy laws and regulations.

In addition, American Airlines Cargo implemented enhanced security measures called the Certified Shipper Program in 2009 with one of its top customers. This program focuses on reducing damage and loss along the transport chain.

Engaging our Customers

Our approach to serving our customers



Flight Attendant serves passenger

We strive to deliver quality customer service at every point at which we interact with our customers—from initial trip selection and booking, arrival at the airport and pre-boarding, to the onboard and post-flight experience.

Throughout all these interactions, we seek to make American Airlines and American Eagle the airlines of choice for all travelers by focusing on the attributes that customers care about most. We strive to deliver value for every customer, and to minimize the stress that sometimes accompanies the travel experience.

Engaging with customers

Top three customer concerns

1. Get me there on time
2. Treat me well
3. Don't lose my bags

American Airlines and American Eagle regularly engage customers to solicit feedback on a wide range of topics—from customer service to frequent flyer program to advertising ideas. We measure customer satisfaction in a number of ways, including through our online Customer Satisfaction Survey. Every two weeks over the past three years, we invited 50,000 U.S.-based American Airlines AAdvantage customers to take this online survey. We achieved an average 20 percent response rate for a total of approximately 200,000 responses per year. We will be expanding the online survey program in 2010 to include non-AAdvantage customers and American Eagle customers.

In addition to the online surveys, we distribute paper surveys on randomly selected international flights, yielding approximately 15,000 responses per year. We also engage with customers through other ad-hoc online and paper surveys, focus groups, and allowing customers to use new products and provide feedback to us. This ongoing dialogue ensures that we are listening to our customers and meeting their expectations.

Recognizing exceptional customer service

American Airlines created the AAplause Program in response to requests by premium customers. The program enables premium customers to award an AAplause certificate to recognize and show appreciation to employees who provide excellent customer service. In 2009, 160,242 Applause certificates were received by employees.

American regularly taps into the knowledge and experience of our 16 Employee Resource Groups for insight on how to improve the travel experience for our diverse range of customers. In 2009, we also partnered with our two external advisory councils, one representing women and the second lesbian, gay, bisexual, and transgender (LGBT) travelers, to solicit their input and advice on how we can make our products and services more appealing within these customer segments.

- Our [Rainbow TeAAM](#) is the leading LGBT Dedicated Sales Team in the industry. Through our Rainbow Exclusives program, we offer promotions designed for individuals flying to LGBT community events. Visit [aa.com/rainbow](#) for details.
- American Airlines has launched a first-of-its-kind website, [BlackAtlas.com](#), that combines the best features of a travel site with the power of social networking to create a dynamic online community for travelers within the black community.
- Our [aa.com/women](#) website provides travel ideas and promotions designed to meet the unique needs of women travelers.

Read more about American's diverse segment and women's marketing initiatives in the [2008 Corporate Responsibility report](#) and at [aa.com/diversity](#).

Flying American

There are three primary factors influencing a customer's airline choice when purchasing a ticket: price, global network, and frequent flyer program. Customer research tells us that awareness of the American Airlines and American Eagle brands is high. We are generally in prospective customer's consideration set when they decide to purchase a ticket as well.

Price

The airline industry is characterized by substantial and intense price competition. American generally matches competitors' fares, as failing to match would provide less revenue due to customers' price sensitivity. In recent years, a number of low-cost carriers have entered domestic markets that American also serves. More than 70 percent of American's revenue comes from U.S. and Canadian cities where there is low cost airline competition.

The taxes and fees we are required to pay significantly affect ticket price. [Click here](#) to learn more about these fees.

Our global network



American Airlines aircraft

In a very real sense, what we offer as an airline is our ability to transport millions of people from where they are in the world to where they want to be. The only way we can accomplish this mission is by having in place a robust, global network of routes and alliances.

We made significant enhancements to our network in 2009, most notably realigning our domestic network around our "cornerstone" cities that include Dallas-Fort Worth, Chicago, Miami, New York, and Los Angeles. We are also investing in better serving our U.S. domestic market. Through our regional affiliate American Eagle, American is able to extend its network to more than 160 small and medium-sized communities that American either could not serve or could not offer the same frequency of flights profitably using larger jets. In 2009, American Eagle announced it would begin serving several new routes from Chicago, including Charleston, WV, Harrisburg, PA, Allentown, PA, Wilkes-Barre/Scranton, PA, Sioux Falls, SD, and Fargo, ND.

By strengthening these cornerstone cities, we are laying the groundwork for establishing new international routes in the future. In 2009, we added service between Dallas Fort-Worth and Madrid as well as additional flights that support our cornerstone cities and strengthen our alliance-based network.

Read more about our [global network and oneworld® Alliance partners](#).

The AAdvantage® Travel Awards Program

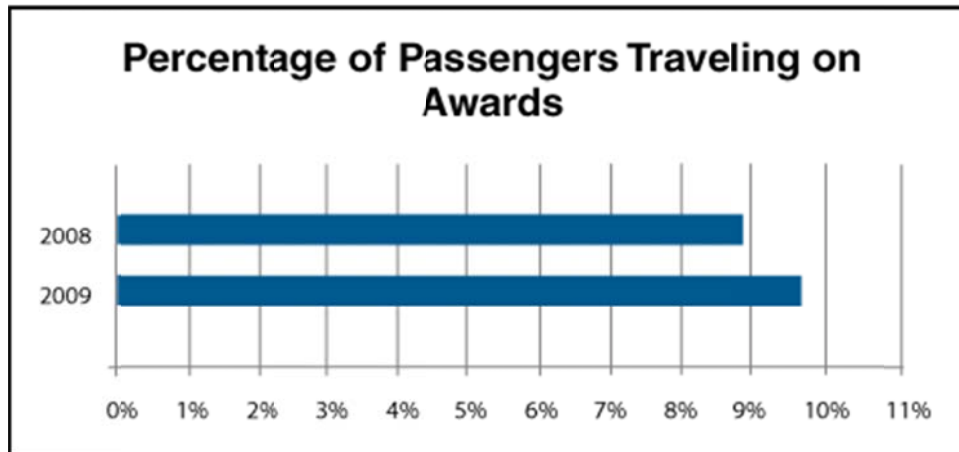


AAdvantage Flex Awards make award booking easier

AAdvantage continues to be a popular and desired travel awards program for American Airlines and American Eagle customers. In fact, more than 300,000 AAdvantage mileage transactions are made each day. Customers can earn AAdvantage miles on American Airlines, American Eagle and more than 20 other airlines as well as through numerous hotel, rental car companies, Citibank credit card purchases, and other AAdvantage partners.

Our AAdvantage member feedback indicates that customers want more flexibility and greater insight into available dates when booking tickets and award travel. In response, we introduced a flexible dates search function and an updated aa.com design making it much easier for customers to search for available flights on and close to the desired date of departure.

In 2009, more than 6.9 million one-way travel awards were redeemed, with six percent more members redeeming awards than in the previous year.



We have been recognized for our investment in our frequent flyer program through awards for best redemption of any U.S. and worldwide program. In addition, we received Budget Travel Magazine's 'Extra Mile Award' for our One-Way Flex Awards and enhancements to AAdvantage Award booking on AA.com, and have been recognized in USA Today, Bloomberg, Newsday, and the Chicago Tribune for the flexibility we offer our travelers through this program.

Customer Experience

Enhancing Customer Experience



American Eagle ramp personnel

We are focused on delivering a positive experience for customers prior to boarding, onboard the aircraft, and upon arrival. We know that factors such as dependability and the overall quality of the travel experience are keys to ensuring high levels of customer satisfaction and loyalty.

We have established the Customer Experience Leadership Program to position us to deliver exceptional customer service, every day. Employees throughout the company are working collaboratively to develop innovative solutions to enhance the customer experience. These local teams are instrumental in helping our airline enhance customer satisfaction in areas of:

- dependability,
- gate interactions,
- onboard interaction and boarding experience,
- cabin interior condition,
- baggage handling, and
- baggage resolution.

Customer experience teams lead the way

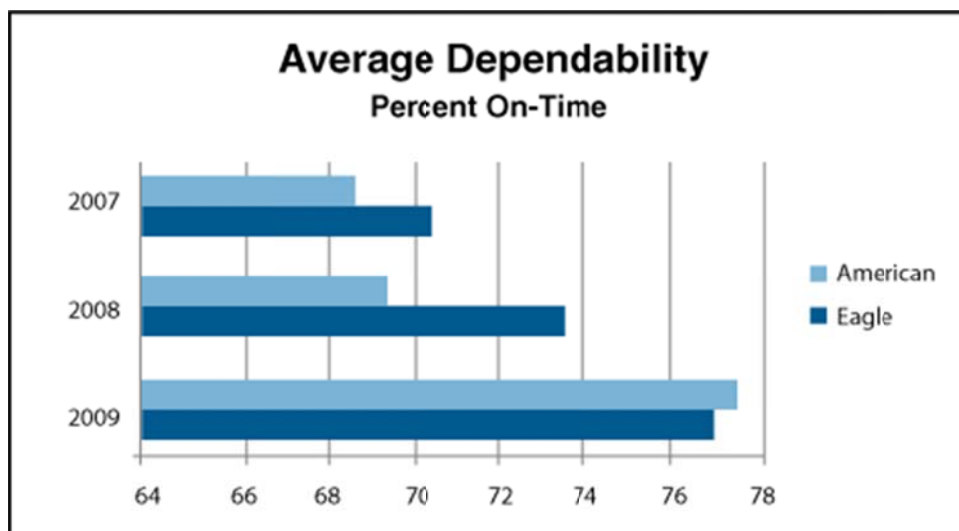
From calling the customer by name to facilitating a better boarding experience, American is constantly identifying creative solutions to enhance customer satisfaction. Every day, more than 250 Customer Experience Teams use their ingenuity to improve the customer experience.

American Airlines, under its Annual Incentive Plan, has put in place Customer Experience Rewards to reward eligible employees if they (as customer teams) exceed measurable goals in customer satisfaction and dependability. On a monthly basis, employees can earn up to \$100 (or \$1,200 for the year) if customer travel experience surveys and on-time departure information convey positive results. In 2009, American paid out approximately \$45.4 million in CER awards to employees, with the majority of awards paid out for customer satisfaction performance.

Ensuring Dependable Flights

Our customers expect their flights to leave and arrive on time, and we are focused on continually improving our performance in these areas. One way in which we track dependability is through metrics that all U.S. airlines disclose to the Department of Transportation (DOT), including on-time arrival rates.

DOT defines an on-time arrival as any flight that arrives within 14 minutes after its published scheduled arrival time (A+14). American Airlines and American Eagle have consistently improved on-time arrival performance overall for the past three years.



Certain aspects of on-time arrival are outside of our control, such as congestion on the ground at airports and weather conditions in the air. Our success with this metric, however, depends in part on actions we take within our operations. For example, we are continuing our practice of pairing pilots and flight attendants with aircraft so that they do not need to switch to other aircraft at each departure point. We also carefully plan and track overnight maintenance so that all our aircraft are ready to fly at their scheduled time.

Customer experience tools and innovations

When customer service issues arise, our objective is to resolve them at the first point of contact. We are using technology to provide employees with more information about our customers and our operations so that they have the tools they need to solve problems quickly. Since the inception of the Customer Experience Leadership Program, we've introduced a broad array of tools and innovations to enhance the customer experience.

In those instances when customer concerns require further attention, we follow the provisions outlined in the Customer Service Plan. Customers may also submit any comments or concerns via the Customer Relations webpage.

Overall customer experience	American is making substantial investments in technology to provide employees with better systems and processes to support customer service needs. Our Jetstream project is a multi-year initiative to replace our previous Passenger Service System. Jetstream is a critical component of modernizing our existing technology infrastructure.
	"Remember Me" is an automated system through which customers can call a dedicated phone number to retrieve reservation information up to four times faster than individuals not registered for the service
Customer travel management	Enhanced AA.com mobile services offers customers the ability to use mobile phones to view flight status, check in for a flight, change reservations, and perform other important tasks remotely
	YADA (Your Assistance Delivered Anywhere) is a new mobile technology that allows airport agents to provide real-time information on flights, gates and baggage directly to customers anywhere in the airport. Agents can scan boarding passes, check bags, print "real" bag tags, provide connecting information, and even pull up maps of other airports. YADA has been deployed in Boston, Dallas-Fort Worth, Miami, New York JFK and San Juan.
Dependability	Dedicated self-service machines and kiosks present information in local languages RampLink is a hand-held PDA that allows Crew Chiefs to close and finalize the Cargo Load Plan plane-side instead of walking to the gate house. This technology helps prevent delays associated with providing weight and balance data to flight crews before takeoff.
	Gate Adviser is a web-based platform used by our gate agents that allows them to immediately learn

and communicate the status of a flight crew, meal information, air traffic control factors, and individual passenger connections.

Taxi Monitor enables employees in our operation centers and airports to track how long a departing flight has been away from a gate while waiting for takeoff and how long an arriving flight is on the ground waiting for a gate and the number of passengers on board.

Diversion Tracker is a monitoring tool which shows our operations center team all diverted flights throughout our system and identifies if flights are on time, how long they have been waiting to depart or arrive at a gate, and how long flight crews have been on duty.

ReAAccom re-books customers after a cancellation and finds the best flight options available for as many customers as possible. The system can process up to 200 flights per hour and automatically updates reservations and triggers customer notifications.

PriorityAAccess was introduced to make the airport process and overall travel experience more convenient

Gate interactions and boarding experience

Improving the ways in which customers can navigate all airports including new signage and branding enabling customers to locate facilities and amenities more easily

Onboard interactions

In August 2008, American Airlines became the first U.S. airline to offer in-flight internet access. By the end of 2009, Gogo, our in-flight internet service, was installed on all 767-200s and 150 MD-80s. In 2010, we will continue installing the service on the entire 737 fleet.

Instituted world-class cabin cleaning systems via

Cabin interior condition

- staff training
- identification and standardization of cleaning tools and products, with color-coded bags of cleaning supplies specific to each area of the aircraft

Working with gateway cities to provide better baggage sortation procedures and faster delivery of bags being transferred from other airlines to American

Baggage handling

Revised procedures for loading and unloading bags in select European cities as well as introduced bag tags in various languages to improve baggage tracking and the post-flight experience

Baggage tracking and resolution

T-Link is a mini-computer device installed on tugs to help reduce baggage misconnects by providing real-time gate information and efficient route information to fleet service clerks delivering connecting bags.

ENVIRONMENT

Progress

Acting as responsible stewards

We are committed to identifying and implementing programs to reduce our environmental impact. We recognize that acting as responsible environmental stewards is not only good for the planet, it is good for our business as well. As such, we continuously look for new ideas and opportunities to further improve our environmental performance.

In 2009, our environmental initiatives yielded the following results:

- We reduced our greenhouse gas emissions related to jet fuel by 7.1 percent from 2008 to 2009
- Our Fuel Smart program's run-rate of annual fuel savings stood at 108 million gallons at the end of the year
- We saved over \$10 million annually through energy-saving initiatives implemented by our Utilities Management Council
- We received and deployed 31 new Boeing 737 aircraft by the end of 2009 that are 35 percent more fuel-efficient on an available seat-mile basis than the MD-80 aircraft they are replacing
- We signed agreements in partnership with 15 other airlines to purchase future supplies of alternative fuels
- We reduced ozone depleting substances by almost 80 percent through the replacement of certain industrial cleaning products

Minimizing our environmental impact

We are an energy-intensive industry. Our greatest environmental impact (and often our greatest operating cost) is the use of jet fuel to fly aircraft. Our ability to reduce emissions related to jet fuel combustion is limited by the lack of readily available and at-scale substitutes. One way we are addressing this challenge is by investing in the development of alternate fuels via future-purchase agreements. We will also continue to focus on ways to use fuel more efficiently, raise and allocate the capital needed to purchase new aircraft and aviation technology, and tap into employee creativity to reduce our overall carbon footprint.

Climate Change

As we found through the [materiality analysis](#) we conducted in preparation for this report, the environmental issue of greatest significance to our company's stakeholders is climate change. A tremendous amount of attention is being paid to better understanding the potential environmental, societal, and financial implications of global warming and how climate change might shape our industry and our world in the years and decades to come. In our own company, we are working to implement strategies to reduce greenhouse gas (GHG) emissions while participating in the public policy debate and preparing for potential carbon regulation and trading schemes.

While air travel is a carbon-intensive industry, air carriers play an irreplaceable role in the world economy and its communities. By safely and efficiently connecting people and products, the airline industry is a key driver of social and [economic progress](#).

The airline industry is under heavy scrutiny with regard to its contribution towards global GHG emissions. Yet, although air carriers have a high profile with regard to this issue, the airline industry collectively contributes only approximately two percent of the world's manmade emissions of carbon dioxide, according to the United Nations Intergovernmental Panel on Climate Change.

GHG reduction goals

We are committed to doing our part to decrease this percentage even further. Our goals—in line with the airline industry—are to:

- Improve CO₂ efficiency of aircraft by an average of 1.5 percent per year, measured on an intensity basis, through 2020
- Achieve carbon neutral growth from 2020 onwards
- Reduce aviation net carbon emissions by 50 percent by 2050, as compared to 2005 levels



Fleet renewal with Boeing 737s better for the environment

One of the most exciting things happening at American Airlines today is the delivery and deployment of new aircraft. In 2009, we received 31 737s, aircraft that are 35 percent more fuel efficient on an available seat-mile basis than the MD-80s they are replacing. We will take delivery of an additional 45 737s in 2010, and eight more in 2011, for a total of 84 737 aircraft. These aircraft represent a major investment in our future.

Encouragingly, due to our significant investment in new technology and operating procedures, we will be able to decouple emissions growth from future growth in passenger numbers. This means that even as a greater number of flights take place around the world, they do not result in an equivalent rise in percentage of GHG emitted.

Addressing the root causes of GHG emissions

The most significant contributor to our GHG emissions is the burning of petroleum-based jet fuel. As such, the most effective ways to curb emissions is through the introduction of new, more efficient technologies and operational practices such as:

- Better aircraft design and engine innovation
- New, lightweight materials
- Alternative fuels
- Optimal flight planning and routing

Additionally, further GHG emissions reductions could be achieved via infrastructure improvements to airports and to the overarching [air traffic management system](#), supported by positive economic measures and government investments.

Participating in climate partnerships

We recognize the value of learning from our peers and leaders in other industries with regard to lowering our GHG emissions. We are active in several climate-related organizations, including the U.S. Environmental Protection Agency's Climate Leader program, in which we were the first major passenger airline participant. Under program auspices, members commit to setting ambitious GHG reduction goals and reporting progress annually. We are also members of the Commercial Aviation Alternative Fuels Initiative, and respond annually to the Carbon Disclosure Project questionnaire.

Increasing the efficiency of trans-oceanic flights

American has long been a leader in optimizing air travel efficiency over the Atlantic. In fact, more than 20 years ago, American pioneered the routine use of two-engine aircraft on trans-oceanic flights, which fundamentally changed air operations. Up to that point, almost all international flights were flown by three- and four-engine aircraft. American's efforts to open up the Atlantic to two-engine aircraft heavily influenced Boeing and Airbus to build two-engine aircraft for international flights, resulting in a significant reduction in carbon emissions and greater fuel efficiency across the industry.

American is proud to continue its leadership in testing next-generation technology and procedures in conjunction with the Atlantic Interoperability Initiative to Reduce Emissions (AIRE) program. American has participated in AIRE since 2008 and is the first U.S. airline to conduct tests in 2010 of new, more environmentally beneficial technologies on trans-Atlantic routes in order to reduce carbon emissions and save fuel.

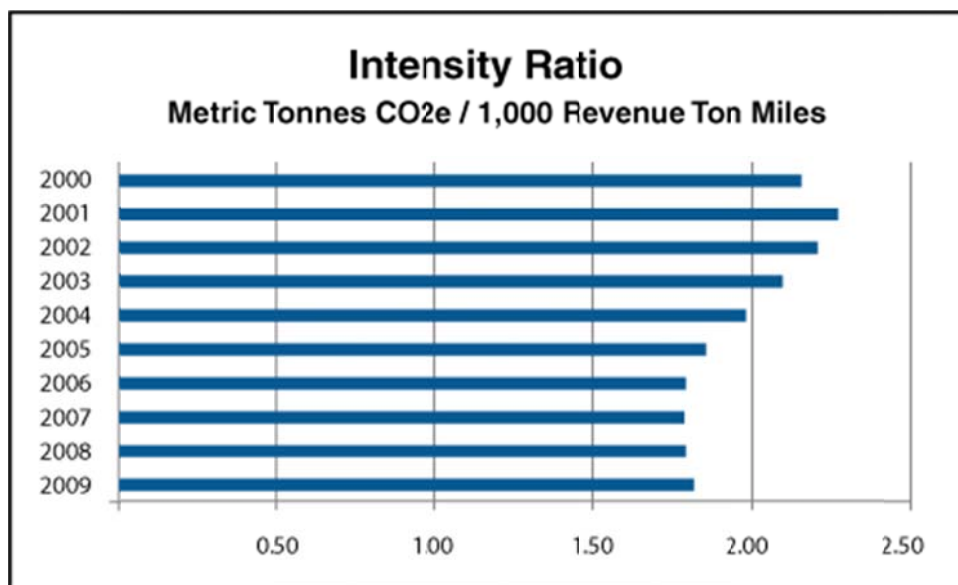
Energy Efficiency

Jet fuel far exceeds all the other energy sources used across our operations. Accordingly, our first focus when it comes to energy efficiency is reducing the amount of jet fuel we use. Not only does lowering our fuel consumption reduce our GHG emissions, thus contributing to our carbon reduction goals, it saves us money. On average, each gallon of fuel saved returns more than \$2 to our bottom line.

Saving fuel: cutting emissions, cutting costs

We track fuel efficiency through an "intensity ratio" that reflects metric tons of CO₂e per 1,000 revenue ton miles (RTMs)—or, put more simply, a measure of how many passengers and how much cargo our aircraft transport when they fly.

In 2009, our intensity ratio increased slightly from 1.80 CO₂e per 1,000 RTMs to 1.82 CO₂e per 1,000 RTMs. This increase was primarily due to a 17.4 percent decrease in cargo ton miles, reflecting the fact that we carried less cargo in 2009 than in 2008 on our scheduled flights.

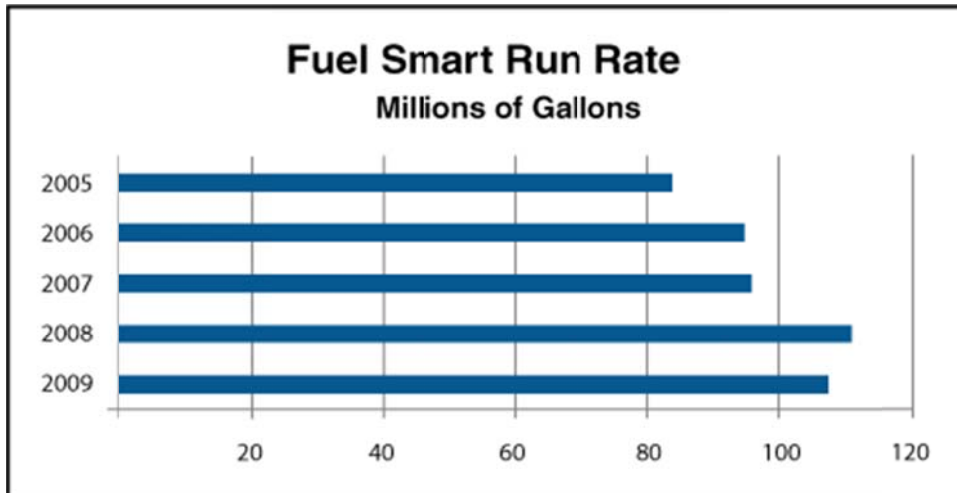


The amount of carbon emissions per revenue ton mile flown in 2009 increased slightly from 2008.

Our Fuel Smart program, established in 2005, is an important cornerstone of our fuel conservation efforts. It engages employees in every aspect of our business in searching out fuel-saving opportunities. An interdepartmental team has prioritized the Fuel Smart ideas that offer the greatest financial impact, ease of implementation, and engagement with front-line employees. These ideas already have resulted in and will continue to yield significant fuel- and cost-savings for American, and include:

- Installation of winglets on all of our Boeing 737 and 757 aircraft and completion of winglet installation on 15 percent of our Boeing 767-300 fleet by year end 2009
- Implementation of a Dynamic Cost Index to determine an aircraft's optimal flight speed
- Use of area navigation (RNAV) to optimize arrival and departure routings
- Reduction of total aircraft weight by modifying catering cart materials, removing unnecessary items, and eliminating unneeded potable water carried on flights

Read about these and other initiatives on the [Fuel Smart webpage](#).



We measure the results of fuel-savings initiatives through a "run-rate" metric, which indicates the amount of fuel we will be saving over the next 12 months compared to when we began our Fuel Smart program. Although we did not meet our goal of increasing fuel savings to 120 million gallons in 2009, we successfully continued our trend of saving more than 100 million gallons of fuel per year through ongoing initiatives.

Utility management

In addition to seeking out ways to cut fuel consumption, we also pursue energy saving initiatives at our offices and facilities. We established an internal Utility Management Council in February 2005 to lead these initiatives and track the savings we've achieved.

The Utility Management Council is made up of Facilities Maintenance Managers from the "Big 10"—the 10 stations across the American Airlines system that spend the most on utility costs. These managers from our major operations meet every other month, along with TWU union representatives, to explore energy challenges, analyze ideas and potential solutions, and develop plans to bring down utility costs.

Since the council was established, the group has already identified over \$10 million in annual savings for the company. Some savings are small, such as those resulting from the replacement of old copiers with more efficient models that carry the Energy Star rating. Other initiatives, such as boiler enhancements at our Alliance/Fort Worth and Tulsa maintenance bases, are providing much bigger savings. But all of these improvements—big and small—represent important steps to help us reduce our electricity use and associated emissions. In 2010, the Utility Management Council is looking to increase its annual savings by an additional \$1.5 million.

By replacing lighting in the parking garages of our corporate headquarters with new, energy efficient fixtures, the Utility Management Council saves American Airlines \$438 every day—or \$160,000 per year.

Environmental Policy

American Airlines and American Eagle implemented an Environmental Management System (EMS) almost 20 years ago. Modeled on the ISO 14001 standard, the EMS encompasses elements including environmental policy, planning, implementation and training, audits and corrective actions, and management review. The EMS covers our U.S. operations.

In 2009, we performed 61 internal audits, including audits at all major airport operations. As part of the EMS plan, we aim to audit all maintenance bases, all major airport operations, and smaller airport operations on a risk based schedule—approximately once every three years.

With regard to oversight of our environmental performance, the Managing Director of Corporate Environmental reports directly to the Vice President of Safety, Security and Environment, who reports annually to the Board of Directors. Administratively, this Vice President reports directly to AMR's Executive Vice President of Operations who, in turn, reports directly to AMR's Chairman, President, and Chief Executive Officer, Gerard Arpey.

Environmental Policy and Commitment Statement

The AMR Environmental Policy governs our company's approach to protecting and preserving the environment. The Policy was first adopted in 1993 and most recently updated in December, 2009.

AMR is committed to safeguarding the earth's environment through the ongoing development and implementation of sustainable business practices.

The Chief Executive Officer and each employee are responsible for ensuring compliance with this policy. Station/functional management at all locations and subsidiaries shall implement policies and procedures to comply with this policy statement.

The Company has made a commitment to:

- Comply with all environmental laws and regulations.
- Maintain procedures and systems that ensure required environmental laws and regulations are met or exceeded.
- Communicate appropriate environmental information to affected employees, customers, contractors, the public, regulatory authorities, and emergency response authorities.
- Safeguard the earth's environment by adopting sustainable business practices, technologies, and procedures that take energy use, pollution prevention, water conservation, other emissions, and conservation of natural resources into account.
- Engage our stakeholders, including customers, suppliers, and shareholders in our effort to reduce our environmental footprint.
- Report publicly our environmental performance, including greenhouse gas emissions, on an annual basis.
- Strive to continuously improve our environmental performance.

The President and Chief Executive Officer will actively work to ensure that each employee of American and American Eagle remains focused on and committed to our environmental, social, and economic success, and will:

- Hold each officer accountable for the environmental performance of his or her division/department.
- Require each department to provide the training necessary to ensure compliance with the environmental rules and regulations and that our impacts to the environment are minimized.
- Require each employee to comply with the Environmental Policy Statement and the Company's policies and procedures designed to encourage environmental, social, and economic sustainability.
- Actively encourage employees to find environmentally friendly methods of running our business.

Materials Use

The most significant material we consume in terms of both weight and volume is jet fuel. We do, however, use many other products throughout our operations such as paper, electronic equipment, maintenance materials, chemicals, and batteries.

We strive to identify opportunities to eliminate unnecessary materials use and to reduce waste. We also encourage reuse and recycling efforts to avoid throwing away still-useful materials by promoting employee awareness and empowering employees to identify additional ways to conserve resources.

For example, at our headquarters campus, we highlight our paper-recycling initiative through the slogan: "Anything that Tears". By placing this simple reminder to recycle paper products on posters and recycling bins, we help employees stay mindful of the impact that their personal actions can have on the environment.

Our flight attendants recycle more than 10 million aluminum cans each year through their in-flight efforts.

Over the past few years, we have made a concerted effort to "go paperless" to the degree possible. As part of this initiative, we:

- provide online alternatives to ticketing and printing boarding passes, including a feature that allows customers to download boarding pass bar codes onto their cell phones
- equip our mechanics with portable laptops to reduce the need for maintenance printouts
- use an online office supply catalog rather than ordering from a paper version of the catalog
- print inflight magazines and boarding passes on thin-gauge paper stock

We are also focused on reducing the amount of hazardous waste generated at our facilities. In 2009, we implemented an innovative idea at American Eagle's Abilene, Texas maintenance base that led to the reclassification of that facility from a large- to a small-quantity generator of hazardous waste under the Resource Conservation and Recovery Act administered by the Environmental Protection Agency. By removing jet fuel from the oil waste stream and placing it into a solvent waste stream, total hazardous waste was reduced by 11,768 pounds.

In addition, American's Chicago airport facility (ORD) implemented a waste reduction initiative that may lead to its future reclassification to a small quantity generator as well. Most of the hazardous waste generated at ORD is composed of paint solids that are generated during the maintenance of aircraft and ground support equipment. In past years, these paint solids were disposed of in containers that were also used to dispose of soiled cleaning rags. Because the rags were mixed with the paint solids, they also needed to be managed as hazardous waste.

In the fall of 2009, ORD implemented a rag recycling program where instead of being thrown away into hazardous waste containers, soiled rags were laundered and re-used. In the first few months of this program, the hazardous waste stream previously encompassing the rags had been reduced by 11 percent. We hope to achieve additional reductions in this wastestream of up to 50 percent in the future.

American Eagle introduces a non-toxic alternative into the aircraft painting process

American Eagle extended its company-wide commitment to environmental sustainability in 2009 by switching to innovative clean technology when repainting its aircraft.

American Eagle has adopted a non-toxic surface pretreatment, PreKote, to prep all of its aircraft for painting. PreKote, which promotes paint adhesion and prevents corrosion, is an environment-friendly and safer alternative to hexavalent chromium. It saves money in total application, as it requires fewer steps to get aircraft ready for repainting. PreKote also reduces water usage by up to two-thirds and significantly decreases wastewater treatment volume.

Data

- [GHG emissions](#)
- [Jet fuel consumption](#)
- [Ozone-depleting substances](#)
- [Water use](#)
- [Recycled materials](#)
- [Noise](#)

GHG emissions

In 2009, American transitioned to the Environmental Protection Agency's Climate Leaders methodology to calculate the company's total carbon footprint. This methodology incorporates different emissions factors than were used in previous years, rendering the 2009 emissions data non-comparable to earlier years.

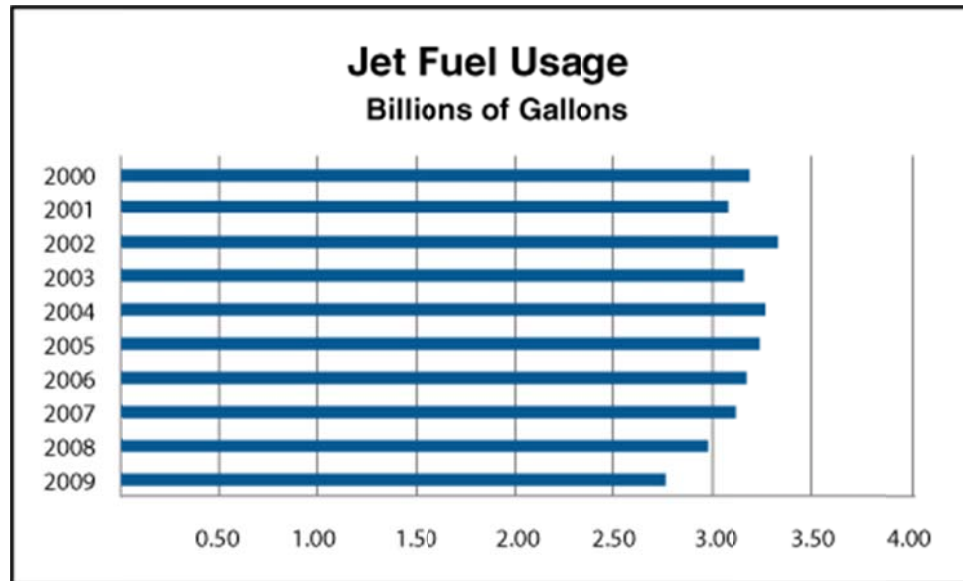
Because the Climate Leaders methodology captures additional sources than the methodology we used previously, we are confident that the data presented for 2009 represents a more conservative estimate of total emissions. Additionally, the overwhelming percentage (approximately 98 percent) of direct GHG emissions (Scope 1) are related to consumption of jet fuel, meaning that any recalculation of previous years' total carbon emissions would not result in material restatements.

2009 Greenhouse gas emissions, measured in CO₂e

Direct Emissions (Scope 1) 26.9 million metric tonnes

Direct and Indirect Emissions (Scope 1 and 2) 27.4 million metric tonnes

Jet fuel consumption



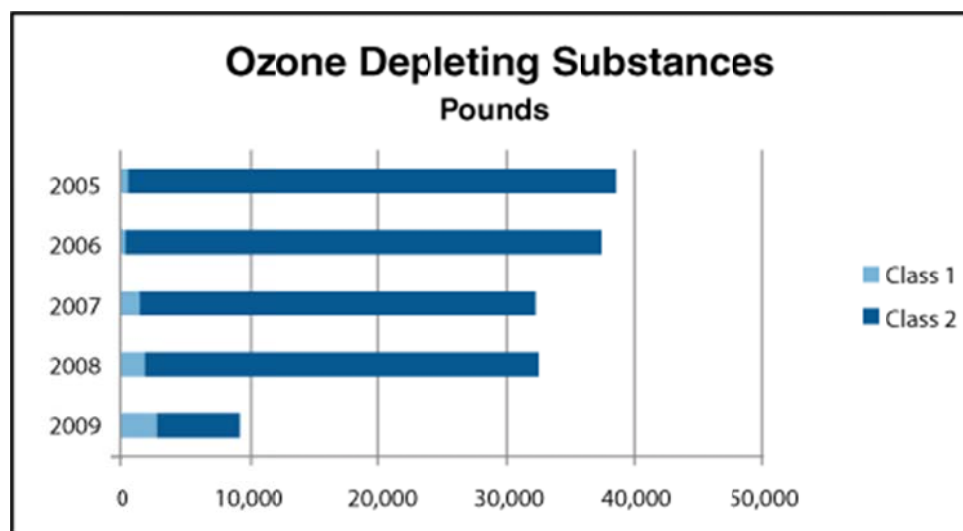
This chart shows the total amount of jet fuel used by American and American Eagle over the past 10 years. In 2009, jet fuel use and related GHG emissions decreased by 7.1 percent. The downward trend in jet fuel consumption is due to AMR's fuel conservation and efficiency efforts as well as an overall decrease in capacity as AMR exercised capacity discipline during the past few years of weak demand within the airline industry.

Ozone-depleting substances

Most of the ODSs we use are Class 2 materials as defined by the Clean Air Act. Industry suppliers are developing and

certifying FAA-approved alternatives to the Class 2 ODS solvent dichlorofluoroethane (HCFC-141b), which represents approximately 96 percent of the Class 2 ODSs we use. Although hydrochlorofluorocarbons (HCFCs) are no longer manufactured, they are still legal to use and are required in many circumstances by current FAA rules. In 2009, we were able to substantially reduce Class 2 ODS emissions by replacing a cleaning product containing a Class 2 ODS.

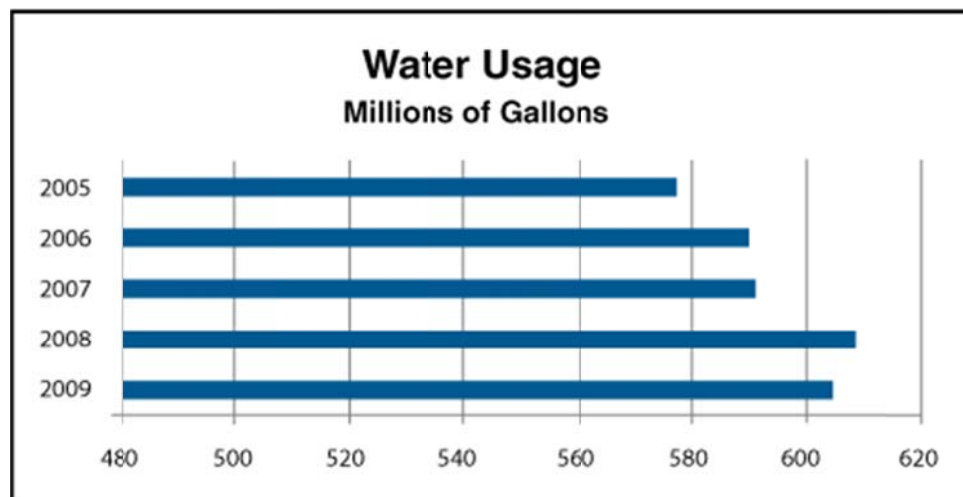
Halon, used in FAA-certified fire extinguishers, remains our sole Class 1 ODS. This material will be phased out with our fleet renewal efforts.



American was able to substantially reduce the amount of Class 2 ODS emissions in 2009 by replacing a specific cleaning solvent.

Water use

We track water use at major facilities, including our headquarters and maintenance bases. The amount of water we purchase from local water utilities represents a small fraction of the water used in each of the markets for which we have data. We do not believe our operations have a material impact on the local water sources from which the water is collected. As a matter of good stewardship, we make efforts to reduce our water consumption and reclaim recovered wastewater.



In 2009, we used 522.7 million gallons of water, a 12.1 percent reduction from the previous year. This achievement was predominantly due to the replacement of old osmosis filters with new, more efficient filtration technology at one of our maintenance bases.

Materials recycling

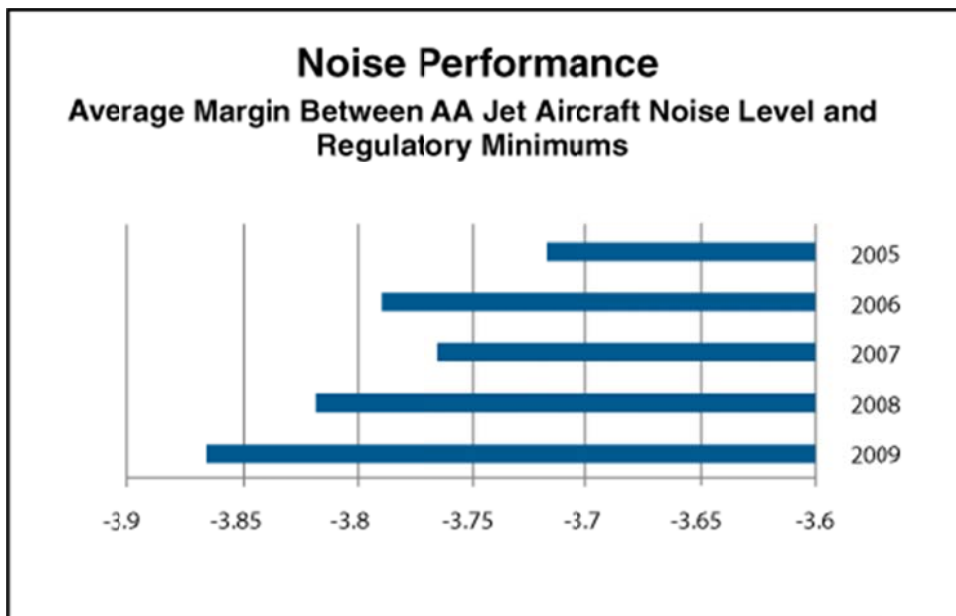
We use a variety of materials in our day-to-day operations. In 2009, we recycled 45.49 million pounds of metals and other items and recovered energy from an additional half million pounds of material.

Metals Recycling	Pounds
Aluminum*	241,000
Copper	16,500
Titanium	14,400
Nickel alloys	10,800
Brass	7,200
Other metals	2,749,300
Other Recycled Items	
Paper	1,036,000
Glycol (de-icing fluid)	538,800
Oil	473,200
Electronics	229,500
Batteries	57,100
Mixed items	514,700
Energy Recovery	
Energy recovery	541,700
Total amount of material recycled or sent for energy recovery (in pounds)	6,430,200

*Does not include the in-flight aluminum can recycling efforts of our Flight Attendant group

Noise

We recognize that noise is an important, localized concern for the communities near the airports we serve. In part, the answer to achieving greater noise reductions is continued fleet renewal efforts. New aircraft continue to be quieter than their predecessors. As such, as we continue to place orders for and take deliveries of new aircraft, we will achieve greater noise reductions. Our efforts to equip aircraft with winglets also reduce aircraft noise.



In 2009, we further increased the margin between mandatory noise limits and the actual noise level of the American Airlines jet aircraft fleet.

EMPLOYEES

Progress

Our future depends on ensuring that American Airlines continues to be a "Good Place for Good People"—one of the five tenets of Flight Plan 2020, which is the company's framework for leading the airline into the next decade. Current and potential employees should feel confident in knowing that American and American Eagle provide a safe, inclusive, and professional working environment—one that supports development, rewards achievement, and values diversity of thought, background, and perspective.



In 2009, we made important strides in furthering the health and safety of all our employees and making American an even better place to work:

- American Airlines and American Eagle reduced employee injuries over each of the past five years in terms of both absolute numbers and the rate of employee injuries.
- We rolled out our flagship employee safety initiative, Partnership for Safety, at London's Heathrow airport, our largest international operation.
- The company promotes a culture focused on safety through coordinated campaigns during National Safety Month in June, ongoing employee communications, and safety fairs at American's headquarters and all Partnership for Safety locations.
- We launched our Wellness Incentive Program that rewards employees for taking steps to improve their health.
- We continued to promote primarily from within the company and encourage job rotation to energize and further develop employees.

We were also recognized for our excellence in promoting a diverse and inclusive workplace:

- *New York Urban League Champions of Diversity Award.* This award is given annually and recognizes corporations for their outstanding corporate citizenship as it relates to their leadership, hiring, supplier relations and philanthropic practices.
- *Association of Diversity Councils.* Achieved a 9th place ranking on the list of Top 25 Company Diversity Councils for 2009.
- *The Greater Dallas Asian American Chamber of Commerce.* The Chamber selected American Airlines as the recipient of the 2009 Corporate Diversity Award.
- *LULAC.* American was recognized by the League of Latin American Citizens (LULAC) with the Presidential Award for the Company's continued commitment to the Latino community.
- We received a perfect score of 100 percent for the eighth consecutive year on the Human Rights Campaign's 2009 Corporate Equality Index.

Read about other [diversity awards](#).

In addition, we continued to draw upon our employees' insights and experience in shaping our future direction:

- Our 16 Employee Resource Groups continue to positively influence our business decisions by supporting new route launches, raising cultural awareness, assisting the company in recognizing the needs of diverse customers, and ensuring American is well-represented in the communities we serve.
- Our 60 Joint Leadership Teams, comprised of independent, union represented, and management employees across the company, provide input for business decisions that influence their work, how customers will perceive us, and the ultimate success of our company.

Our Workforce

In 2009, our company employed 88,500 people around the world, providing them with competitive wages and benefits, support for career growth and development, and the opportunity to contribute to their communities and causes that mean the most to them.

Read more about working at American Airlines on our [careers page](#).

Work Force as of December 31, 2009

Number of American Airlines employees	75,650
Number of American Eagle employees	12,850
Percent of employees based in the United States	81%

Working at American

When so much of what we do as a company relies on providing service to others, we understand that we need to give our employees the right tools and support to be able to deliver quality service every day. From providing among the best wages and benefits in the industry to giving employees training to sharpen their skills and achieve their career goals, we seek to identify and implement those actions that will help our employees flourish and our business succeed. Across all our global regions, we are also mindful of the need to be competitive to secure our future, and thus continuously look for opportunities to be more efficient and cost-effective in how we do our jobs.

Our employees are offered compensation packages that include direct wages as well as health, life and retirement benefits and generous travel privileges such as greatly reduced air fares for themselves and their families. Our approach to compensation is one that envisions base wages as competitive with the marketplace, while offering individual employees the potential to reap additional [financial](#) rewards when we perform well in achieving our goals and in comparison to our competitors. All employees, except [named executive officers and certain other management employees](#), are eligible for profit sharing if specified financial targets are met. In 2009, no profit sharing payments were made to employees.



Read more about [benefits offered to our employees](#).

Keeping our commitments to employees

American Airlines continues to deliver on its promise to the more than 133,000 participants in our defined pension plans in the United States. In 2009, our pension plans paid out \$601 million to plan participants and American paid out an additional \$156 million for retiree medical and other retirement benefits. Retirees who complete specified years of service receive subsidized health insurance for themselves and their family, can purchase a range of other coverages, and have access to travel privileges on American, American Eagle, and many other airlines.

American has contributed over \$2 billion to defined benefit plans since 2002 while many other airlines froze or terminated their plans. The company has contributed \$1.3 billion to defined contribution plans since 2002.

American and American Eagle have a long history of being good companies to work for, providing challenging career opportunities in an exciting industry. The average tenure of our employees is 16.7 years. Employees have the opportunity to rotate jobs to gain broad airline experience, and seasoned employees are valued.

Our success at retaining our employees despite the industry's challenges, is evidenced by low attrition rates.

2009 Attrition Rates

	American	American Eagle
Pilots	1.1%	5.4%
Flight Attendants	5.9%	5.0%
Mechanics and Related, Fleet Service, Dispatchers	5.3%	6.7%
Airport Agents	6.4%	21.7%
Reservations Representatives	11.1%	-
Management	5.0%	6.6%
Staff Support and Other Employees	8.9%	10.6%

Health and Safety

Safety is our top priority

The safety of our customers and employees has always been the top priority for American Airlines and American Eagle. We continually emphasize that safety is a part of everything the company does—which requires recognizing that it is everyone's responsibility. By working together, all employees can create a safer atmosphere, both for themselves and for their co-workers and our customers.



The best opportunity to reduce employee injuries and aircraft damage is by enhancing AMR's safety culture. American Airlines reduced its lost work case injury rate by 23 percent between 2004 and 2009. In 2009, American Eagle's lost work case rate dropped a full 14 percent.

Partnership for Safety

In 2004, American introduced Partnership for Safety (PFS), a company-wide integrated employee safety management system. Currently, PFS is in effect within our Flight Attendant organization and at all domestic and Canadian airports, including our cargo operations. In 2009, PFS was implemented at London's Heathrow airport, which is our largest employee base outside the United States. We are also in the process of strengthening PFS at our five largest line maintenance stations, including Dallas Fort-Worth, New York JFK, Los Angeles, Miami, and Chicago.

PFS is built around four core principles of American Airline's safety culture:

- Senior management's visible commitment to safety
- Employees at every AA location, at every level, taking responsibility for their own safety and the safety of others
- Investigating injuries to find the root cause and using these findings to prevent recurrence
- Improving the existing safety infrastructure

In 2010, PFS will continue to focus on reducing injuries by:

- Understanding the drivers of injuries resulting from slips, trips, and falls and engaging employees in developing ways to reduce these types of incidents
- Identifying opportunities to eliminate musculoskeletal disorders (MSDs) through ergonomic and engineering solutions
- Leading the development and rollout of corporate-wide policies to improve safety

Eagle employee commitment – "Safety Starts With Me"

Recognizing that the airline industry has a high incidence of employee injury, Eagle enlisted the help of an outside consultant in 2001 to build a stronger safety culture. Since then, we have continued these efforts internally, providing employees with training, regular information and tools to improve safety. As a result, Eagle has seen a dramatic decrease in the number of employees getting hurt on the job – in fact, American Eagle now has one of the lowest rates of employee injuries in the airline industry.

To maintain its industry leading performance, last year Eagle launched the "Safety Starts With Me" training program, ensuring every employee—starting with the leadership team and continuing throughout the entire company—attends the training and renews their focus on safety. In just the first year of this new training effort, Eagle has seen its lost work case rate drop a full 14 percent.

Promoting health and wellness

The American Airlines Healthmatters program provides support, resources, and information to help employees better understand important health issues and maintain high levels of health and wellness. Healthmatters programs are available to all eligible American Airlines employees, retirees, and their family members—a total of nearly 160,000 people. In addition to worksite wellness activities and system-wide wellness campaigns, core Healthmatters programs include:

- A nurse line and access to health advocates
- Health assessment and active lifestyle coaching
- Disease and complex case management, along with maternity management
- Introducing web-based health management tools such as activity and body mass index (BMI) trackers as well as an online library of health information

Eligible independent employees who participate in a certain number of wellness activities or Healthmatters programs can earn premium-reduction awards towards their health insurance or gift cards depending on their workgroup status.

Similarly, American Eagle's HealthConnect program provides resource to Eagle employees to understand and manage their health and wellness. American Eagle encourages employees and dependents who are enrolled in an American Eagle medical plan to make full use of these programs. The HealthConnect program includes activities such as health risk assessments, lifestyle management, maternity management, and disease management programs which give employees the tools to achieve their best health. Employees can earn gift cards for participating in these programs.

Diversity and Inclusion

We place tremendous emphasis on maintaining a safe, respectful, and inclusive work environment. We expect all of our employees to contribute to creating this type of workplace.

As our company faces ever-tougher competition in an increasingly globalized marketplace, we understand that an environment where different perspectives are not only welcome, but sought after, is critical to our long-term success. At the same time, we hope that the business case for diversity fuels, but never obscures, the moral and ethical duty we all have to treat all those we encounter, whether coworkers, customers, or fellow travelers, as unique individuals worthy of respect, dignity, and appreciation.

At American Airlines and American Eagle, we value diversity, not just because it works, but because it is right, and because it is consistent with our greater mission of connecting the world.

Managing diversity from the ground up and the top down



AMR 2010 Diversity Advisory Council

Our focus on diversity and inclusion is embedded throughout our organization, reaching up to the Board of Directors and extending across our team from the newest hire to the most senior executive.

- A Diversity Committee within the AMR Board of Directors provides [oversight](#) of American Airlines and American Eagle diversity initiatives
- A dedicated Diversity Strategies organization leads the development of diversity priorities and goals, and works with operating management to implement forward-thinking initiatives
- Strong partnerships with national and local advocacy organizations that promote equality and advancement for under-represented groups
- [Award](#)-winning diversity initiatives highlight our inclusive culture and diversity focus

AMR's 16 [Employee Resource Groups](#) (ERGs) contribute significantly to our diversity efforts. These are employee-governed grassroots organizations dedicated to their members' ongoing professional development, raising cultural awareness, and providing insight to the company for business decisions related to internal policies, communications, and marketing initiatives. Our Diversity Advisory Council, comprised of representatives from each ERG, acts as a valuable cross-cultural sounding board and source of ideas.

We are also very proud of the more than 650 employees who volunteer as Workplace and Diversity Advocates. These dedicated employees help improve the work environment by promoting a positive workplace and guiding coworkers to appropriate information sources for workplace issues, including concerns related to diversity and inclusion. Diversity Advocates play an especially important role in shaping on-the-ground discussions to address and explore local cultural expectations and values that may differ from community to community.

Earl G. Graves Award

In 2008, our valued board member, Earl G. Graves retired. In recognition of his long-standing leadership of our company's diversity and inclusion initiatives, we established an award in his honor. In 2009, we recognized employees who

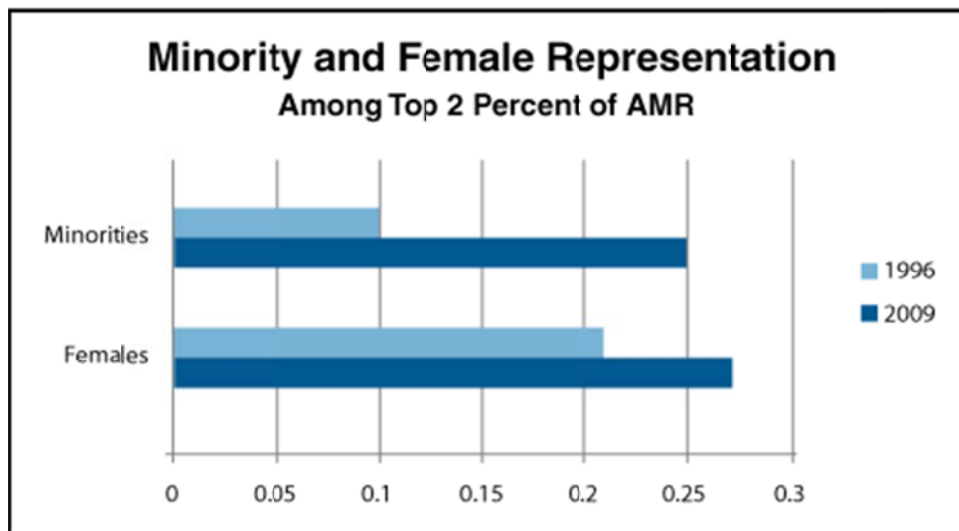
demonstrated outstanding efforts to promote diversity and inclusion with the Earl G. Graves Award for Leadership. [Click here](#) to read more about the award.

Read more about [diversity and inclusion](#) at American Airlines.

Click here to view our [diversity and citizenship video](#).

Our diversity and inclusion performance

The majority of American Airlines and American Eagle employees are based in the United States; of these, 39 percent are women and 32 percent are ethnic minorities. This report includes only diversity data for U.S. based employees as many countries prohibit the reporting of diversity data and the setting of diversity targets.



Minority representation among the top two percent of our company has improved 15 percentage points since 1996 when we first started tracking leadership diversity. Female representation has improved six percentage points since 1996. This progress has occurred despite the challenges that result from a shrinking workforce. Each year we set hiring and promotion targets for mid-senior management positions, designed to drive continuous improvement in female and minority leadership representation.

Nurturing diversity in our leadership ranks

Our leadership diversity objective is to build a leadership team whose combination of experiences, talents, backgrounds and perspectives enables American Airlines to make the best business decisions, and engages the ideas and discretionary energy of all employees for competitive advantage.

Given the changing demographics of our employees, customers and the global community we serve, our leadership model will intentionally maintain open opportunity, healthy diversity hiring, promotion and development activity to ensure the ongoing success of our business.

Strengthening our Workforce

Securing our future



Employees are valued by AMR

We must be competitive to secure our future. That means we need to attract and retain diverse and talented people now and for years to come, while also carefully managing costs associated with our workforce and operations. So our focus is on providing a market-competitive package of pay, benefits, privileges and development opportunities to current and future employees.

We recognize that the rewards employees value include much more than direct salary and wages. Current and prospective employees want to develop their skills and their careers, and contribute their ideas, so we're committed to providing opportunities for their involvement and professional development. We are also committed to providing health and retirement benefits that provide real value to employees and their families, while keeping our costs in line with other airlines. And while many U.S. companies have reduced or eliminated retiree benefits, stopped allowing employees to bank sick time, and suspended their 401(k) matching contributions, we have continued to provide these benefits.

Training and development



AMR pilots training

In an industry where globalization is occurring at a very rapid pace and the market is increasingly competitive, it is critical that we foster an environment that engages and develops employees and encourages their creative ideas on ways to improve the business.

American and American Eagle offer employees a range of training and development opportunities in addition to courses and skills-training required by the FAA and other regulatory authorities. Our Flagship University provides much of this instruction through in-person and online classes.

We bring our pilots, flight attendants, airport agents, and other personnel to the Flight Academy and Flagship University campuses in Fort Worth, Texas, as well as other training locations near our main hubs and key maintenance facilities to provide hands-on instruction in the use of the latest industry technologies. We also make materials such as books and technical articles available via the Flagship University library and our company intranet.

In 2009, American and American Eagle employees completed more than 850,000 hours of training.

With regard to individual career development, we have instituted a Performance Development Process to assist employees and their managers in setting performance objectives, tracking performance, and creating opportunities for feedback and discussion of individual development goals. This formal process helps ensure accountability while establishing objective criteria for evaluating employee performance and a path for the employee to follow in developing his or her career. All management and support staff employees participated in the Performance Development Process in 2009.

In addition, American Airlines has a well-established, open career opportunity system that promotes hiring from within and encourages employees to pursue their career interests and goals inside the company. In addition to moving between roles and functions to gain depth and breadth of experience, there are a number of team- and project-based opportunities for employees to get involved, share their ideas and develop new skills and relationships in the process. Joint Leadership Teams, Customer Experience Leadership Teams, Continuous Improvement events, Employee Resource Groups and other special projects are all driven by the energy and willingness of engaged employees to share their experiences, perspectives and ideas on how to make the business better.

And a number of creative recognition programs celebrate their successes, including the Customer Cup, which is ceremonially awarded to five stations each quarter for their leadership in improving customer satisfaction ratings.

Labor relations

Approximately 75 percent of American Airlines employees in the U.S. are represented by one of three unions—the Allied Pilots Association (APA), the Association of Professional Flight Attendants (APFA) and the Transport Workers Union (TWU).

At American Eagle approximately 66 percent of U.S. employees are represented by one of three unions—the Air Line Pilots Association (ALPA), the Association of Flight Attendants (AFA), and the Transport Workers Union (TWU).



For the first time in the airline's history, in 2009 American Airlines was in mediation with all three of its unions. All airlines and their unions are regulated by the Railway Labor Act, which is administered by an independent government agency, the National Mediation Board (NMB). When negotiations for new collective bargaining agreements, or contracts, cannot be settled directly between the company and its unions, the NMB can be brought in to assist. Once the NMB has been enlisted, the agency assigns a mediator to oversee the continued negotiations process. It is the role of the mediator to determine when and where the parties will meet and what they will discuss.

Because of the complexity of the issues covered by collective bargaining agreements and the importance of the airline industry to the nation's commerce and economy, it is not uncommon for airline labor contract negotiations to span several years.

It is important to American that we continue to provide good pay, health and retirement benefits, job security and professional opportunities to our employees. We are unique among large hub carriers in that we have never used the bankruptcy process to abandon contracts, cut labor costs or terminate pension and retiree medical benefits. While we are proud that we have honored our commitments, the result is that American's labor costs are now among the highest in the industry. Therefore, the company is proposing moving to more sustainable pay and benefit plans for the future that are competitive with other U.S. companies.

Our goal in negotiations is to reach agreements that recognize the needs of our employees, including providing opportunities to increase their total compensation. In return, the company is looking for productivity and cost improvements that will help make us more competitive with our industry peers and position us for a strong financial future.

We are committed to working with labor leaders throughout the negotiations process, with the help of the NMB, to address many of our challenges and opportunities, exchange ideas and reach agreements that serve the best interests of our employees our company and those who depend on us every day.

For the latest information about the status of negotiations between American and its unions, please visit www.aanegotiations.com.

Workforce reductions

As with many industries, the financial challenges of recent years and the economic recession required us to reduce the size of our workforce to meet the needs of the business. Reductions have come from both management and non-management ranks as well as from unionized and independent employee groups. The company makes every effort to maximize the number of voluntary reductions and minimize involuntary reductions. Whenever possible, we offer leaves of absence, stand-in-stead, voluntary bridges to retirement and other voluntary exit programs.

For union-represented employees (such as pilots, flight attendants, mechanics, and ramp employees), collective bargaining agreements specify procedures for reductions in force and related severance, as well as for recall back to the company, with appropriate re-training, when vacancies arise. Similar procedures apply for reservations representatives and airport agents. For management and administrative staff, American has well-developed, merit-based, and equitable practices for reductions in force. In most cases American provides access to job boards, listings, and other resources for finding new employment.

COMMUNITY

Progress

More than an airline

We recognize that we are more than an airline. We are an economic engine that powers the movement of people, the flow of products, and the exchange of ideas across continents and around the world. We are a bridge between cultures and an important part of a global community connected through citizenship and caring.

Our economic impact is substantial. The size and scope of our global network, combined with our **oneworld** airline partners, connects trade and financial centers worldwide. In smaller cities throughout North America and the Caribbean, and in developing countries, we provide air transportation connecting these communities to larger cities.

We also are an integral part of communities around the globe. As a company, through employee fundraising and volunteerism and by partnering with our AAdvantage members, we are deeply committed to supporting causes important to our communities, employees, and customers. In spite of these challenging economic times, we have continued supporting our communities because community service and being a good corporate citizen are fundamental values of our company.

2009 Highlights

- American and American Eagle's 2009 economic impact in the United States and internationally was almost \$100 billion and our total world-wide job impact was greater than 870,000 jobs.
- Over the past ten years, we invested more than \$4 billion in facilities, including our \$1.5 billion investment in New York's John F. Kennedy International Airport, renovations at London Heathrow, our investments associated with consolidating in Terminal 2 at Tokyo's Narita airport with several **oneworld** members, and facilities improvements in Latin America.
- In 2009, direct and indirect support for Susan G. Komen Race For The Cure® was estimated to be more than \$12 million and involved more than 10,000 employee donors and volunteers.
- Employees around the network celebrated the fifth anniversary of their support of American Cancer Society's Relay For Life by reaching the \$1 million mark in donations
- American Airlines' flight attendants and other ground personnel helped gather \$1.2 million from passengers under the UNICEF *Change for Good* program, also proudly supported by Airline Ambassadors International
- In 2009, American helped carry out the largest one-time shipment to Iraq in Operation Iraqi Children's history, with more than 20 tons of school supplies and shoes donated by Crocs. The shipment also included snacks and care packages for U.S. troops donated by The Peter Burks Unsung Hero Fund.
- American Eagle continued its partnership with Kids in Distress (KID) to help abused and neglected children by hosting the organizations' 11th annual charity golf tournament. Since inception, the tournament has raised more than \$100,000 for KID.
- Thousands of employees donated their time and funds to thousands of charities around the world.

Economic Impact

The world's economies depend heavily upon commercial aviation as the backbone of national and international commerce. As one of the world's largest airlines, American's global network strengthens economies worldwide. American contributes directly by creating jobs and paying salaries; supporting local suppliers, who in turn employ local workers; paying taxes and fees to governments; and investing in transportation infrastructure. In addition, our in-kind and fundraising activities—as a company and through our employees' efforts—can have a significant economic impact on the local organizations and causes that we support.

American and American Eagle worldwide economic impact

In 2009, we estimate that American contributed almost \$100 billion to the U.S. and international economies, helped create more than 870,000 jobs worldwide, and supported approximately 1,400 non-profit organizations worldwide.

When our economic impact is combined with that of our **oneworld** partners, which comprise some of the biggest airlines in the world, the combined worldwide impact is very significant.

Creating global economic vitality

Over the past few decades, commercial aviation has grown into one of the most powerful economic catalysts on the planet. This impact is partly due to the size of the aviation industry and resulting direct employment, but more importantly, it results from the multiplier effect of air travel. In fact, every aviation job generates three jobs elsewhere in the economy.

United States

Our U.S. economic impact by state is greatest in Texas, Florida, New York, California, Illinois, and Oklahoma. These locations correspond to our cornerstone markets and are where our largest maintenance and engineering bases are located.

American's five cornerstones, New York, Los Angeles, Chicago, Miami, and Dallas-Ft. Worth, include the four largest metropolitan areas in the United States as well as areas of significant future demographic migration.

U.S. States and Territories	Total GDP Impact (millions in USD)	Total Job Impact
Alaska	8.5	see note
Alabama	74.2	111
Arkansas	239.2	3,379
Arizona	503.6	8,962
California	8,879.0	89,272
Colorado	430.0	2,198
Connecticut	227.9	3,521
District of Columbia	7,184.4	47,117
Delaware	8.5	see note
Florida	12,894.6	155,040
Georgia	232.7	1,378
Hawaii	1,023.2	1,983

U.S. States and Territories	Total GDP Impact (millions in USD)	Total Job Impact
Iowa	171.8	1,683
Idaho	15.6	4
Illinois	6,948.9	70,199
Indiana	145.8	962
Kansas	46.3	386
Kentucky	58.0	359
Louisiana	275.2	3,200
Massachusetts	1,778.0	17,236
Maryland	222.1	883
Maine	24.0	see note
Michigan	316.4	3,846
Minnesota	130.0	969
Missouri	1,548.2	21,558
Mississippi	68.2	553
Montana	4.4	see note
North Carolina	916.5	22,390
North Dakota	0.4	see note
Nebraska	94.6	648
New Hampshire	29.4	see note
New Jersey	447.2	1,672
New Mexico	194.9	1,178
Nevada	935.4	6,388
New York	9,579.9	99,386
Ohio	335.6	3,036
Oklahoma	6,022.7	64,912
Oregon	176.8	736
Pennsylvania	435.7	2,235
Rhode Island	4.5	see note
South Carolina	233.6	1,405
South Dakota	2.4	see note
Tennessee	286.5	1,894
Texas	27,157.6	200,805

U.S. States and Territories	Total GDP Impact (millions in USD)	Total Job Impact
Utah	138.1	346
Virginia	396.5	1,650
Vermont	6.3	see note
Washington	284.9	1,078
Wisconsin	132.5	1,289
West Virginia	12.0	see note
Wyoming	104.4	see note
Puerto Rico	1,882.2	20,556
Virgin Islands	194.1	1,390
Total AMR Domestic Economic Impact	93,463.2	867,793

* Although we do not have employees in these states, there is still a positive job impact to the state as a result of our spending, operations, and other activities.

Region	Total Economic Impact (millions in USD)	Total Job Impact
Asia Pacific	698.9	548
Europe	2,333.6	4,889
Latin America & the Caribbean	2,596.5	9,561
North America (Canada and Mexico)	620.0	2,929
Total American/Eagle International Economic Impact	6,249.0	17,929

Asia

In 2009, the United States and Japan signed an Open Skies Agreement liberalizing air travel between the two countries. Open Skies, combined with anticipated antitrust immunity for American Airlines and Japan Airlines will stimulate U.S.–Japan travel as well as business and tourism travel between the U.S. and Asia.

Our new nonstop flight from Chicago to Beijing (begins May 2010) as well as American's existing Chicago to Shanghai flight encourage U.S.–China travel for both business and tourism. The recent designation of the United States as an official group tourism country for Chinese citizens, in combination with American's nonstops to China's two leading cities, will facilitate growth in traffic to between China and the United States. American's **oneworld** relationship with Cathay Pacific and Dragonair provides additional destinations for travelers to Hong Kong and China.

Europe

American's nonstop services connect Europe's financial centers of London, Madrid, and Frankfurt with major U.S. financial and business centers. Tourist traffic benefits from the convenience of several nonstop U.S. gateways.

American's anticipated deeper relationship with its European **oneworld** partners is expected to benefit consumers and increase **oneworld**'s overall economic impact beginning in the second half of 2010.

Latin America and the Caribbean

American Airlines and American Eagle continue to develop important markets in Latin America and the Caribbean. American has more flights between the United States and destinations in Latin America and the Caribbean than any other airline. American Eagle's service to the Caribbean primarily originates from its San Juan, Puerto Rico hub where the airline's presence plays a key role in the local economy. In 2009, American Airlines strengthened its relationship with GOL, a leading Brazilian carrier.

For more information on American and American Eagle's size and scope of service as well as that of our **oneworld** partners, please visit the [company profile section](#) of this report and [oneworld.com](#).

[Click here](#) to view maps of where American Airlines, American Eagle, **oneworld** partners, and codeshare partners fly.

Taxes and fees

Through our payment of taxes and fees, we contribute to the financing of key airport infrastructure, interior facilities, and services, such as airport buildings, gates, and runways; terminals and security check-points; and air traffic control, security, and cargo-handling.

American paid a total of \$3.9 billion in taxes and fees in 2009.

The U.S. Government provides far less support for building and maintaining aviation infrastructure than for highway and railroad systems. Airlines themselves are actually charged a series of taxes and fees to finance the necessary airport infrastructure, interior facilities, and services. Up to 17 different taxes and fees per flight, including landing fees, air traffic control fees, and passenger service charges can be assessed.

For more information on taxes and fees paid by airlines and their customers, visit the [Air Transport Association's website](#).

Investing in infrastructure



AMRs terminal in Chicago O'Hare

Aviation is unique in that the industry funds almost all of its infrastructure. In addition, we build out our own ticket counters, customer service centers, and lounges, as well as maintenance bases to service aircraft. All of these structures and facilities require on-going repairs and renovations, providing work for local contractors in each of the cities where we fly.

American and American Eagle infrastructure investments

Over the past decade, we've invested more than \$4 billion in airport facilities worldwide.

Facilities and infrastructure investments and general maintenance and repair occur at many airports throughout the United States and more than 25 international airports. In the past year we spent millions to upgrade baggage systems at several airports to improve reliability and speed bag delivery. We also spent millions to upgrade our Admirals Club lounges, with major renovations at London/Heathrow, Sao Paulo, Mexico City, Chicago/O'Hare, and Boston.

Supplier diversity program

American and American Eagle also impact the worldwide economy through their relationships with suppliers and customers. Minority/women-owned, LGBT, diverse and small businesses are important to American—they are our customers and suppliers, as well as fellow members of the community. They also reflect the diverse backgrounds and experiences of our employees and customers. We benefit from their perspectives and contributions in delivering products and service to our customers.

American and American Eagle are committed to helping minority/women-owned LGBT, diverse and small businesses succeed by offering them opportunities to grow as part of our supply chain. We do this in several ways, including through our internal Diversified Supplier Program, our sponsorship of Business Matchmaking, and by specifying diversity sub-contractor requirements.

Diversified Supplier Program

In the 20 years since we established the Diversified Supplier Program, American has spent more than \$3.9 billion with certified minority/women-owned businesses.

Through the Diversified Supplier Program, qualified minority- or women-owned, LGBT, diverse, and small businesses can register with American for potential business opportunities and requests for proposals. Similarly, we support Business Matchmaking, an association dedicated to cultivating procurement opportunities for small businesses, especially women-, minority-, and veteran-owned businesses. We also require majority contractors on large projects, such as airport terminal constructions, to meet diversity objectives in their subcontracted work. In this way, American encourages our suppliers to increase their diversity as well.

[Read more](#) about our supplier diversity initiatives.

Read more about our successful partnership with a small, women-owned business that supplies American with Fair-Trade Certified South African wines.

Global Giving

We are proud of our long history of supporting charitable organizations and important causes, which has continued despite industry and economic challenges. The approximately 1,400 organizations we support contribute to society in many ways, and provide human health and education services, arts and entertainment, and support for large civic undertakings.

We contributed more than \$34 million to non-profit organizations in 2009 through in-kind contributions.



AMR brings shoes and supplies to children in the Middle East

American and American Eagle have many charitable programs providing support to the communities in which we operate. We sponsor charities that are important to our customers and that can also foster employee involvement. Our efforts reflect that the places we fly each have unique, local needs. Some issues, however, affect people and communities all over the world. Thus, in addition to local efforts, American has four primary [company-wide giving focus areas](#):

- Children's charities through Miles for Kids in Need
- Veterans and Those Who Serve
- Susan G. Komen for the Cure
- Employee-led Charities

Miles for Kids in Need

The *Miles for Kids in Need* program, established in 1989, provides worldwide support for children and their families. Children are among those most vulnerable to abuse and illness. As a company and through employee volunteer efforts, we support organizations dedicated to improving the quality of life for children with medical, educational, and social services needs, and groups that heighten public awareness of children's issues.

American donates a million miles each year to the Miles for Kids in Need program. We increase our social impact by partnering with AAdvantage® members who can also donate their miles.

To read more about this program, please visit *Miles for Kids in Need* [website](#).

Honoring Veterans and Those Who Serve



AMR pilots honor those who serve

American recognizes the personal sacrifices that active-duty and veteran servicemen and women and their families make for our country. To demonstrate our deep gratitude for their service, American and its employees donate money, miles, time, and flight services to assist military personnel and their families. These initiatives include fundraisers to provide financial assistance for an array of programs (including financial aid for families, welcome-home receptions, welfare and relief projects, and care packages); free flights for service members and their families to get to medical centers; transporting goods such as school supplies and shoes from Crocs to other areas of the world; and, in conjunction with the Huey 091

Foundation, procuring highly specialized wheelchairs for severely wounded service members. To learn more about ongoing programs we support, please click on the following links:

- [Operation Hero Miles](#)
- [Comfort for Returning Soldiers](#)
- [Operation USO Care Package](#)

In 2009, American dedicated eight charter aircraft to fly more than 1,300 spouses and children of fallen military heroes from all over the country for a vacation to the Dallas/Fort Worth Metroplex for Snowball Express. More than 500 employees volunteered their time to staff the trip and assist with activities.

Komen for the Cure

American has supported Susan G. Komen for the Cure® for more than 26 years. In addition to being the organization's official airline, American became its first Lifetime Promise Partner in 2008. As a Partner, we have committed to raising \$1 million annually for eight years to fund a five-year study of inflammatory breast cancer at The University of Texas M. D. Anderson Cancer Center, as well as a series of health and community programs.

In fiscal year 2009-2010, our partnership garnered approximately \$12.8 million in direct and indirect value to Susan G. Komen for the Cure. To read more about our efforts, please visit our [Komen for the Cure website](#).

Employee-led Charities

American Airlines and American Eagle employees are passionate about giving back and enriching others' lives. They frequently start their own charitable organizations or take significant roles in organizing major events to aid those in need. At a corporate level, we are just as passionate about empowering and supporting employees in their efforts. Two examples include:

- Airline Ambassadors International (AAI), a U.N.-recognized humanitarian aid organization founded in 1996 by American Airlines Flight Attendant Nancy Rivard. With over 6,000 members from across the airline industry, AAI provides humanitarian aid to children and families in need, as well as relief and development to communities worldwide. Members have started schools, clinics, housing projects, and vocational training programs, reaching over 500,000 children.
- Medical Wings International, a medical relief nonprofit whose founder and executive director is Dallas-based cargo agent Glenda Johnson. Medical Wings International brings health care to hundreds of underserved communities around the globe.

Giving in Times of Need

Our support of charitable organizations also extends far beyond the four primary focus areas. At American, we believe in using our resources and special expertise to help people and communities in need. We play an especially critical role after natural disasters, when we offer assistance that few others can—namely, the ability to fly relief supplies and workers into the affected region.

American is proud to donate its aircraft and allow employees to volunteer their time to bring first responders, emergency equipment, food, water, and other critical supplies to where they are needed most. We also make our facilities, such as hangars and maintenance bases, available for relief supplies and operations. Our history of disaster relief includes:

- Hurricane Katrina in 2007
- Hurricane Ike in 2008
- Haiti in 2010

We were the first airline into Haiti after the January 2010 earthquake. As a company that has provided air service to Haiti for 39 years we understand the enormous needs and the role we play in this developing country. American and American Eagle flew 30 missions into the country carrying over 400,000 pounds of relief supplies in addition to transporting medical and relief personnel. We also worked with the military delivering Stars and Stripes to the personnel stationed there. To read more about our Haiti relief efforts, please [click here](#).

Employee Connections

Workforce giving

Our Workforce Giving and Volunteerism Program supports our employees' efforts to help their home towns and others in need around the world. Our people serve non-profit organizations by sharing their skills and expertise, serving on organizational boards, and fundraising. Several American employees have also founded their own non-profits.

Through this program, American supports a wide variety of organizations addressing a range of needs, from education and health services to arts and entertainment. Our diverse employees and Employee Resource Groups are especially helpful in ensuring we are aware and participating in all aspects of the communities we serve. These diverse efforts reflect that we are a global company with employees in thousands of communities.

Our Workforce Giving Program was established over 20 years ago in an exclusive partnership with the United Way. Today, employees donate to 3,000 nonprofit organizations through the American Giving Charitable Fund, a nonprofit that ensures proper management of their contributions. Employees can choose to support small, community-based initiatives as well as major groups like Komen, America's Charities, and Earth Share. The open campaign format also allows employees to "write-in" their own IRS-approved nonprofit. American encourages employees to donate with an extensive communications campaign that includes internal newsletters, company events, and public outreach.

Employee volunteerism

American also supports employees who give back with their talents and time through the American Volunteers program. It was established in 2007 to recognize and support the work many of our employees have been undertaking for decades to support diverse causes around the world. The program was enhanced in 2009 with the launch of the Rewards Program. This innovative program allows employees the opportunity to increase the value of their individual volunteer service with additional in-kind donations and a cash grant based on participation levels for a non-profit organization.

American Advocates, formed six years ago, is an umbrella program that brings together about 2,500 employees at 30 locations throughout the U.S. They serve as volunteer representatives at community events and town hall meetings.

Engaging our Customers

In addition to supporting charitable organizations and encouraging our employees to get involved with their local communities and causes of choice, we also engage our customers to support causes that are important to them. Customers can make cash donations or contribute frequent flier miles to support many initiatives, including *Miles for Kids in Need*, UNICEF, Komen for the Cure, and *Operation Hero Miles*.

On each international flight, we ask passengers to donate leftover domestic and foreign currency to UNICEF's Change for Good program, which is proudly supported by Airline Ambassadors International. These contributions are used to provide lifesaving assistance to the developing world's poorest, most vulnerable children in over 150 countries, including every country to which American Airlines flies.

UNICEF contributions In 2009, the program collected a record \$1.2 million from our passengers. Today, AA ranks as the number three airline in the program.



Frank Eschmann visits a soccer field in Honduras

Nearly 2,000 *Champions For Children*—flight attendants, Admirals Club representatives, and other ground staff—contributed countless hours to ensure the success of the *Change for Good* program. In February 2009, five of the champions and other AA representatives traveled to Tegucigalpa, Honduras to see first-hand how donations of more than \$200,000 are being used. Children are receiving help from programs that improve education and nutrition and provide alternatives to drugs and crime. Donations are also supporting a UNICEF project that is improving water quality for nearly 150,000 families.

American also sells gift cards linked to the causes it supports. American donates \$5 to a designated organization for every \$50 purchased. We began by offering Komen for the Cure cards and are planning to sell cards that channel donations to UNICEF and the USO.

Passengers can read about how their contributions are making a difference and learn how to donate miles and money in our in-flight magazines: *AFAR*, *American Way*, and *Sky Mall*.

Our generous customers

- Donated foreign and U.S. currency equivalent to \$1.2 million for UNICEF, which is also proudly supported by Airline Ambassadors International.
- Raised more than \$900,000 in 2009 by contributing to Miles for the Cure in support of Komen
- Gave 72 million frequent flier miles to *Miles For Kids in Need*

To learn more about joining American in supporting its citizenship efforts, please visit aa.com/joinus.

PROFILE

AMR Corporation/AMR Corporation at a Glance

[AMR Corporation](#) is the parent company of American Airlines and American Eagle. Headquartered in Fort Worth, Texas, our company employed 88,500 full-time and part-time employees worldwide as of December 31, 2009. American Airlines and American Eagle operate, on average, more than 3,400 daily flights in more than 40 countries. Our operations are substantial—on a typical day, we fly more than 275,000 passengers, receive more than 239,000 reservation calls, and handle 300,000 pieces of luggage.

American Airlines is also one of the largest scheduled air freight carriers in the world, providing a wide range of freight and mail services to shippers throughout its system onboard American's passenger fleet.

To learn more about our business, visit our [2009 annual report](#) and [Investor Relations site](#).

AMR CORPORATION (in \$MMs)*	2007	2008	2009
Passenger			
- AA	\$17,651	\$18,234	\$15,037
- Regional Affiliates	2,470	2,486	2,012
Cargo	825	874	578
Other**	1,989	2,172	2,290
Total Operating Revenue	\$22,935	\$23,766	\$19,917
Net Earnings / (Loss)	\$456	(\$2,118)	(\$1,468)

* For official GAAP results including special items, please see our [2009 10K filing](#).

** "Other" includes revenue derived from Admirals Clubs, sale of miles to partners in the AAdvantage program, service charges, sales of food and other items on our planes, and American Way magazine advertising, among other revenue streams.

Routes and networks

As one of the largest airlines in the world, we strive to deliver quality service to customers in [every corner of the globe](#). On a daily basis, our airlines and affiliates transport customers on more than 3,400 daily flights between [nearly 240 cities in over 40 countries](#). Our global route network allows us to offer flights to important international markets in Europe, Asia, Latin America and the Caribbean.

In 2009, we optimized and realigned our network around our most important cities in the United States: Chicago, Dallas/Fort Worth, Miami, New York, and Los Angeles. Through these "cornerstone" cities, we offer customers convenient access to major U.S. and international metropolitan centers.

A strong array of partnerships complements our own routes. American Airlines offers an extended network throughout North America and the Caribbean via its [regional airline affiliates](#) American Eagle and AmericanConnection. They provide service to more than 160 small and medium-sized communities that American's mainline operations either could not serve or could not offer the same flight frequency profitably using larger jets.

American Airlines is a founding member of the global [oneworld® Alliance](#), which brings together some of the biggest names in the airline business to serve nearly 700 destinations in approximately 150 countries and territories. American Airlines also has [codeshare](#) interline, and frequent flyer agreements with select airlines and railroad companies around the world, allowing passengers to travel on routes American may not serve directly.

Strengthening our alliances and partnerships

Our international presence is greatly enhanced by our [oneworld® Alliance](#) partners, who enable us to satisfy demand and attract millions of customers who might otherwise have flown with one of our competitors. In 2009, oneworld focused on deepening its relationships and expanding its alliances. For example:

- Mexicana joined the oneworld® Alliance as its 11th member. It is our third largest partner in terms of passengers.

- S7, Russia's leading domestic carrier, announced it will join the **oneworld®** Alliance. S7 will add 54 new cities to oneworld, including destinations in Russia, Armenia, Azerbaijan, Kazakhstan, and other countries of Central Asia. It is expected to fly as a part of the oneworld® Alliance in 2010.

American also has interline, codeshare, and frequent flyer agreements with select airlines and railroad companies around the world, allowing passengers to travel on routes American may not serve directly. New agreements include codesharing with:

- Etihad Airways, National Airline of the United Arab Emirates, voted the "World's Leading Airline" at the 2009 World Travel Awards, offers access to fifty destinations in the Middle East, Europe, North America, Africa, Asia, and Australia.
- GOL, which offers access to 49 destinations throughout Brazil.

Each of these partnerships strengthens our global network and reach and offers our customers a smoother, more convenient travel experience. The partnerships also provide American Airlines with access to new markets or areas of the world experiencing significant growth. Visit our [codeshares](#) and [alliances](#) websites for more information.

2010 forward outlook for our network and alliances

In 2010, we either announced or anticipate the following future enhancements:

- American will launch new international service between Chicago and Beijing, China in May 2010.
- American will strengthen its position in New York by beginning service on 13 new routes with 31 daily departures from New York airports by the end of 2010, including nonstop service to Manchester, England; Madrid, Spain; and San Jose, Costa Rica. .
- American Airlines, British Airways, Iberia, Finnair, and Royal Jordanian expect final regulatory approval by both the U.S. Department of Transportation and the European Union by mid 2010 (we received tentative antitrust immunity approval from DOT in mid-February 2010).
- American Airlines and Japan Airlines filed for antitrust immunity to the Department of Transportation in February 2010 and expect DOT to act by the end of the summer.
- Kingfisher (T), India's largest domestic airline, began the process to join oneworld. Kingfisher will add 58 new points in India as well as locations in Bangkok, Hong Kong, London-Heathrow, Singapore, Colombo, Dubai, and Dhaka to the oneworld network.

Visit oneworld.com for more information on the **oneworld®** Alliance.

Our fleet

With a [fleet of nearly 900 aircraft](#), we devote significant resources to ensure safe, modern, and comfortable travel. The company is executing a fleet renewal plan to replace older, less fuel-efficient aircraft with aircraft that are more fuel-efficient and use more advanced technologies.

- American Airlines received 31 Boeing 737s in 2009, 45 are expected in 2010 and eight more in 2011 for a total of 84 Boeing 737 aircraft.
- American plans to acquire 42 Boeing 787-9 aircraft and has the purchase rights to acquire up to 58 additional Boeing 787 aircraft. These aircraft are expected to be more fuel-efficient than American's current Boeing 777 aircraft and they are made up of lighter, more technologically advanced materials.
- American Eagle is taking delivery of an additional 22 CRJ-700s into its fleet starting in 2010. The aircraft will come equipped with First Class cabin service.

Maintaining our fleet is one of the most important aspects of our operations. American and American Eagle have made the strategic decision to retain the majority of our maintenance in-house rather than outsource it, in contrast to many other major airlines. We believe retaining maintenance in-house has been best for our customers, our company, and the employees whose jobs are retained as a result of this business decision. Click here to learn more about our maintenance operations [aircraft maintenance procedures](#).

Flight Plan 2020

Flight Plan 2020 is our company's vision for securing and positioning our business for the next decade and beyond.

We launched our new strategic plan—Flight Plan 2020—in late 2009. The plan is our blueprint to long-term success for American based on the following five tenets:

- **Invest Wisely:** Every day, we depend on our people, aircraft, facilities, and technological infrastructure. Although the markets are capital-constrained, we must continue to invest in these areas if we are to succeed in the long-term. Investing in our people is ongoing. We have also begun fleet renewal, facility renovations, and upgrading our technology infrastructure.
- **Earn Customer Loyalty:** We must deliver value for every customer and differentiate our airline. We are making numerous enhancements to our products and services to improve our customer travel experience.
- **Strengthen and Defend our Global Network:** Our network realignment around our cornerstone hubs of DFW, Chicago, Miami, New York and Los Angeles strengthens our domestic network. Deepening our relationships with **oneworld** airlines strengthens our global network.
- **Be a Good Place for Good People:** Our future depends on creating and maintaining a good place to work and build a career, where all employees are treated with respect and dignity, and where diversity is embraced.
- **Fly Profitably:** We must constantly find ways to cut costs, operate more efficiently, and generate additional revenue for the company to sustain our business, grow, and create job security. We've cut more than \$6 billion in costs since 2003, including more than \$4 billion in non-labor costs.

The five tenets of Flight Plan 2020 are underscored by the key charge to *Be Competitive to Secure Our Future*. This means that in order to establish and sustain long-term profitability, we must be competitive in everything we do including costs, product, revenue, service, and schedule. We also recognize that an important aspect of serving our customers is developing new [partnerships](#) to expand access to convenient and dependable travel options.

We believe that Flight Plan 2020 provides clear direction for serving our customers, partners, employees, and investors effectively. It is our intention to implement Flight Plan 2020 so there is alignment between our corporate responsibility efforts and our business objectives. We believe that as we secure our future and succeed in the various aspects of our strategic plan, we will likewise be strengthening our overall corporate responsibility performance.

Governance

AMR Corporation Board of Directors

Our [Board of Directors](#) has thirteen members, twelve of whom are considered independent and approximately half of whom are female or minority. To help the board fulfill its responsibilities, the board has [four independent standing committees](#).

- The [Audit Committee's](#) primary functions include overseeing our independent auditors and reviewing our annual audit and financial statements. The committee also reviews and discusses safety, security, and environmental measures as well as employee legal, ethical, and conduct complaints and policies.
- The [Nominating/Corporate Governance Committee](#) recommends candidates for director and officer positions and, along with the CEO, reviews succession planning provisions. The committee also reviews our governance policies and practices.
- The [Compensation Committee](#) establishes and implements executive compensation objectives and approves all executive compensation, while also determining metrics for performance-based awards for executives.
- Our [Diversity Committee](#) provides oversight, counsel, and guidance to senior management on issues related to diversity and inclusion, including equal employment opportunity policies and hiring practices and employee retention issues.

We maintain high corporate governance standards. Key features of these standards include:

- All board members are elected annually
- All members of the board and its standing committees are considered independent, with the exception of our CEO
- Each director who receives more withheld votes than votes for his or her election must tender his or her resignation
- Board members meet frequently throughout the year, often without any member of management (including the CEO) present
- Shareholders can call special meetings, including to remove/elect directors
- Shareholders can act by written consent without a meeting

More information on AMR's governance policies and procedures can be found on the [Investor Relations section of our website](#) as well as in our [2010 Proxy Statement](#).

Executive compensation

AMR is committed to responsible corporate compensation policies and aligns the interests of AMR with those of our executive managers through responsible, merit-based executive pay.

Our Compensation Committee, which comprises directors who are independent from the company, benchmarks executive compensation with major U.S. passenger airlines and public companies of comparable revenue size and operational complexity, targeting executive pay at the median of this benchmark group. The committee employs outside consultants to provide third-party expert analyses and marketplace data to make sure American's compensation levels are reasonable and fair and senior management's compensation is tied to the company's performance and is aligned with pay given to officers performing similar job duties in the marketplace.

Our compensation policy strongly links pay to performance, which aligns the interests of executives with those of our shareholders. As part of our Turnaround Plan, we established the Annual Incentive Plan, which includes a Customer Service component sometimes also called Customer Experience Rewards and a Financial component based on the company's profitability performance, to link the interests of our customers, stockholders, and employees. All employees, including named executive officers, participate in the Annual Incentive Plan, which provides potential cash incentive payments upon the achievement of monthly customer service goals and annual financial goals.

The customer service component of the Annual Incentive Plan provides for payments of up to \$100 per month for each employee if we achieve one of its customer service targets. Annual Incentive Payment awards are also paid to employees (including named executive officers) under the Financial component if American Airlines achieves at least a 5% pre-tax earnings margin. During 2009, each named executive officer earned \$583 under the customer service component of the

Annual Incentive Plan. We did not make any payments to our named executive officers under the financial component of the Annual Incentive Plan because we did not meet the 5% pre-tax earnings margin required by the plan.

In addition, American Airlines also maintains a Profit Sharing Plan for its employees. Under that plan, profit sharing payments are made to eligible employees if our annual pre-tax earnings exceed \$500 million. By its terms, our officers (including the named executive officers) and certain other management employees are not eligible to participate in the Profit Sharing Plan. However, under the AIP the Compensation Committee has the discretion to award cash payments to these officers and management employees if the other employees of American Airlines receive profit sharing payments under the Profit Sharing Plan. No such payments were made in 2009.

Total compensation for AMR executives includes a mix of base salary and “at-risk” compensation. At-risk compensation is primarily provided through grants of stock-based compensation and participation in compensation plans tied to achieving strategic, financial, and operational goals and performance measures.

In 2009, an average of 70 percent of the total compensation awarded to the five named executive officers listed in our proxy was in the form of long-term stock compensation, which means that compensation is at risk, or not guaranteed. For those named executive officers, on average, only 15 percent of income is “guaranteed” due to the uncertainty associated with stock-based and short-term incentive compensation. Less than 25 percent of all officers’ income is salary-based or “guaranteed”. Approximately 94 percent of front-line employees’ income is salary/wage-based or “guaranteed”. None of our named executive officers received a base salary increase in 2009.

The Compensation Committee has linked our named executive officers’ performance-based compensation to these measures: pre-tax profits, customer service, stock price appreciation and total shareholder return. Due to the financial and economic challenges facing the airline industry, linking executive pay to company performance has resulted in our executives only realizing approximately 65 percent of the total compensation that was granted to them for the years 1999 through 2008. Payments under the financial component of our annual incentive plan have not been paid out since 2001, for performance in 2000, because the profitability targets are so difficult to achieve.

Detailed information regarding our merit-based executive pay system is available in our [2010 Proxy Statement](#).

Corporate responsibility management structure

At AMR, we view it as our responsibility to do our part to influence global solutions to challenging environmental, social, and economic issues for the benefit of our stakeholders, now and for generations to come. The scale of our operations affords us the opportunity to affect positive change around the world in the many ways we intersect with our environment, customers, and communities—and internally among our own employee ranks.

Given the breadth and diversity of the activities that relate to our corporate responsibility initiatives, we have established a Citizenship Steering Committee that is composed of senior executives representing different business areas within the company.

The Steering Committee provides overall guidance and strategic vision on AMR’s corporate responsibility approach and promotes alignment with the overall strategic objectives stated in FlightPlan 2020. The committee supports initiatives that contribute to AMR’s corporate responsibility performance and collectively champions the company’s corporate responsibility successes.

AMR’s Board of Directors receives updates and provides guidance on a wide range of corporate responsibility issues as part of its regularly scheduled meetings, in addition to the oversight, counsel, and guidance provided on diversity issues via the [Diversity Committee](#).

Ethics and Compliance

AMR's Business Ethics, Safety & Compliance Program demonstrates the company's commitment to maintaining the highest standards of safety and legal and ethical conduct. We have adopted a Standard of Business Conduct for all employees. We expect our vendors and suppliers to be guided by these principles as well.

All employees are called upon to hold safety and ethics as their top priorities. Our [policies](#) make clear that employees are not to:

- Take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice;
- Tolerate unlawful discrimination, harassment, or hate-related behavior
- Tolerate retaliation against employees who act in good faith by reporting suspected illegal acts or unethical behavior.

At the core of our ethics program and our Standards of Business Conduct is the understanding that everyone must take responsibility for their own actions. Employees are also expected to immediately report any suspected illegal or unethical activity. We have established several confidential options, including anonymous channels, for employees to [report suspected ethics problems or violations](#).

The company's Senior Vice President & General Counsel is also our Chief Compliance Officer and is responsible for the Business Ethics, Safety & Compliance Program. Employees can direct questions to the Business Ethics, Safety & Compliance Office via internal correspondence, phone, or by e-mail.

We consider all staff responsible for the conduct of any employees reporting to them and hold them accountable should they fail to take reasonable steps to prevent and detect unethical or illegal behavior. We are prepared to act swiftly in response to substantiated allegations with appropriate corrective action.

We provide anti-corruption and business ethics training to all upper-level management and most lower-level management employees through our business ethics training and annual Compliance Certification. In 2009, 88 percent of American and American Eagle management employees, as well as over 1,800 non-management employees, completed the annual Compliance Certification.

Public Policy

The airline industry is among the most heavily regulated of any industry. Through our operations, we interact with millions of customers; thousands of employees and suppliers; hundreds of municipalities and communities; and tens of local, state, national, and international regulatory and oversight agencies. We must therefore balance competing priorities and interests while ensuring that we maintain focused on our future vision for our company's success—and the resulting benefit to all our stakeholders.

As such, we are actively engaged with elected officials who share our views on critical issues such as air traffic modernization, energy, and the environment, and tax and pension reform through our Political Action Committee (PAC), which is funded solely through voluntary employee contributions. The PAC, established in 1985, maintains strict standards for contributions, applying specific criteria such as voting record or position on specific issues regardless of political affiliation.

We participate in industry associations such as the Air Transport Association of America (ATA), the International Air Transport Association (IATA), and the Regional Airline Association (RAA). Our involvement allows us to gain insight into core issues for the airline industry as a whole and to advocate jointly for regulations that support a healthy, competitive industry. We also benefit from the opportunity to share technical expertise and operational knowledge that leads to better customer safety, service, and overall efficiency.

Key issues

In 2009, we continued key conversations regarding AMR's positions with regard to the following issues:

- [Climate change](#)
- [Anti-trust immunity](#)
- [The NextGen air transportation system](#)

Working to secure anti-trust immunity



AMR focused on deepening its alliances in 2009

One of the most important features we offer our travelers is the flexibility to access a wide range of destinations through our own international network as well as the networks of the oneworld® Alliance.

In March of 2008, the United States-European Union (EU) Open Skies Agreement changed the landscape of international aviation by replacing the restrictive bilateral air services agreement with a single liberalized accord. The Open Skies Agreement allows any U.S. or EU carrier to fly between any point in the United States and any point in the European Union. We are still, however, reliant on the U.S. Department of Transportation (DOT) and the European Commission to grant us the immunity to fully coordinate schedules and pricing.

In early 2010, we received tentative approval from the U.S. DOT for antitrust immunity with four European oneworld airlines and to form a Joint Business Agreement with British Airways and Iberia, which starting as early as mid-year 2010 could enable more customers to access destinations around the world (European Union approval is expected by mid-year 2010).

[Read more](#) about our pursuit of joint business agreements with British Airways and Iberia.

We are also pursuing a Joint Business Agreement with Japan Airlines, as made possible by the 2009 Open Skies Agreement to liberalize air travel between the U.S. and Japan. As part of that agreement, four slots for U.S. airlines to fly to Tokyo's Haneda Airport became available. In mid-February 2010, American Airlines applied for two of the four Haneda

Airport slots and was awarded one slot to operate daily, year-round scheduled service from New York's John F. Kennedy to Tokyo's Haneda Airport. American expects to begin service from New York's John F. Kennedy to Tokyo's Haneda Airport in January 2011 (subject to government approval) assuming the U.S. – Japan Open Skies Agreement goes into effect as anticipated. The Open Skies agreement also opened up the opportunity for U.S. and Japanese airlines to apply for anti-trust immunity.

Immunity is critical to our ability to offer our customers the options they desire. At the time of this report, two other competing global alliances (SkyTeam and Star Alliance) are able to provide a more seamless and integrated product to their customers as a result of the immunity they have received. Anti-trust immunity for agreements with British Airways, Iberia, and potentially Japan Airlines will help American and **oneworld** level the playing field by permitting us to more closely coordinate routes, prices, frequent flyer programs, and services for customers. Visit moretravelchoices.com for more information on American Airlines, British Airways, and Iberia's immunity application.

Corporate responsibility is important to AMR's **oneworld**® Alliance partners. We look forward to supporting each other's efforts to spur innovation across the entire industry that can benefit our customers, employees, communities, and the environment.

NextGen air transportation system



NextGen air transportation system

The Next Generation Air Transportation System (NextGen) refers to the implementation of 21st century technology to transform the United States' current National Airspace System (NAS) into one that can effectively meet future safety, capacity, and environmental needs. NextGen will be realized through coordinated efforts by the FAA and the Departments of Transportation, Defense, Homeland Security, and Commerce, as well as NASA and the White House Office of Science and Technology Policy.

NextGen represents an evolution from a ground-based system of air traffic control to a satellite-based system of air traffic management. When fully implemented, NextGen will safely allow more aircraft to fly more efficiently and on more direct routes.

American Airlines views investment in NextGen as critical to the efficiency of the aviation industry. Our current generation of air traffic control systems, emissions management, and safety leave significant room for improvement in surveillance, navigation, and safety-enhancing equipment.

We are thus advocating for an infusion of government infrastructure funding to jumpstart the modernization of the air traffic control system, which would also result in reduced carbon emissions and job creation in the aviation sector. We strongly believe that such an infusion would not only contribute to economic growth and a better environment, but would also help address record delays and congestion.

NextGen would bring tangible improvements to our sector, including up to a twelve percent reduction in GHG emissions from aircraft by 2025 (the equivalent of removing 2.2 million cars off the road) and the creation of 77,000 new jobs throughout the manufacturer, equipment installer, and airline industries.

CASE LIBRARY

Serving our Customers

Streamlining the pre-flight and boarding experience

We know that our customers look to us to help them get to their destination with as little stress and inconvenience as possible. American's steadfast focus on providing exemplary service during customer interactions at the gate and during the boarding process exemplifies our longstanding commitment to improving the overall customer travel experience.



Agent scans bag information using YADA device

American introduced YADA, which stands for Your Assistance Delivered Anywhere, in 2009. With the YADA hand-held device, airport agents can come out from behind the counter to provide real-time information on flights, gates and baggage directly to customers anywhere in the airport. Agents can scan boarding passes, check bags, print "real" bag tags, provide connecting information, and even pull up maps of other airports.

YADA has been deployed in Boston, Dallas/Fort Worth, Miami, New York's JFK, and San Juan, Puerto Rico, and is a major step in the overall customer experience initiative at American Airlines.

PriorityAAccess security screen lanes have already been installed at the Dallas/Fort Worth; Chicago O'Hare; Miami; Los Angeles; New York JFK and La Guardia; St. Louis; San Francisco; Boston; and San Juan, Puerto Rico airports.

In September 2008, American Airlines introduced PriorityAAccess privileges to its top customers to make the airport process and overall travel experience more convenient. With dedicated PriorityAAccess check-in, priority baggage delivery, security screening lanes, where available, and exclusive boarding lanes at the gate, travelers have more control and an easier journey when they travel.

Passengers benefiting from PriorityAAccess privileges include First and Business Class customers; AAdvantage Executive Platinum, AAdvantage Platinum, and AAdvantage Gold members; AAirpass customers; oneworld® Alliance Emerald, Sapphire and Ruby members; and customers traveling on full-fare economy class tickets.

American Eagle: Flying safely is our first priority

Flying a commercial airline is one of the safest forms of transit. American Eagle is proud to contribute to this exemplary safety record by maintaining the highest standards for hiring and training pilots and crews, implementing robust safety management systems, and sharing safety information with other regional airlines and the FAA.

At Eagle, prospective pilots undergo the same extensive pre-hire screening and new hire evaluation as pilots at American and other large carriers. Candidates must have, at a minimum, 1,000 total flying hours, with at least 100 hours in multi-engine airplanes before they can apply for a position with Eagle.

Most current Eagle pilots have considerably more experience and benefit from the ongoing training and development. Our Captains average more than 14 years of flying and 11,000 hours of flight time at American Eagle. First Officers (the copilots) average more than four years and nearly 4,000 hours with American Eagle. In addition, every Eagle pilot receives

comprehensive classroom, simulator, flight training, and observation every year. Our pilots must complete all required—and recommended—FAA flight safety programs, as well as supplementary training courses developed by Eagle.

To ensure the safety of every flight, American Eagle exceeds FAA requirements on a number of issues:

- The number of training hours pilots must complete at American Eagle is greater than the FAA requires
- American Eagle's restrictions on the number of hours and flight segments per day that pilots can fly are stricter than FAA regulations mandate
- American Eagle has already implemented all the flight safety programs the FAA is considering requiring for airlines

For example, the *Captain's Duties and Responsibilities* classes prepare new captains for their leadership role in operating their aircraft as safely and efficiently as possible. Our *Advanced Aircraft Maneuvering Program* provides pilots with the advanced skill set and expert knowledge to handle aircraft under severe circumstances, for example, if flight controls malfunction or during recovery from unusual attitudes.

American Eagle also ensures that pilots are safe to fly every time they step into the cockpit. We recognize that fatigue may affect crew performance. We therefore go beyond mere compliance with federal regulations regarding flight time limitations. We limit our pilots to fewer hours of duty time and fewer flight segments per day than FAA regulations require.

Protecting the Environment

Creating a market for alternative fuels

Could flying on a jet become one of the greenest ways to travel?

Although air travel contributes only 2% of total greenhouse gas emissions, American Airlines is taking action to reduce the environmental impacts of flying. We are working collaboratively with others in the industry to provide a market for alternative fuels. This support for fuel innovations encourages further research and development, which will ultimately help decrease our environmental footprint and help combat global climate change.

In December 2009, American became one of 15 airlines to sign agreements to support alternate fuel use by promising to purchase future supplies. This domestically produced fuel is not just more environmentally friendly; through its development and production, it will create jobs and bolster energy independence. Federal Aviation Administration Administrator Randy Babbitt said the agreements "reaffirm the airlines' commitment to a greener, more stable and secure energy future."

One of the fuels American has pledged to use is derived from oil made from the seed of the camelina plant. An analysis of jet fuel derived from camelina seeds shows that it reduces carbon emissions by 84 percent compared to petroleum jet fuel. Recent test flights have clearly demonstrated that the use of biofuel is safe and technically sound. Biofuels can be blended with existing jet fuel in increasing quantities as they become available.

Synthetic fuel is also an important part of our strategy to reduce emissions. We've pledged to buy fuel made from coal or petroleum coke, which emits less carbon and particulate matter. And in August 2009, we agreed to use a renewable synthetic fuel at Los Angeles International Airport for ground service equipment operations. It's produced from green waste or sewer waste, so it has a carbon footprint of near zero.

The combination of sustainable alternative jet fuels and advances in aircraft design could eventually reduce CO2 emissions in the airline industry by 80 percent.

Great Place to Work

Earl Graves award: honoring diversity



Winners, honorees, AMR executives and board members, and Earl G. Graves at award ceremony

Earl G. Graves, Sr., founder and publisher of Black Enterprise magazine, influenced many of American's diversity initiatives during his long tenure on AMR's Board of Directors. Graves helped us establish a business-minded approach to diversity and inclusion, demonstrating that these efforts are integral to our business goals.

So, in 2009, when we decided to create an award for employees who are leading efforts to advance diversity, there was only one thing to call it—the [Earl G. Graves Award for Leadership](#).

American Airlines employees Gary Kennedy, Senior Vice President and General Counsel, and Frank Stanton, Tower Manager - Chicago, were awarded the first *Earl G. Graves Award* for their work in advancing diversity and inclusion within the company and in their communities. Both men have shown continuous commitment to incorporating diversity into American's daily operations.

Kennedy, a 25-year employee, created a mentoring program for minority students and American's *pro bono* program in which participating attorneys provide legal services to indigent clients. He has been recognized for his work with the Minority Corporate Counsel Association's 2009 Employer of Choice Award and the National Lesbian, Gay, Bisexual & Transgender (LGBT) Bar Association's 2009 Allies for Justice Award.

In Frank Stanton's four decades at American Airlines, he helped establish the Chicago chapter of the African-American Employee Resource Group (AAERG). He also served as a member of the local Diversity Action Council, where he developed on-the-job training opportunities so that diverse employees could gain the work experience and job skills necessary to improve their qualifications for career advancement. Both Stanton and Kennedy received congratulations from Graves at the awards ceremony.

The Graves Award is one of the many ways our company acknowledges that we can only deliver value to our customers and shareholders if we have a workforce that includes a broad spectrum of talented people.

[Read more.](#)

Supporting Our Communities

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Serving up wines that invest in our communities

The next time you enjoy a glass of wine on an American flight, you may be helping minority business owners in both South Africa and the United States. While South Africa has a large wine industry, less than two percent is owned by black South Africans. But Los-Angeles based entrepreneur Selena Cuffe is working to change that through her wine-import company, Heritage Link Brands. Several South African wines are now available on American Airlines flights.

American Airlines supports small businesses owned by minorities and women through its supplier diversity program. We believe buying from these businesses in our major locations is a way to give back to our communities.

All the South African wines on American flights are Fair Trade certified, which means they are produced using sustainable agriculture that helps preserve the biodiversity of the region. One of the wines is made at Koopmanskloof, where nearly a hundred black farm workers have become owners. Some of the profits go into a trust for the worker-owners, which they can use to improve their homes and send their children to school. Koopmanskloof has become one of the largest Fair Trade Certified wine producers in the Stellenbosch region of South Africa.

Cuffe, who has a M.B.A. from Harvard Business School, started her company after attending the Soweto Wine Festival in 2005. She hopes Heritage Link Brands can help indigenous African producers overcome their distribution struggles and increase their share of the country's multi-billion dollar wine industry. And as for passengers who get to sample these wines, Cuffe hopes they'll appreciate not just some great brands, but the positive impact of their choice. "Now, American Airlines' discerning travelers have the opportunity to enjoy a wine that not only tastes good, but does good," says Cuffe.

Cuffe says her company sold just \$100,000 worth of wines in its first year, but last year that rose to \$1 million. Cuffe, who expects revenues to grow by 35 to 40 percent this year, says her agreement with American Airlines helps buffer her from the instability wine importers who deal primarily with restaurants have experienced lately.

American Airlines' Managing Director of Onboard Products, John Tiliacos, says by adding these Fair Trade Certified wines, "We're furthering our commitments to provide customers with the highest-quality wines in flight, as well as promoting a sense of global community, citizenship, and responsibility."

Help for Haiti: Last flight out, first flight back

When an earthquake devastated Haiti on January 12, 2010, American Airlines was the first on the scene. We have been flying to Port-au-Prince since 1981 and consider it one of our company's global "hometowns," with approximately 100 employees on the ground.

Given our longstanding relationship with Haiti, American responded to the crisis immediately. Our efforts included:

- Flying 30 relief missions—transporting relief workers, medical personnel, and more than 400,000 pounds of humanitarian aid. The first flight landed on January 13. We were the first commercial airline to bring in relief supplies.
- Offering our customers the opportunity to donate money to the Red Cross and receive frequent flier miles in return. As of March 10th, 2010, nearly \$1.5 million had been donated through the Red Cross site. This program went through March 31 don't we have an updated number.
- Encouraging our employees to contribute money to the relief efforts.

Perhaps most critical for Haiti's recovery was quickly restoring normal airline service. American has been an important contributor to Haiti's economic development, flying not just hundreds of thousands of passengers every year, but millions of pounds of cargo, mostly agricultural commodities. Despite damage at the airport, on the evening of the quake American Airlines flew the last commercial passenger flight out of Port-au-Prince.

Just four days later, representatives of American and Odebrecht Construction surveyed the Toussaint L'Ouverture airport to determine how to begin rebuilding efforts. American partnered with Odebrecht to repair the airport's departures and arrivals terminal, as well as refurbish American's cargo facility for passenger check-in.

On February 19th, Flight AA 377 from Miami touched down in Port-au-Prince, the first commercial passenger flight into Haiti.

"All of us at American Airlines and American Eagle have been eager to restore our normal operations into Haiti," said Peter Dolara, American's senior vice president Mexico, the Caribbean, and Latin America. He added, "These flights serve as major milestones toward helping the country rebuild. With commercial air service restored, we can better connect loved ones and provide consistent transportation to and from Haiti."

American operates seven daily flights to Port-au-Prince and is continuing to help contribute to the country's recovery. American Eagle began service from San Juan, Puerto Rico and from Santo Domingo and Santiago in the Dominican Republic in March.

American employees: volunteering around the world



Employees bring holidays to Nicaraguan families

AMR and its employees work together to support community organizations, important city attractions for travel and tourism, and community service activities throughout the year. Employees recruit colleagues and sometimes even their family and friends to participate and lead the events. Examples include:

- Something mAAgic Foundation's "Wish Flight"
- American Cancer Society Relay For Life at locations around the world
- Chicago's Navy Pier and Shanghai's World Expo (Pavilion Sponsor for 2010 World Expo)
- Kids in Distress (KID) annual golf tournament
- "Celebrity Ski" fundraising event for Cystic Fibrosis

Sample activities include:

- The AA Arts Leadership Council is a group of nearly 100 employees that support arts and culture organizations by serving on boards and through skills-based volunteering. Formed a decade ago, the council coordinates and supports dozens of events each year. In 2009, the North Texas Business for Culture and the Arts (NTBCA) recognized the AA Arts Leadership Council for its long-standing leadership, support, and commitment to promoting excellence in the arts.
- We also supported organizations such as the British Academy of Film and Television Arts (BAFTA), the London Film Festival, the Latino International Theater Festival of NYC, and the Japanese American Cultural Community Center.
- American Eagle employees volunteered their time to the abused and neglected children of "Casa Cuna" (or "Cradle Home") in San Juan, Puerto Rico. Employees from Passenger Service, Ramp Service, and the HR department collected much-needed supplies and spent quality time with the children and the dedicated staff.

Our international employees are also active in their communities.

- American employees from various departments including our Ground Handling Company in Buenos Aires gave their time to paint a house owned by a nonprofit charity organization—Casita de Colores—that is used by battered

women and their children. Over 20 employees and managers spent more than eight hours painting these facilities that house as many as 35 people.

- In Colombia, American Airlines recently received recognition from Dividends for Colombia (similar to United Way) for supporting a program to assist educational programs for children and adolescents. This is a voluntary program whereby employees make monthly donations.
- Our Colombian paper recycling program generates funding that goes to help purchase prosthetics for children and mothers that are head of households.
- American is an active participant in Junior Achievement. We support the program's initiatives to offer low income students the necessary tools so that they can continue their education.
- Throughout the Caribbean and Latin America, American employees volunteer their time to help the less fortunate by visiting and donating supplies to orphanages and schools.
- American employees also support a number of efforts such as an annual walk in Panama to benefit breast cancer, research programs to help the environment in the Dominican Republic and Brazil, and a program to help families of inmates in Trinidad.
- American is a corporate sponsor of the Jane Goodall Institute, 'Shanghai Roots & Shoots' organization where through charitable activities, American donates time and money supporting their green, 'Million Tree Initiative' to stop desertification in Inner Mongolia and help offset China's greenhouse emissions.
- American is a sponsor of Junior Achievement – Japan supporting 'real life' student educational experiences in programs called 'Student City' and 'Finance Park' in Tokyo's Shinagawa Ward and in Kyoto City. The programs provide students with opportunities to learn and understand how society and economy operate through study and practical experience.
- Every year, European and Pacific employees are invited to nominate charities to receive support from American Airlines. Running since 2003, the 'Employee Charity Nomination' programme now helps six charities per year by providing a pair of economy tickets to be auctioned/raffled off to raise funds.