

2016 Corporate Responsibility Report





Overview

American Airlines and American Eagle offer an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. American has hubs in Charlotte, Chicago, Dallas/Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix and Washington, D.C.

American is a founding member of the **oneworld**® alliance, whose members serve more than 1,000 destinations with about 14,250 daily flights to over 150 countries.

Shares of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. In 2015, its stock joined the S&P 500 index.

Visit our website at aa.com and connect with us on our social channels.



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“Our corporate responsibility efforts are grounded in a commitment to lead with trust, care and inclusivity.”





Message from Our CEO

It was a phenomenal year for American Airlines in 2016. In October, we cleared one of the most important hurdles in our integration journey with the successful combination of our fleet and pilot groups into one Flight Operating System (FOS). We also produced another year of strong financial results while making significant investments in our product and welcoming 115 new aircraft into our fleet. Our success in 2016 was recognized by Air Transport World, which named American its 2017 Airline of the Year — the first time we have received the honor in nearly 30 years.

None of these achievements would have been possible without the hard work and dedication of American's 120,000 team members. We are grateful for and humbled by their grace and professionalism in the face of the constant change and challenge of the past few years. In turn, we're committed to validating the trust they've placed in our company.

As American and our industry have fundamentally and structurally changed, we recognize that we now must run our business differently than we did in the past. We're a growing and thriving employer, and we're working to provide a rewarding, inclusive and supportive work environment where any of our team members can pursue a long, exciting and diverse career path.

If we continue to do trustworthy things for our team, they will continue to take great care of the customers who count on us every day. This will deliver a sustained healthy return for our investors and allow us to reinvest in our team and our operation. As a leading service organization and the world's largest airline, this is a mission we don't take lightly — and one we are committed to doing right. That's why we have made a



commitment to leading differently and bringing trust, care and inclusivity to the forefront.

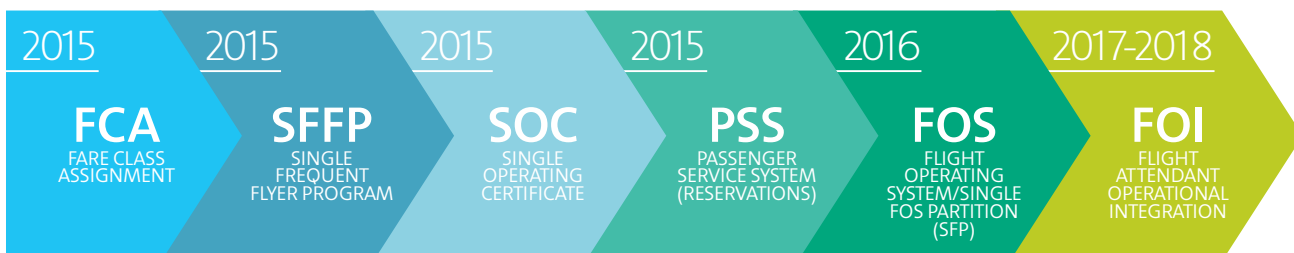
Becoming the world's greatest airline brings with it significant responsibility. So we're mindful of how we're serving our team members, customers, investors and communities, while taking care of our planet by using resources efficiently. We have made tremendous strides the past few years, but our work is not done. We remain focused on completing our remaining integration tasks, running a safe and reliable operation, and continuing to deliver for all of our stakeholders.

I invite you to explore this report to learn more about American, and I look forward to hearing from you how we can continue to do better.

Sincerely,

Doug Parker
Chairman and CEO

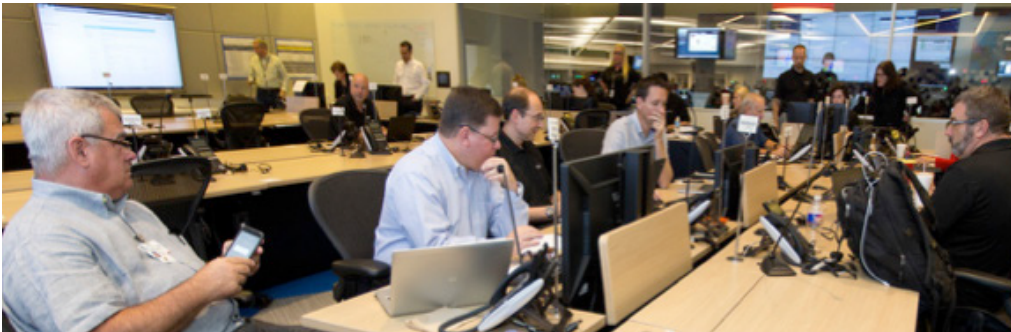
INTEGRATION MILESTONES





Becoming the Greatest Airline in the World

We are incredibly proud to be named the 2017 Airline of the Year by Air Transport World. Due to the tremendous efforts of our 120,000 team members, we accomplished key integration milestones with no disruption to our service. Chief among these efforts was the herculean task of integrating our Flight Operating System.



Employees standing by to address any issues during FOS cutover weekend.

INTEGRATING OUR FLIGHT OPERATING SYSTEM

The Flight Operating System (FOS) is the IT hub of the American Airlines operation. It's not a single program but rather a complex system behind which more than 500 independent applications run. These applications control the movement of more than 1,600 mainline and regional aircraft, the scheduling of 37,000 crew members and other operational needs. In 2015, we operated two systems: one each for our legacy American and US Airways fleets.

In 2016, we integrated our FOS systems, an action that will yield long-term benefits for both our customers and team members. In preparation for FOS cutover, a team of workgroup leaders and IT partners worked for almost a year to ensure programs and systems would operate uninterrupted.

We conducted extensive testing, with teams spending the equivalent of 150 years in training. On the actual cutover weekend in early October 2016, hundreds of American's team members staffed the main command center and several sub-command centers. Our team was on duty 24/7, but went home early on Sunday evening because things were going so well.

With FOS integration complete, American's fleets and pilot groups became one — the biggest such integration in airline history — all without a single cutover-related delay or disruption in service.

BY INTEGRATING OUR FOS SYSTEM, WE HAVE:

- ▶ Made it possible to manage the airline from a single set of systems at our Integrated Operations Center (IOC) and reduced the overall complexity of our operations
- ▶ Created a single pilot workforce
- ▶ Optimized our network and fleet
- ▶ Facilitated quicker recovery after weather or other disruptions to operations, helping customers get to their destinations faster



“Despite it being the largest, most complex airline merger in history ... The creation of the “new American” has been a remarkable journey for employees, customers and investors.”

— Air Transport World

BY THE NUMBERS FOS Cutover


85,000
Employees Impacted


55,000+
hours dedicated to making sure legacy US Airways pilots were prepared


500+
Applications Affected


18 Command Centers operated 24/7


150 Years'
Worth of Training


15,000+
hours spent by ambassadors assisting more than 90% of active legacy US Airways pilots prior to cutover


243 Go-Live Dates
(when actual changes took place)


24 Departments with Changes



Focusing on Our Customers' Needs and Wants

We are investing more than \$3 billion in improving the customer travel experience on the ground and in the air. These investments include new customer products and services such as greater onboard connectivity, new entertainment and dining choices and upgraded lounges.

CREATING AN EXCEPTIONAL CUSTOMER EXPERIENCE

We know our customers have many choices for air travel. That's why we're making a significant investment in developing our team to deliver exceptional customer service. Throughout 2016 and 2017, 40,000 American Airlines team members will take part in Elevate the Experience training. This two-day program is aimed at inspiring our frontline team members to provide service that will set American apart from our competitors. With an average of 2.5 million customer interactions each day, our team has plenty of opportunities to do just that.

Training sessions are full of interactive scenarios that help team members learn techniques to enhance the experience at each point of our customers' journey. A unique element of the program is a "mixed" classroom setting, where team members from different service groups can interact and learn from each other's perspectives.

"It's been a big learning experience for me," said Laura Ashby, Reservations Representative. "It's a lot of interactive activities and role playing to put yourself in the customer's shoes."

We are also reinforcing Elevate the Experience training with managers of frontline team members by offering a parallel course called Lead the Experience. More than 4,000 managers will participate in this second module to learn approaches to support their teams in creating an optimal travel experience.

"The biggest differentiator between airlines is the level and quality of service customers receive," said Kerry Philipovitch, senior vice president, Customer Experience. "American has the best team members in the business, and this program is designed to support them in delivering the world-class service our customers expect and deserve."



Team members participate in Elevate the Experience training.



Focusing on Our Customers' Needs and Wants

EXPANDING OUR NETWORK TO MORE GLOBAL DESTINATIONS

As more customers want to get to more places around the world, we're adding new destinations to make their journeys easier. Not only do new routes facilitate travel, they also support important regional trade and economic development opportunities.

Over the past few years, we've launched significant new routes across our global network. For example, in June 2016, American launched service from Los Angeles to Auckland, New Zealand. Team members and customers celebrated with gate events in both cities. With service to Auckland, American strengthens our network with expanded service to the Pacific region.

FIRST SCHEDULED SERVICE TO CUBA BEGINS

In September 2016, American became the first U.S. airline to operate regularly scheduled service to Cuba, with service between Miami and five destinations in Cuba — Camagüey, Cienfuegos, Holguín, Santa Clara and Varadero. In November, American inaugurated scheduled service to Havana, with four daily flights from Miami and one daily flight from Charlotte. "I have no words to express how thankful I am to have been a part of this experience," said Sandy Ramos, a Customer Service agent who worked on the Charlotte to Havana departure. "I'm Cuban and I'm American, and this finally links our two nations." Upon arrival in Cuba, officials from the airport greeted American's first flight with a water cannon salute and a ribbon-cutting ceremony.

SPOTLIGHT ON CARGO SERVICES

Many people don't know that in addition to taking customers where they need to go, we also fly cargo all over the world. We transport more than 550 tons of cargo and mail each year and have been recognized with top honors for our cargo service. In 2016, we were proud to receive the Cargo Airline of the Year award from *Air Cargo News* for the second year in a row.

Our aircraft carry a tremendous assortment of cargo related to global commerce. For example, Valentine's Day marks a particularly busy season. We fly shipments of freshly cut flowers to be sold worldwide. Last year alone, we transported more than 18.5 million pounds of flowers. The flowers make their way to vendors and are sold in stores — from small flower shops and boutiques to major retailers — all in less than 48 hours after they're first plucked from the fields.

Our Cargo services team also steps up in times of need. In the aftermath of the devastating 7.8 magnitude earthquake in Ecuador in April 2016, American Airlines Cargo shipped more than 20 pallets of water purification units to communities affected by disruptions to local water treatment plants and supply networks. We also donated transportation to GlobalMedic, allowing the charity to send 560 Family Emergency Kits to Quito from New York (JFK). The specialist kits contain household water purification units as well as essential hygiene items such as soap, toothpaste and toothbrushes.

“Successful new route launches are the result of coordination across almost every group at American, including Operations, Regulatory Affairs, Communications, Corporate Real Estate, Finance, Cargo and the entire Commercial organization.”

— Walter Weems, Network Planning manager



American Airlines pilots on one of the first regularly scheduled flights to Havana, in 2016.



Cargo team members working to load the latest shipment.



Focusing on Our Customers' Needs and Wants

MAKING IT EASIER TO GET ON BOARD

We know that the airport experience is an integral part of our customers' journey. We're working to make it easier for customers to get to their flights on time and with minimum hassle. In 2016, one initiative focused on reducing distance between terminals at Los Angeles International Airport. Another saw us investing millions of dollars to partner with the Transportation Security Administration (TSA) to make airport screening faster. And we are in the process of refreshing our Admirals Club lounges worldwide and creating a new Flagship Lounge experience in six gateway hubs.



The secure connector at Los Angeles International Airport between the Tom Bradley International Terminal and Terminal 4 is now open to the public. The two-year construction project considerably improves the experience for our connecting customers by reducing the walking distance between the two terminals to just five minutes.



We introduced automated screening lanes at Chicago O'Hare International Airport in partnership with the TSA. The two automated lanes — with 25 percent larger bins — at Checkpoint 7 reduce screening time by approximately 30 percent. We'll be installing similar lanes in Dallas/Fort Worth, Los Angeles and Miami in 2017.



The American Airlines Arrivals Lounge at London's Heathrow Airport reopened for customers in August 2016, after undergoing a multimillion dollar refurb. Every square inch of the facility has an updated look and new furniture. Inside the lounge is a dining area with expanded food and beverage options, a business center equipped with power ports, a meeting room that customers can book in advance and 29 shower rooms with complimentary toiletries.

HELPING CUSTOMERS TO SIT BACK AND RELAX

We want our customers to have entertainment at their fingertips during their flight. Due to upgrades made in 2016, American Airlines customers flying domestic routes on Wi-Fi-enabled aircraft can now access the largest content library of any U.S. carrier and enjoy free inflight entertainment stocked with the latest movies, TV shows and music.

FREE IFE BY THE NUMBERS



280
Domestic Aircraft
with In-seat Systems


165
Movies


300
TV Shows


700
Music Albums


20
Games

As of June 2016,  American offered more Wi-Fi-enabled aircraft than any airline in the world. With all our two-class regional jets now equipped with Wi-Fi, we have 1,114 aircraft where customers can log on to the internet during flight.



Being an Industry Leader

As we complete our major integration milestones, we've set our sights on becoming the greatest airline. Part of being great means that we deliver for our customers with on-time departures and arrivals, baggage handling and safety. We have made important improvements in 2016 to be an industry leader and are excited to make even more progress in the years to come.

KEEPING BAGS WITH THEIR OWNERS

American finished rolling out our new, combined baggage tracking system, called PRIME (Proactive Real Time Information Matrix Engine), to hubs in October 2016. Our Customer Experience Operations and Airport Customer Technology teams built it by combining the best of both of our legacy systems into a more advanced baggage tracking program. PRIME collects nearly every piece of real-time data related to a bag's journey — including its flight number, gate, destination and more — to provide a detailed record of the bag's movement.



PRIME may sound familiar to Transformers fans. The system name was inspired by the famous autobots.

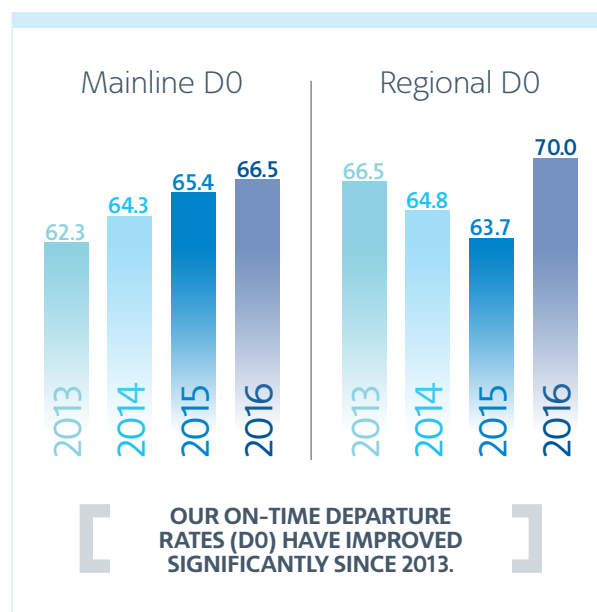
PRIME is a major improvement from our legacy baggage tracking systems. Without PRIME, we only know when a bag is checked in and when it's loaded on and off the aircraft. That can make it difficult to determine the location of a bag if its journey is disrupted. With PRIME, employees scan bags at a series of operational checkpoints before they're unloaded at their final destinations. Having a detailed scan history helps our Ramp Operations Center — a team that monitors for potential baggage misconnects or mishandles — quickly find missing bags and reroute them. Team members in our Central Baggage Office also use PRIME's information to assist customers with baggage issues. "PRIME has become one of our most integral tools, allowing us to narrow down the location of a bag more efficiently and reroute the bag to its proper destination," said Rick Harford, manager on duty, Customer Operations, Phoenix Sky Harbor International Airport.



TRACKING PROGRESS, MAKING IMPROVEMENTS

Our Operations Planning and Performance team leads a weekly conversation to review reliability and dependability performance across the airline. During the calls, they identify trends and issues, review root cause analyses for particularly complicated challenges and share best practices. Upwards of 150 team members and managers participate on calls devoted to discussing dependability and reliability metrics.

One way we've found that we can do our best is by having our aircraft clean and ready to go each morning. We measure our readiness every day by tracking the number of planes that are out of service, and we have seen that number drop substantially in 2016. Fewer aircraft out of service means that more flights depart on time.





Being an Industry Leader



In less than 12 hours, team members at Reagan National Airport in Washington, D.C., cleared away several feet of snow that fell at the ramp and gate areas in early 2016.

RECOVERING FROM DISRUPTIONS TO OUR OPERATIONS

There is often nothing more frustrating to customers than having their flights delayed or canceled by significant weather events or operational issues. To make things a little bit easier during these times, we've put in place an array of programs and services to get customers back on track as quickly and comfortably as possible following irregular operations.

CUSTOMER CARE FOR REBOOKING CANCELED OR DELAYED FLIGHTS

Our new re-accommodation tool allows customers to find the best option that meets their needs when their flight is delayed or canceled. Once a better option is identified, customers can rebook themselves instead of standing in line at the airport counter or waiting on hold to reach a reservations representative by phone. The tool is available on our mobile app and at aa.com.

ENHANCED GATESIDE AMENITIES PROGRAM

We expanded our Gateside Amenities program in 2016 to provide customers who experience a delay of two hours or more with free snacks and beverages at the gate. If a delay exceeds three hours, customers can help themselves to complimentary sandwiches. "Customers and team members in Charlotte love the Gateside Amenities program," said Dalia Ballester, managing director, CLT Customer Care. "We have challenging summers here, and the program helps relax customers during a stressful time."

MINIMIZING DISRUPTIONS FROM WINTER WEATHER

Winter storms can affect multiple airports at once. In early 2016, a huge weather system impacted our hubs in Charlotte, New York, Philadelphia and Washington, D.C. Our teams worked day and night to help customers and colleagues deal with the harsh weather. As part of our approach to minimizing disruptions from winter weather, in early 2016 we opened a new de-icing command center at our Chicago O'Hare hub. Equipped with new tools and technology, team members are now more prepared than ever to take on snow and ice. Crew chiefs in the command center and Fleet Service personnel in de-icing trucks on the ramp use tailored dispatch software to communicate and share de-icing assignments to get the job done fast.

2016 OPERATIONAL HIGHLIGHTS

- ▶ In 2016, we operated nearly 1.1 million mainline flights safely, which is always our No. 1 priority.
- ▶ We canceled 25 percent fewer flights in 2016 than in 2015.
- ▶ Our systemwide mishandled baggage rate (MBR) decreased by 19.5 percent.
- ▶ In November 2016, we posted our best operating month since the merger, with on-time arrivals above 85 percent.
- ▶ Regional performance across our reliability and dependability metrics also improved significantly in 2016.



Being an Industry Leader

SAFETY IS NO. 1

Safety is our No. 1 priority. We have comprehensive safety systems, maintenance checks, pilot and flight attendant training, and partnerships with federal agencies to stay at the forefront of safety excellence.

LONG-DISTANCE FLIGHT SAFETY CHECKS

Before planes are ready for takeoff, they are inspected to ensure the safety of our crews and customers. For aircraft flying longer distances across areas with few nearby airports (for example, across oceans), the FAA requires an extra check. This pre-departure check is called an ETOPS (Extended-range, Twin-engine Operational Performance Standards) inspection. At the gate, a crew of ETOPS-qualified aircraft maintenance technicians examine an aircraft's major mechanical and safety systems both inside and outside the aircraft. They also verify that proper emergency equipment is on board and functional. With ETOPS-certified aircraft, American can fly long-distance routes that would otherwise be out of range. In addition, American can operate more efficient, direct routes on trans-Atlantic and trans-Pacific flights. "ETOPS checks allow us to fly the polar routes to China, where we are 1,500 miles from the closest place to land," said Capt. Chip Long, chief pilot, Chicago O'Hare.

OUR NEW SAFETY VIDEO HITS THE INFLIGHT AIRWAVES

American's new safety video focuses on the importance of inflight safety while providing viewers with a stylized, intriguing and entertaining experience. The video features American team members from multiple workgroups, including flight attendants, fleet service and pilots. The entire 4-minute, 20-second video is scored to the beat of a custom audio track made entirely from the sounds of aircraft and airports.

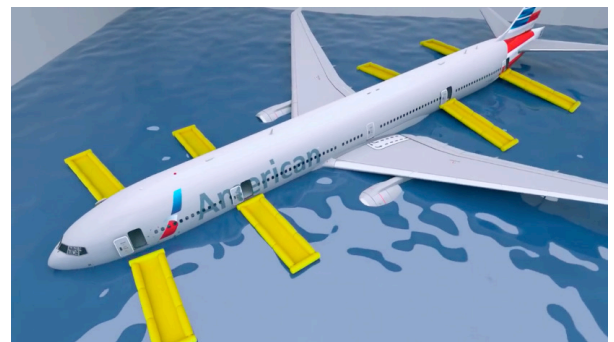
AMERICAN'S TULSA FACILITY EARNS SAFETY DISTINCTION

The Occupational Safety and Health Administration (OSHA), which monitors workplace safety in the United States, awarded the Tech Ops — Tulsa Auxiliary Power Unit and Aircraft Wiring Center (AWC) facility the highest rating for excellence in safety and health management in 2016. Through OSHA's Voluntary Protection Programs (VPP), Tech Ops — Tulsa earned the Star safety rating, which recognizes facilities that have successfully implemented safety and health management systems and maintained injury and illness rates below national Bureau of Labor Statistics averages for their industries.

American leaders, team members and OSHA worked together to develop a program to ensure safety by preventing injuries and illnesses. The program focused on four key areas: hazard prevention and control; worksite analysis; safety and health training; and management commitment and employee involvement. Our team at the AWC will mentor other facilities at Tulsa and other Tech Ops bases, as they begin working toward the same safety improvements.



An American Airlines AMT inspects tire pressure on a 767-300.



Our new safety video focuses on inflight safety in a stylized, intriguing manner.



Our Tech Ops facility in Tulsa, Oklahoma, receives OSHA's prestigious Star safety rating.



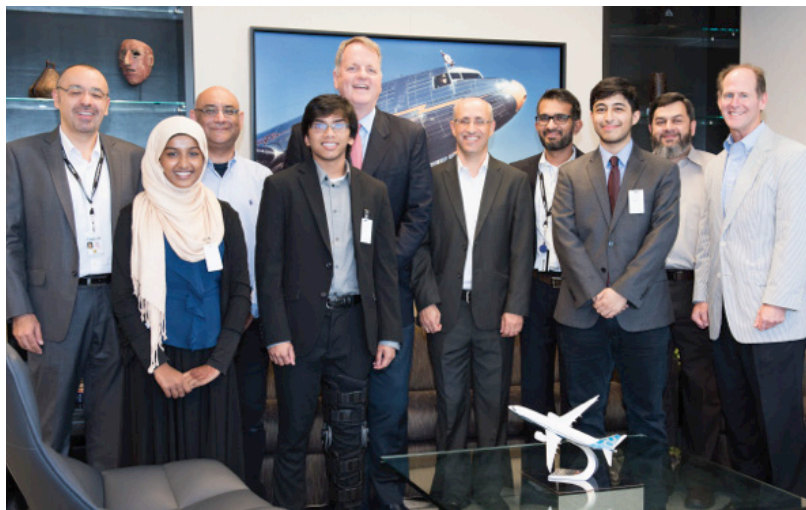
Engaging Our Team Members

At American Airlines, we know that our diverse team of 120,000 team members is our best asset and competitive advantage. We are committed to providing team members with an inclusive and supportive work environment so they feel engaged and proud to be here. By taking care of our team, we help them to take great care of our customers.

CULTIVATING AN INCLUSIVE ENVIRONMENT

Having a workforce that represents our diverse world is not only a top priority at American, it's also essential to our success. We are a dynamic, vibrant team as well as a global community, and we cultivate inclusion by exploring, appreciating and celebrating all aspects of it.

One of the most important ways we cultivate inclusion and diversity is through our Employee Business Resource Groups (EBRGs). Twenty EBRGs across 104 local chapters appeal to a wide variety of backgrounds and affiliations, including race, religion, culture, age and personal interest. Membership increased in 2016 to 9,187 team members who are engaged in one or more of our EBRGs. Together, they contributed 37,000 volunteer hours during EBRG service activities. In 2016, our EBRGs also expanded internationally, adding three new chapters in Mexico, Canada and the United Kingdom.



The Muslim EBRG sponsors local students at a STEM contest hosted by NASA.

EBRGs submit annual business plans to demonstrate how their mission and efforts are staying connected to our business. Some examples of 2016 inclusion initiatives that underscore our business imperatives include:

- The Abilities and Bridges EBRGs, which supports awareness for those with differing abilities and promote interfaith/intercultural collaboration, respectively, continued and grew the employee-volunteer program, "It's Cool to Fly American," a mock airport experience for families with autistic children that simulates the travel experience — from going through security to sitting on the plane. In 2016, 315 families participated, which has opened up the world of travel for these families by helping them feel more at ease with the airport experience.
- The Family Matters and Pride EBRGs advocated for adoption benefits by providing Health and Benefits team members with benchmarking intelligence and industry best practices. Beginning Jan. 1, 2017, we now offer up to \$4,000 in expense reimbursements related to adoptions, as well as travel for team members if their Qualified Adoptee isn't located near where they live.
- The Asian Pacific Islander EBRG sponsored the 15th annual U.S. Pan Asian American Chamber of Commerce (USPAACC) Business Expo by connecting local/minority-owned firms to business opportunities with corporations and government. USPAACC is one of the oldest and largest organizations representing Asian-Americans and Asian-American related groups in business, sciences, the arts, sports, education and public and community services.
- In May 2016, American Airlines hosted an Inclusion Summit for frontline supervisors and managers to consider how they can create a more inclusive environment for their teams. To promote awareness and generate group discussion, the summit featured a theater group that performed a series of workplace-specific vignettes exploring classic stereotypical situations.

DISTINGUISHED RECOGNITIONS

- ▶ Perfect score in the Corporate Equality Index (CEI) for the 16th year in a row (since CEI launch in 2002), awarded by The Human Rights Campaign
- ▶ Top score of 100 on the 2016 Disability Equality Index® (DEI) and named a "2016 DEI Best Places to Work"
- ▶ 2016 "Top 25 Honors Award" to American's Diversity Advisory Council, recognized by the Association of Employee Resource Groups & Councils for the eighth consecutive year

Learn more at [Inclusion & Diversity at American](#).



Engaging Our Team Members

CREATING A CULTURE OF TRUST

Our American Airlines leadership team is committed to creating a management culture that serves and supports our frontline workforce so that they can bring their best to customers every day. We want to validate the trust they have placed in us to be an engaged employer that will provide them with fulfilling careers. We also provide the right tools for teams to succeed and have embedded recognition programs to ensure that outstanding efforts made by team members are recognized and rewarded.

INTEGRATING HR SYSTEMS FOR PROFESSIONAL SUCCESS

We are launching several projects to build a better workplace to directly benefit our team members while also attracting and retaining talent. This effort includes the rollout of a modern and integrated Human Resources (HR) and payroll system across functions. Our investment toward one comprehensive and cloud-based HR solution will help us with marketing, recruiting, onboarding, compensation and succession planning. As a resource across functions, it will also help us offer long and self-directed career paths, with opportunities for professional growth.

RECOGNIZING EXCELLENCE

Recognizing our team members for their exemplary work is extremely important to us at American. Several of our notable employee recognition programs include:

- Above & Beyond awards, a peer-to-peer nomination for the everyday efforts of hard-working team members.
- Real American Hero award to honor team members who assist during life-threatening situations.
- Chairman's Awards — American's highest honor for team members with career-long histories of exemplary service.
- Service Anniversary Dinner, honoring team members celebrating 45 years or more (and pilots celebrating 35 years or more) with the company. In 2016, more than 200 honorees began their careers with 11 different heritage carriers and have a total of nearly 10,000 years of service.

INVESTING IN OUR TEAM

We invest in our team members and work closely with the unions that represent our frontline team — including pilots, flight attendants, mechanics, fleet service, customer service, dispatch, flight crew training instructors and simulator engineers. Since our 2013 merger, we have invested an additional \$3 billion in salaries and benefits, representing an average 38 percent increase. In 2016, more than 400 dispatchers and operations specialists and more than 300 flight crew training instructors and simulator pilot instructors, represented by the Transport Workers Union (TWU), approved new five-year contracts. The TWU and the International Association of Machinists (TWU-IAM Association) also approved a new five-year agreement for our 144 flight simulator engineers.

We also recognize the positive team-building component to profit sharing, which is why we unilaterally implemented a profit sharing program, effective with 2016 earnings. With a pre-tax profit of \$5.1 billion and a net profit of \$3.2 billion, we accrued a total of \$314 million for our profit sharing pool in 2016. Successfully instituting a profit sharing plan outside of union negotiations is unprecedented in our business.



Premium Customer Service Representative Barbie Moyer received an Above & Beyond award in the first quarter of 2016.



2016 ABOVE & BEYOND BY THE NUMBERS

460,977
A&B
nominations

2,880
winners

\$2,160,000
awarded

200+
locations

7
workgroups
represented



Engaging Our Team Members

CONNECTING COMMUNITY ENGAGEMENT WITH THE PASSIONS OF OUR TEAM

Our philanthropic decisions are guided by the causes that our team members are most passionate about and that offer opportunities for strong employee engagement. Among our top giving and volunteerism focus areas are the fight against cancer, education and support for our military and veterans. In 2016, more than 5,000 American team members volunteered more than 125,000 hours in their communities through nearly 20,000 events – more than a 70 percent increase in hours from 2015.

Our team members strongly support our new partnership in 2016 with **Stand Up to Cancer** (SU2C), a unique cancer charity model that assembles collaborative (not competitive) teams of researchers who are united in their goal to eliminate all cancer. We launched the Miles to Stand Up program, which gives 10 AAdvantage® miles for every donation of \$25 or more. As of the end of 2016, we have raised \$1.4 million for SU2C.

Looking ahead, we will support **Warlick's Warriors**, the charity of Peter Warlick, an American Airlines officer and aviation industry leader who has been diagnosed with amyotrophic lateral sclerosis (ALS). We have committed \$1 million toward the charity's research efforts to find a cure, including funds raised through our first annual American Airlines Charity Golf Tournament in Dallas in May 2016.

The **American Airlines Sky Ball** is our premier fundraising event to support the Airpower Foundation, a nonprofit that supports all branches of our military, veterans and their families. Sky Ball has grown from a single-evening fundraising dinner to a three-day weekend of events honoring our nation's military and their families. No other event in the country matches the size and scope of American Airlines Sky Ball. In 2016, we raised more than \$2.5 million, with more than 1,300 American Airlines employees volunteering their time to make the event a success.

Learn more at [American Airlines Giving](#).



Stand Up to Cancer

SPOTLIGHT ON EDUCATION

- ▶ In 2016, the American Airlines Education Foundation awarded more than \$750,000 in scholarships to nearly 300 children of employees – more money than ever before. Each recipient received a \$2,500 scholarship, and first-generation college students received an additional one-time award of \$1,000.
- ▶ In support of Science, Technology, Engineering and Math (STEM) education, American also made a \$25,000 donation to Tomorrow's Aeronautical Museum (TAM) in Los Angeles in 2016. TAM teaches students from low-income families about aviation and has more than 4,000 kids in its flight academy and after-school STEM programs.



Sky Ball 2016



Providing a Return for Our Investors

As we invest in a successful future, we set ourselves up for profitability that will provide favorable returns and long-term prospects to the many investors who believe in our company.



COMMITTING TO OUR FLEET

One of the principal ways we are preparing for the long term is by building the newest and most innovative fleet of aircraft in the industry. We are adding hundreds of fuel-efficient planes and bringing customers a more modern, comfortable and connected experience. In 2016, we invested \$4.2 billion in new aircraft and took delivery of 115 new planes. In 2017, we will take delivery of 69 new planes at an expected cost of \$4 billion.

FLYING THE DREAM

In 2016, we made the next step on the Dreamliner journey that we began in 2015 by taking delivery of four Boeing 787-9s, our newest aircraft type for international flights. It offers a new class of Premium Economy seating with more legroom and wider seats — a first for any U.S. airline. These significant additions to our fleet follow the delivery of our first Boeing 787-8 Dreamliner in 2015, which was the start of our targeted focus on increasing the efficiency of our long-haul flights across the globe and opening new markets. Besides added space and comfort, the Dreamliner fleet has a multitude of enhanced technical features, such as curved wingtips, which improve fuel economy and climb performance.

We are also expanding our other aircraft fleets. In 2017, we'll take delivery of the narrow-body jetliner Boeing 737 MAX.

2016 FINANCIAL PERFORMANCE AND EARNINGS HIGHLIGHTS

- ▶ 2016 pretax profit of \$5.1 billion — our second most profitable year in company history
- ▶ Available year-end liquidity of \$8.8 billion — the highest of the network carriers
- ▶ More than \$5.6 billion in capital expenditures — \$4.2 billion on aircraft
- ▶ Paid down \$1.3 billion in debt — much of which was refinanced at much lower interest rates
- ▶ Repurchased 119.8 million shares at a cost of \$4.4 billion and paid more than \$224 million in dividends
- ▶ Stock price increased by 10.2 percent — up 95 percent since the merger

13 + 8 + 13 + 8 = 42

B787s accepted
in 2015

B787s planned
in 2016

B787s planned
in 2017

B787s planned
in 2018

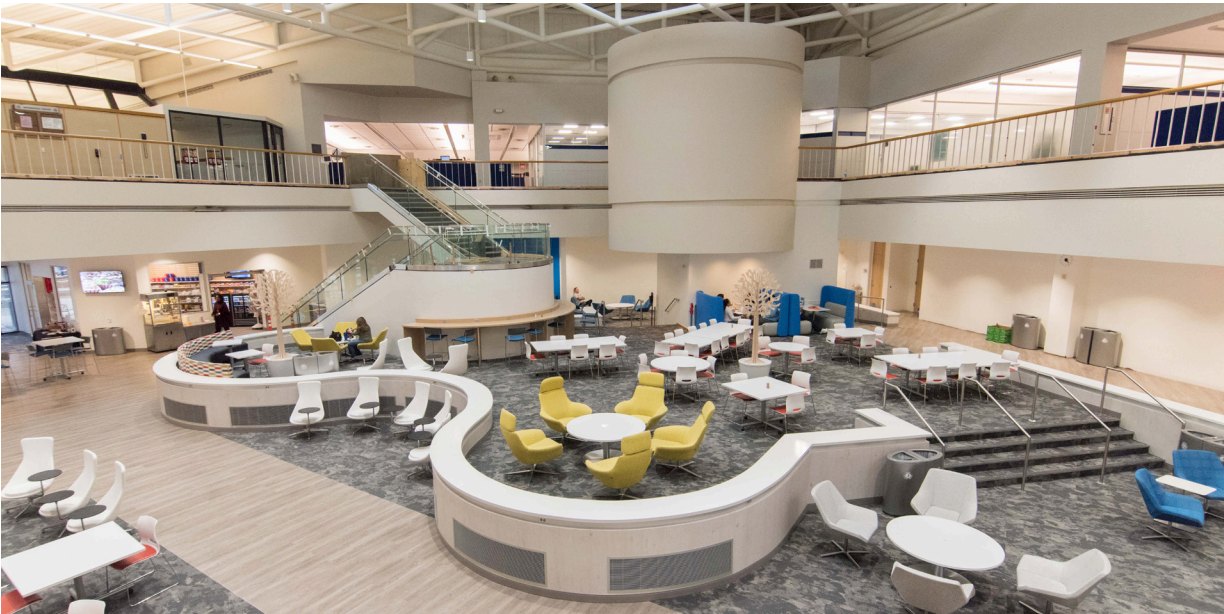
B787s American ordered
from Boeing in 2008

RETIREMENTS AND RETROFITS

In 2016, we retired more than 100 aircraft, bringing the average age of our mainline aircraft to 10.2 years and solidifying American as the carrier that operates the youngest fleet of aircraft in the industry. By the end of 2017, American will have inducted 395 new airplanes into its fleet since the merger, while retiring 391 older aircraft — giving us the youngest fleet of the major U.S. airlines. We are also refreshing and reconfiguring existing aircraft by installing new seats and AC power. The entire mainline fleet of former US Airways planes (299 in total) is now painted in the new American livery, marking a milestone in our fleet repainting project, which began in January 2014.



Providing a Return for Our Investors



INFRASTRUCTURE INVESTMENTS

In addition to upgrading and retrofitting our aircraft, we are investing in our airports for the benefit of both customers and team members. One highlight in 2016 was the completion of the \$160 million expansion of Terminal F at Philadelphia International Airport, including a 34,000-square-foot baggage claim building.

We are investing \$70 million to ensure our team members have work environments in field locations that are both comfortable and modern. We began comprehensive renovations at 15 airports, touching 1,577 spaces with improvements such as painting walls, replacing damaged floors and ceilings and improving lighting in crew rooms, break rooms, training areas, locker rooms and restrooms. We are providing employees with new modern furniture, vending machines, refrigerators, microwaves and work centers. As part of this effort, six of our Reservations and Ticket offices began a makeover in 2016, including \$38 million in facility upgrades at our Dallas/Fort Worth Reservations Center. The enhancements include installing sit/stand workstations, adding new audio/visual equipment, remodeling conference rooms, refreshing common areas and adding parking. We project these 15 projects will be complete by the end of 2018.



Refurbished DFW Reservations Center, Fort Worth, Texas.

ONE CAMPUS, ONE TEAM

To underscore the importance of our “one team” mentality across the organization, American is hard at work designing and constructing our new campus in Fort Worth. Our “one campus” location will further unify our team members by bringing the management team and support staff closer to the frontline team members who visit campus for training and other events.

We broke ground on the project in 2016. The site is about a mile west of our current headquarters, close to our existing training and conference facilities and the Integrated Operations Center, just south of DFW Airport. The new campus will be completed in 2019.



Providing a Return for Our Investors

MANAGING RISK

Part of ensuring our future profitability is mitigating financial and operational risks through careful attention to ethics and compliance. We take these responsibilities seriously, and in 2016 we made changes to several risk management approaches on issues of key importance.

THE HIDDEN RISKS OF HUMAN TRAFFICKING

Human trafficking is a global crisis, and we know that our airline can play a proactive role in the fight against it. Our flight attendants are uniquely positioned to identify human traffickers and assist victims. To help in this effort, human trafficking awareness is included in new hire and recurrent training for all American Airlines flight attendants. American also requires team members in procurement and supply chain roles who work with suppliers outside the United States to take web-based training on human trafficking.



MANAGING SUPPLY CHAIN RISKS AND OPPORTUNITIES

American Airlines wants to do business with suppliers that share our values. In 2016, as part of our focus on responsible procurement, we released our Standards of Business Conduct for Suppliers to clarify the minimum expectations for workplace standards and ethical business practices that all our suppliers should be familiar with when doing business with American. These Standards reflect our corporate value system, which is based on integrity, honesty and the absolute dedication to act responsibly.

While we know many of our suppliers have their own mature compliance programs, our new Standards serve to complement and support their existing codes. In 2017, we will also launch a supplier self-audit and a risk assessment scorecard, both of which will be new components of the supplier bidding process.

In 2016, American participated in 43 supplier diversity networking events and mentored three suppliers through the National Gay and Lesbian Chamber of Commerce and National Hispanic Chamber of Commerce mentoring programs. We hosted our first annual Supplier Diversity Recognition Luncheon to thank those at American who supported Supplier Diversity efforts. We also recently released a video about Newton Design, a Native American-owned supplier, who was awarded business to refresh our flight attendant training equipment at our Flight Academy.

Learn more at our [Corporate Governance](#) and [Investor Relations](#) websites.



Looking to the Future

As our industry continues to evolve, American Airlines wants to lead change, not react to it. Whether we're recruiting the best and brightest new pilots or evaluating promising alternative fuels for climate change mitigation, we are keeping close watch on the developments that will position us for long-term success.

BUILDING OUR PIPELINE OF PILOTS

One of our top priorities is ensuring that we will have a robust source of new pilots for many years to come. The average age of our 14,500 pilots is 54, and within the next 10 years many will reach the mandatory retirement age of 65. Additionally, in 2013 the Federal Aviation Administration (FAA) put into place a rule requiring that all first officers — or co-pilots — must have logged a total of 1,500 hours in the air before working a commercial flight, up from the previous requirement of 250 hours. The costs involved in acquiring these hours can be prohibitive for many aspiring pilots. While the pilot shortage is an industry-wide challenge, we are committed to proactively pursuing innovative opportunities for workforce training, pipeline development and financial support, particularly in partnership with our wholly owned regional carriers.

In early 2016, American announced a new pilot training and recruiting program at our regional subsidiaries, Envoy Air, Piedmont Airlines and PSA Airlines, in cooperation with more than 40 universities and flight schools. The program offers tuition reimbursement, mentorships and certification training and will help the most promising future pilots make smooth transitions from the classroom to the cockpit. And because we maintain pilot flow-through agreements with our regional airlines, young cadets know that a well-paying and long-term career — first with one of our regional airlines and then with American — can begin through these programs. The first year of pay for each of American's regionals is the highest in the industry, and the time to captain is the shortest in the industry. Approximately 50 percent of American's current mainline pilots have come from our regional partners.

The Cadet Programs at each regional carrier support student certifications, training and flight time, including mentorships, internships and up to \$16,000 of tuition reimbursement. The programs also offer unique training and student engagement opportunities, such as Piedmont's training for its fleet of Embraer 145 regional jets at the American Airlines Training Center in Charlotte.

SUPPORTING WOMEN IN AVIATION

More than 75 American team members volunteered at the 2016 Women in Aviation International (WAI) conference in Nashville, Tennessee, in support of the next generation of aviation. Over the past 18 years, we have donated more than \$400,000 in conference sponsorships and continuing education scholarships to attendees.

American awarded nine scholarships totaling \$81,000 during the conference: six \$11,000 Boeing 737 Next Gen type ratings scholarships; one \$5,000 aircraft maintenance technician scholarship; one \$5,000 American/Envoy engineering scholarship; and one \$5,000 Veterans Initiative scholarship to a military veteran pursuing aviation/aeronautical education or training.

"Our American team spent four days spreading enthusiasm and pride to more than 5,000 attendees from 16 countries," said Capt. Deborah Hecker, chief pilot, Philadelphia International Airport (PHL). "They worked hour after hour on their feet to meet everyone who wanted to talk about American. Their boundless energy and kindness was observed by all. I was honored to be part of our WAI team that represented the best of American."



Team members, scholarship recipients and potential new hires celebrate in Nashville at the 27th Annual Women in Aviation International conference in March 2016





Looking to the Future

PROTECTING RESOURCES FOR THE FUTURE

In an increasingly resource-constrained world, operating more sustainably — in the air and on the ground — is in line with the expectations of our team members, customers and shareholders.

In March 2017, the United Nations International Civil Aviation Organization (ICAO) adopted a new aircraft greenhouse gas (GHG) emissions standard to reduce the impact of aviation emissions on the global climate. The new ICAO standard represents the world's first global design certification standard governing GHG emissions for any industry sector. It will apply to new aircraft type designs from 2020 and to aircraft type designs already in production as of 2023. This advancement follows ICAO's landmark agreement in October 2016 to implement a global carbon offset system as a complementary effort to support the goal of achieving carbon neutral growth in international aviation from 2020. American is part of the global aviation coalition that supports the implementation of these industry-wide goals.

REDUCING OUR CARBON FOOTPRINT

We know that delivering on ICAO's goals will require advances in technology, operations and infrastructure, including the development of cost-competitive, renewable jet fuels. In 2016, American Airlines established a relationship with Ocean Park, a boutique investment bank with expertise in the renewable fuels industry, to assist with evaluating alternative jet fuels and identifying the most promising companies and technologies.

American's Fuel Smart program is the cornerstone of our own internal efforts to safely reduce fuel consumption. This team member-led effort implements viable suggestions from flight crew, mechanics and fleet service personnel to safely reduce our fuel consumption by reducing auxiliary power unit usage, washing engine components for maximum efficiency and shaving aircraft weight by removing unnecessary items. Communication and engagement are key components of the Fuel Smart program. In 2016, the team visited several of our largest stations, including our Tulsa Maintenance Base, and made regular updates to our Crew Chiefs. In 2017, we will be using this experience to set targets related to the fuel use we can control.

LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN

The commercial and residential building sector accounts for 39 percent of carbon dioxide emissions in the United States per year. Green buildings help to save energy and mitigate these emissions. Our LEED buildings include:

LEED Platinum Facilities

- ▶ Washington, D.C., Government Affairs office

LEED Gold Facilities

- ▶ Tempe, Arizona, office facility
- ▶ San Francisco International Airport (SFO) Terminal 2 ticket counters and gates

LEED Silver Facilities

- ▶ Philadelphia International Airport's Terminal F baggage claim and ground support equipment buildings
- ▶ SFO Admirals Club in Terminal 2



Miami International Airport Fleet Service team member Wilfredo Rodriguez-Garcia helps reduce aircraft fuel consumption by using pre-conditioned air from the ground.



American donates money saved through Fuel Smart efforts to the Gary Sinise Foundation to help military veterans.



Looking to the Future

RECYCLING TAKES OFF

While most of American's recycling efforts occur on the ground in office facilities and maintenance centers, our team members are also leading recycling efforts in the air. American's flight attendants kicked off the airline industry's first onboard recycling program in 1989. Today, our program generates about 400,000 pounds of aluminum cans annually as well as considerable amounts of plastic and paper. All proceeds from our inflight recycling program go to The Wings Foundation, a charitable organization administered by active American Airlines flight attendants to assist fellow flight attendants in critical need of financial assistance due to illness, injury, disability or catastrophic event. Since 2012, American has been able to donate more than \$400,000 to this charity. Stations have also implemented initiatives to recycle various items, such as cardboard, shrink-wrap, metals, used oil and pallets.

Our flight crews are leading other innovative waste-management initiatives as well. For example, when we reinstated our free snacks as part of our flight service in 2016, we found that we had a lot of loose snacks at the end of each flight. These could not be packaged in the right way to efficiently replenish planes for their next flight. In 2017, we are piloting an innovative solution in cooperation with our caterers that takes excess snacks and repackages them into units that can be put back on board. This type of smart thinking and collaboration is not only helping us avoid food waste but is saving significantly on costs, as well.

ZERO WASTE TO LANDFILL IN TULSA

Our Zero Waste to Landfill Program started many years ago at our Tulsa Maintenance base, and now also includes wastewater. At our Wheel and Brake Center, we wash and recover rubber from more than 25,000 used tires per year that are covered in grease, hydraulic fluid and brake dust. Rather than treating the resulting wastewater, solidifying and disposing of it in a landfill, our wastewater is pumped into combustion chambers where contaminants are destroyed and the water is vaporized, thus avoiding landfills and eliminating potential landfill leachate impacts. The steam produced is transported through a high pressure pipeline to a nearby refinery, which uses it to create energy for its processes, rather than consuming fossil fuel. We are happy to recover the rubber, avoid landfilling and contribute to the circular economy by converting waste residuals from combustion into usable energy.

Elsewhere in Tulsa, our Tech Ops team recently donated two auxiliary power units (APUs) from retired MD-80 aircraft to reuse at the Spartan College of Aeronautics and Technology. The APUs will give students who are learning to become pilots and aviation maintenance technicians access to hands-on training with recent technology.



Our flight attendants collect about 400,000 pounds of aluminum annually and donate the proceeds to The Wings Foundation, which benefits team members in critical need.



When American recently switched to using blankets with new branding, American's Chicago chapter of the Living Green EBRG removed the old logos and donated 5,000 blankets to local homeless shelters.



Performance Data

FINANCIAL PERFORMANCE			
In millions USD\$, except per-share amounts	2016	2015	2014
Revenue			
Mainline Passenger	27,909	29,037	30,802
Regional Passenger	6,670	6,475	6,322
Cargo	700	760	875
Other	4,901	4,718	4,651
Total operating revenue	40,180	40,990	42,650
Total operating expenses	34,896	34,786	38,401
Operating income	5,284	6,204	4,249
Income tax expense	1,623	(2,994)	330
Net Income	2,676	7,610	2,882
Basic Earnings per share	\$4.85	\$11.39	\$4.02
Cash dividends declared per common share	\$0.40	\$0.40	\$0.20

OPERATIONAL DATA			
Miles figures in millions	2016	2015	2014
Mainline			
Revenue passenger miles ¹	199,014	199,467	195,651
Available seat miles ²	241,734	239,375	237,522
Passenger load factor ³	82.3%	83.3%	82.4%
Departures (thousands)	1,102	1,114	1,144
Regional			
Revenue passenger miles ¹	24,463	23,543	22,219
Available seat miles ²	31,676	29,361	28,135
Passenger load factor ³	77.2%	80.2%	79.0%

¹ Revenue passenger mile (RPM): A basic measure of sales volume. One RPM represents one passenger flown one mile.

² Available seat mile (ASM): A basic measure of production. One ASM represents one seat flown one mile.

³ Passenger load factor: The percentage of revenue passenger miles per available seat mile.



Performance Tables (continued)

ENVIRONMENTAL PERFORMANCE						
Energy	2016		2015		2014	
	Mainline	Regional	Mainline	Regional	Mainline	Regional
Jet fuel consumption (millions of gallons)	3,596	751	3,611	712	3,644	688
Direct energy from jet fuel (millions of gigajoules)	511.3	106.8	513.5	101.2	518.2	97.8
Energy intensity (gigajoules per million RTMs) ¹	22.9	43.3	23.2	43.2	26.6	43.8
Indirect energy from electricity (millions of gigajoules)	2.6	0.1	2.5	0.1	2.9	0.1
Direct purchase of renewable electricity (Mwhs)	18,745	3,414	11,731	2,874		
Direct and Indirect purchase of renewable electricity (Mwhs) ²	74,266	3,414	47,178	2,874		
Greenhouse gas emissions (thousands of metric tons CO₂e)						
Scope 1 (direct)	34,593	7,208	34,757	6,858	35,142	6,621
Scope 2 (indirect)	385	9	413	10	500	19
Scope 3 (employee commuting & aircraft delivery)	214		182		184	
GHG Intensity (Scope 1 emissions from jet fuel per 1,000 RTMs)	1.54	2.91	1.55	2.89	1.61	2.95
GHG Intensity (Scope 1 emissions from jet fuel per million dollars of revenue)	1,027	1,078	1,159	1,053	1,109	1,047
Air emissions (Mainline and Regional)						
Nitrous oxide (NO _x) (metric tons from landing/take-off cycle) ³	16,018	6,948	16,170	6,682	16,473	6,186
Ozone-Depleting Substances (metric tons)	14.6			30.7		29.3
Waste (Mainline and Regional)						
Regulated waste, including hazardous waste and universal waste (tons)	757	42		1,134		1,161
Water (Mainline only)						
Water consumption for AA major facilities excluding airports (millions of gallons) ⁴	467		425		467	
Noise (Mainline only)						
Percent of mainline aircraft certified as or meeting Chapter 3 noise limits	100%		100%		100%	
Percent of mainline aircraft certified as or meeting Chapter 4 noise limits	94%		90%		86%	
Environmental Compliance (Mainline and Regional)						
Environmental fines and penalties (amount in thousands of dollars)	\$54.7		\$0.00		\$0.50	
Environmental notices of violation (number)	9		8		9	

¹ The ratio uses only jet fuel that is consumed within the organization.

² Amount represents direct purchases and electricity purchased for American's facilities indirectly through airport authorities.

³ Amounts for 2015 and 2014 were adjusted from previous reports to reflect a calculation error.

⁴ From municipal water supplies.



Performance Tables (continued)

SAFETY AND RELIABILITY PERFORMANCE				
Safety data	2016		2015	2014
	Mainline	Regional	Mainline	Mainline
Injury Rate (Total recordable cases per 200,000 man hours)	8.12	9.70	6.14	7.79
Lost Day Rate	4.62	4.77	3.76	3.41
Reliability data				
On-time performance ¹	79.4%	77.9%	80.1%	77.9%
Completion factor ²	98.8%	97.0%	98.4%	98.4%
Mishandled baggage ³	3.38	2.30	3.97	3.77

¹ Percentage of reported flight operations arriving less than 15 minutes after the scheduled arrival time.

² Percentage of scheduled flight operations completed.

³ Rate of mishandled baggage reports per 1,000 passengers on domestic operated flights.

COMMUNITY IMPACTS			
Global giving	2016	2015	2014
Cash and in-kind (miles) donations (millions USD\$)	\$23.5	\$22.5	\$11.2
Volunteer support			
Total Volunteer Hours (thousand hours)	125.0	60.0	52.7



WORKFORCE AND DIVERSITY									
Employee category	2016			2015			2014		
	Total	Female	Male	Total	Female	Male	Total	Female	Male
Management	12,163	42%	58%	11,224	43%	57%	10,136	43%	57%
Non-Management	86,884	41%	59%	90,949	42%	58%	81,460	41%	59%
International	5,419	60%	40%						
Total Workforce	104,466	42%	58%	102,173	42%	58%	91,596	41%	59%
Employees by employment type									
Full Time	92,797	41%	59%	90,339	41%	59%	86,305	40%	60%
Part Time	11,669	54%	46%	11,834	54%	46%	10,760	56%	44%
Employees by region									
US	99,047	41%	59%	96,781	41%	59%	91,596	41%	59%
Canada	274	58%	42%	230	64%	36%	224	64%	36%
Mexico, Caribbean, Latin America	3,670	62%	38%	3,620	64%	36%	3,867	62%	38%
Europe and Asia	1,475	55%	45%	1,542	53%	47%	1,378	57%	43%
Employees by work area									
Director and above	532	30%	70%	538	27%	73%	547	27%	73%
Management and Professional	11,631	43%	57%	11,224	43%	57%	9,589	44%	56%
Administrative	2,759	78%	22%	2,686	79%	21%	2,318	82%	18%
Passenger Service	10,031	74%	26%	9,887	74%	26%	9,168	74%	26%
Reservations	5,607	82%	18%	5,975	82%	18%	5,199	83%	17%
Maintenance and Related	14,383	5%	95%	14,427	5%	95%	14,355	5%	95%
Fleet Service	16,410	12%	88%	16,010	12%	88%	14,272	11%	89%
Pilots	13,301	4%	96%	13,005	4%	96%	12,932	4%	96%
Flight Attendants	24,393	74%	26%	23,572	75%	25%	23,216	75%	25%
International	5,419	60%	40%	5,387	61%	39%	5,469	61%	39%
Employees by age group									
Less than 30 years old	10,429	53%	47%	9,662	53%	47%	7,356	55%	45%
From 30 — 50 years old	38,423	43%	57%	39,540	44%	56%	39,911	44%	56%
More than 50 years old	55,614	39%	61%	52,971	39%	61%	49,798	39%	61%
Ethnic composition of our U.S. workforce									
Non-minority	62,140	39%	61%	62,053	39%	61%	61,371	39%	61%
Ethnic minority, of which:									
African American	14,785	50%	50%	14,356	50%	50%	12,498	50%	50%
Hispanic/Latino	12,955	37%	63%	12,222	37%	63%	11,098	38%	62%
Asian	5,329	45%	55%	4,760	44%	56%	4,244	44%	62%
American Indian/Alaskan Native	749	35%	65%	747	34%	66%	705	44%	56%
Native Hawaiian/Pacific Islander	505	45%	55%	468	46%	54%	319	41%	59%
Two or More Races	1,306	51%	49%	1,106	52%	48%	789	55%	45%
Ethnic minority total	35,629	36%	56%	33,659	44%	56%	29,653	44%	56%
Not Reported	1,274	36%	64%	1,069	42%	58%	572	38%	62%
Attrition rate									
Total exits	5,799	46%	54%	7,112	50%	50%			
- Voluntary	4,288	46%	54%	4,528					
- Involuntary	1,571	46%	54%	2,584					

Note: Mainline employees only. Also, diversity data is for U.S. workforce only since diversity tracking is prohibited by law in some other countries.



ABOUT THIS REPORT

This Corporate Responsibility Report reflects the operations of American Airlines Group for the 2016 calendar year. In developing our report, we reference the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Disclosures corresponding to the GRI Standards can be found in our GRI Content Index below.

CONTACT INFORMATION

For inquiries, please contact American Airlines Media Relations at mediarelations@aa.com.

GRI Content Index

GENERAL DISCLOSURES		
Disclosure	Description	Cross-Reference or Answer
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	American Airlines Group Inc.
102-2	Activities, brands, products, and services	American Airlines Group (AAG) is a holding company whose primary business activity is the operation of a major network carrier through its principal wholly-owned mainline operating subsidiary, American. Focus on our Customers' Needs and Wants, pages 5-7 2016 10-K, pages 4-7
102-3	Location of headquarters	Fort Worth, Texas
102-4	Location of operations	Where we fly
102-5	Ownership and legal form	American Airlines Group Inc. (AAG), a Delaware corporation, is a holding company and its principal, wholly-owned subsidiaries are American Airlines, Inc. (American), Envoy Aviation Group Inc. (Envoy), Piedmont Airlines, Inc. (Piedmont), and PSA Airlines, Inc. (PSA). 2016 10-K, page 4
102-6	Markets served	Together with our wholly-owned regional airline subsidiaries and third-party regional carriers operating as American Eagle, our airline operates an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. In 2016, approximately 199 million passengers boarded our mainline and regional flights. As of December 31, 2016, we operated 930 mainline aircraft and are supported by our regional airline subsidiaries and third-party regional carriers, which operated an additional 606 regional aircraft. American is a founding member of the oneworld alliance, whose members and members-elect serve nearly 1,000 destinations with 14,250 daily flights to 150 countries. Our cargo division provides a wide range of freight and mail services, with facilities and interline connections available across the globe.
102-7	Scale of the organization.	Provide a Return for our Investors, pages 14-16 2016 10-K, pages 4-15
102-8	Information on employees and other workers	Engage our Team Members, pages 11-13 Workforce and Diversity Performance table, page 23 2016 10-K, pages 8-10
102-12	External initiatives	Provide a Return for Our Investors, page 16
STRATEGY		
102-14	Statement from senior decision-maker	Message from our CEO, page 3
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Code of Ethics Provide a Return for our Investors, page 16
GOVERNANCE		
102-18	Governance structure	Corporate Governance on AA.com
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Investors Customers Employees Communities Industry and Trade Associations Regulators
102-41	Collective bargaining agreements	Approximately 85% of employees are covered by collective bargaining agreements (CBAs) with various labor unions. 2016 10-K, page 9



Disclosure	Description	Cross-Reference or Answer
102-42	Identifying and selecting stakeholders	As a matter of course, we maintain engagement channels with the stakeholders who we believe may impact, or be impacted by, our business. Their feedback helps shape our efforts to operate responsibly, continually improve our services and be recognized as a desirable employer. In turn, our transparent communications and disclosures help maintain the foundation of trust and integrity that defines our business relationships.
102-43	Approach to stakeholder engagement	<p>Investors:</p> <ul style="list-style-type: none"> Regulatory filings, annual and quarterly reports Annual meetings, board interactions Press releases and online information <p>Customers:</p> <ul style="list-style-type: none"> Customer correspondence Visits to the corporate website Personal contact during flight experience with reservations and gate agents, flight crews AAdvantage® customer service <p>Employees:</p> <ul style="list-style-type: none"> Internal newsletters, emails, and announcements Labor negotiations updates <p>Communities:</p> <ul style="list-style-type: none"> Briefings to local and state officials Philanthropic activities and employee outreach to communities (ongoing) <p>Industry and Trade Associations:</p> <p>Ongoing participation in trade associations and industry groups including:</p> <ul style="list-style-type: none"> Airlines for America (A4A) International Air Transportation Association (IATA) <p>Regulators:</p> <ul style="list-style-type: none"> Ongoing engagement through permitting, compliance and reporting activities Safety testing, audits and screenings

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	a. American Airlines, Inc., Envoy Aviation Group Inc., PSA Airlines, Inc., and Piedmont Airlines, Inc. B. Regional airlines and operations (including our wholly-owned subsidiary Envoy) are not covered in this report, unless otherwise noted.
102-48	Restatements of information	NOx figures for years 2015 and 2014 are adjusted to reflect a calculation error.
102-49	Changes in reporting	None.
102-50	Reporting period	Calendar year 2016
102-51	Date of most recent report	Calendar year 2015
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	American Airlines Media Relations, mediarelations@aa.com
102-54	Claims of reporting in accordance with the GRI Standards	This material references multiple disclosures from the GRI Standards. See the GRI Index for a full list.
102-55	GRI Content Index	About this Report, pages 24-26
102-56	External assurance	We did not seek external assurance for the information provided in this report.

TOPIC SPECIFIC DISCLOSURES

GRI Standard	Disclosure	Description	Disclosure Cross-Reference	103: Management Approach Cross-Reference
ECONOMIC				
201: Economic Performance	201-1	Direct economic value generated and distributed	Financial performance table, page 20	Provide a Return for Investors, pages 14-16
	201-2	Financial implications and other risks and opportunities due to climate change		2016 10-K, pages 13-14, 29 Look to the Future, page 18
203: Indirect Economic Impacts	203-1	Infrastructure investments and services supported		Provide a Return for Our Investors, pages 15
	203-2	Significant indirect economic impacts	Community Impact table, page 22	Engage our Team Members, page 13 Giving
206: Anti-Competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		2016 10-K, pages 124-129
ENVIRONMENTAL				
302: Energy	302-1	Energy consumption within the organization	Environmental Performance table, page 21	Look to the Future, page 18
	302-3	Energy intensity	Environmental Performance table, page 21	Look to the Future, page 18
	302-4	Reduction of energy consumption		Look to the Future, page 18
	302-5	Reductions in energy requirements of products and services		Look to the Future, page 18



GRI Standard	Disclosure	Description	Disclosure Cross-Reference	103: Management Approach Cross-Reference
303: Water	303-1	Water withdrawal by source	Environmental Performance table, page 21	Look to the Future, page 18
305: Emissions	305-1	Direct (Scope 1) GHG emissions	Environmental Performance table, page 21	Look to the Future, page 18
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental Performance table, page 21	Look to the Future, page 18
	305-3	Other indirect (Scope 3) GHG emissions	Environmental Performance table, page 21	Look to the Future, page 18
	305-4	GHG emissions intensity	Environmental Performance table, page 21	Look to the Future, page 18
	305-5	Reduction of GHG emissions		Look to the Future, page 18
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Environmental Performance table, page 21	Look to the Future, page 18
306: Effluents and Waste	306-2	Waste by type and disposal method	Environmental Performance table, page 21	Look to the Future, page 19
307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Environmental Performance table, page 21	Setting the bar for sustainability. Focusing on compliance
SOCIAL				
401: Employment	401-1	New employee hires and employee turnover	Workforce and Diversity table, page 23	Engage our Team Members, pages 11-13 Look to the Future, pages 17
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits	Engage our Team Members, page 12
403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety and Reliability Performance table, page 22	Be an Industry Leader, page 10
404: Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	Engage our Team Members, page 12 Focus on Our Customers' Needs and Wants, page 5 Look to the Future, page 17	Engage our Team Members, page 12
405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Workforce and Diversity table, page 23	Engage our Team Members, page 11 Diversity Statement Inclusion and Diversity
412: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	Provide a Return for Our Investors, page 16	Provide a Return for Our Investors, page 16
413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Engage our Team Members, page 11	Engage our Team Members, page 13 Giving
414: Supplier Social Assessment	414-1	New suppliers that were screened using social criteria		Provide a Return for Our Investors, page 16 Standards of Business Conduct for Suppliers
416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories		Be an Industry Leader, page 10
418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		We receive and maintain personal data about our customers and colleagues in the course of conducting business. We continue to maintain strict security measures to protect the personal data that customers entrust us with, and we remain committed to testing, reexamining and upgrading all of our systems and practices. We maintain an Information Security Program that is modeled after ISO 27001/2 for Data Security Best Practices. It is managed by a team of information technology security-management professionals who are themselves overseen by several information system security professionals. The entire program is accountable at the highest level of our business.



CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

Certain of the statements contained in this report should be considered forward-looking statements within the meaning of the Securities Act of 1933, as amended (the Securities Act), the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may be identified by words such as "may," "will," "expect," "intend," "anticipate," "believe," "estimate," "plan," "project," "could," "should," "would," "continue," "seek," "target," "guidance," "outlook," "if current trends continue," "optimistic," "forecast" and other similar words. Such statements include, but are not limited to, statements about the expected second quarter pre-tax margin, the expected change in total revenue per available seat mile, statements about our plans, objectives, expectations, intentions, estimates and strategies for the future, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 (especially in Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and Part II, Item 1A. Risk Factors), and in our other filings with the Securities and Exchange Commission (the SEC), and other risks and uncertainties listed from time to time in our other filings with the SEC. There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.

CORPORATE RESPONSIBILITY REPORT ARCHIVE

Since 2007, we have provided our stakeholders with annual reports on American's environmental, social and governance priorities and performance. We are proud of our record of transparency, and we encourage readers to review our past reports.

- **2015** Corporate Responsibility Report
- **2014** Corporate Responsibility Report
- **2013** Corporate Responsibility Report
- **2012** Corporate Responsibility Report
- **2011** Corporate Responsibility Report