

2017 Corporate Responsibility Report





About American Airlines

Every day, more than a half million people depend on American Airlines to take them to the moments that matter most in their lives. We fly over borders, walls and stereotypes to connect people from different races, religions, nationalities, economic backgrounds and sexual orientations. We make the world a more connected and inclusive place. And we do it professionally and safely every day for more than 500,000 customers across five continents.

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 more than 150 countries. Shares of the common stock of American Airlines Group Inc. trade on Nasdaq under the ticker symbol AAL. In 2015, American joined the S&P 500 index.



TABLE OF CONTENTS

- 3 Message From Our CEO
- 7 2017 Highlights
- 8 Make Culture a Competitive Advantage
- 17 Create a World-Class Customer Experience
- 22 Ensure Long-Term Financial Strength
- 27 Think Forward, Lead Forward
- 31 Our Approach to Corporate Responsibility
- 32 Performance Tables
- 38 GRI Content Index





Message from Our CEO

It was another great year at American in 2017. We continued to focus on taking care of our team, delivering what our customers want, returning value to our shareholders and creating a vibrant future for our company.

From our historic fleet renewal program to strengthening our network to the rollout of our Elevate the Everyday Experience training, we are making significant investments in creating a world-class customer experience. And the results are speaking for themselves. Our customer satisfaction scores were the highest in company history in 2017, and we won Air Transport World's Airline of the Year award for the first time in nearly 30 years. Both are testaments to everything the American Airlines team has accomplished since the merger. We are producing strong financial results and outpacing the industry in revenue performance.

None of these accomplishments would be possible if we didn't put our team members first — and we continued to take big steps in 2017 to make culture a competitive advantage at American. We launched an industry-leading maternity and adoption program. We implemented unprecedented mid-contract pay raises for flight attendants and pilots while committing to do the same for all team members if they fall significantly behind their peers at other airlines in base pay. And, we gathered opinions and feedback on how we're doing from nearly 60,000 of our team members through a companywide survey. American's team members are proud to work for this great company — and they resoundingly support our continued focus on building trust and respect across all levels of the organization. We realize we still have work to do, but we are encouraged by the progress we have made so far.

At the same time, 2017 was not a year without challenges. The industry faced some difficult questions following several high-profile customer service failures. American elected to take a hard look at our approach to inclusion, diversity and equality after hearing from some customers.

Validating the trust our customers place in us and setting a new standard for inclusion and diversity are responsibilities we take very seriously. We are embracing the opportunity that has been given to us, and that is



resulting in exciting work. This includes expanding existing training tools to help our team de-escalate difficult customer service situations, as well as implementing new training to recognize — and begin to mitigate — implicit biases.

Building a culture that is characterized by corporate responsibility and mutual trust with our stakeholders is an extremely important part of American's business strategy. To that end, we have identified four long-term strategic objectives that we believe will position us for success for years to come:

- Make Culture a Competitive Advantage
- Create a World-Class Customer Experience
- Ensure Long-Term Financial Strength
- Think Forward, Lead Forward

We have organized our 2017 Corporate Responsibility Report around these thematic objectives to highlight the achievements we have made — and the work that remains ahead of us.

We look forward to continuing this journey with you as we aim to make 2018 our best year yet.

Sincerely,

Doug Parker
Chairman and Chief Executive Officer



Sustaining our Business

Sustainability is at the core of American's business strategy, and American's Board has reviewed and is committed to these efforts. We are creating a vibrant future for American, our customers, our team members, our shareholders and the communities we serve by creating the best network, working with the best partners with the best networks around the world, delivering the right products and making investments and managing risks to position us for long-term success and maximize shareholder value over the long run. Since the merger of American and US Airways, we have made significant commitments to the future by substantially completing our integration, making significant investments in our team and our product, reducing our environmental footprint, retiring and refinancing higher cost debt and returning capital to our investors.

As noted in the CEO letter, to ensure we meet our long-term goals, we will be guided by these four strategic objectives:

- **Create a World-Class Customer Experience:** We are delivering value to customers, driving operational excellence and strengthening our network by growing where we have a competitive advantage.
- **Make Culture a Competitive Advantage:** We are creating an environment that cares for frontline team members; developing innovative, inspiring, and caring leaders; and equipping our team with the right tools and training to support our customers.
- **Ensure Long-Term Financial Strength:** We will continue to capture the efficiencies created by the merger, delivering on American's earnings potential and creating value for our shareholders.
- **Think Forward, Lead Forward:** We are creating an action-oriented culture that moves quickly to bring products to market, embraces technological change and quickly seizes upon new opportunities for our network and our product.

These strategic objectives demonstrate that we are playing the long game — building an airline our customers, our team members and our shareholders can count on for decades to come.

We are committed to delivering a world-class product by creating value for everyone who flies with us, driving operational excellence and strengthening our network, including expanding where we have a competitive advantage. We are making unprecedented investments in improving our customers' experience in the air and on the ground — including more and more convenient service to places our customers want to travel, a historic fleet renewal, innovative onboard products and new airport facilities. Customers see the youngest and most fuel-efficient fleet in the industry and also have more choice than ever through the introduction of Premium Economy and Basic Economy products, enhanced premium service, reimagined airport lounges and more consistency throughout our fleet. Our unified onboard experience is also being upgraded with faster satellite-based internet connectivity and power at every seat. Our customers have access to many more destinations around the world through our global network and partnerships with foreign airlines, including our joint businesses with Japan Airlines, British Airways, Iberia and Finnair and codesharing arrangements with LATAM, Qantas, Cathay Pacific and other carriers. And we will continue to expand our reach and service to our customers traveling internationally with our proposed joint businesses with LATAM and Qantas and our strategic partnership and codesharing arrangement with China Southern.

We have the best team in the airline industry. Every day we rely on terrific American team members around the world, and we know that our team members are key to our sustainability objectives. We are committed to continually improving our team's capabilities, for today and for the future, as well as to developing a team that is more diverse and to improving inclusion. We are focused on developing innovative, inspiring and caring leaders who will continue to help American make our corporate culture into a defining characteristic of our organization — as well as a competitive advantage. We will do this by creating an environment that cares for our frontline team members, our colleagues who are most responsible for taking care of our customers.



Sustaining our Business (continued)

We are committed to delivering training that provides our team members with the skills they need to take care of our customers and comfortably work in a constantly changing environment and to making available the latest tools and technology that our team members need to do their jobs. For example, we recently provided our innovative Elevate the Everyday Experience training to 35,000 frontline team members and launched training for leaders that emphasizes supporting team members who directly serve customers.

We are committed to providing industry-leading compensation and benefits and supporting our team members and the communities where they live. Since the merger, we kept team member pay competitive through new joint collective bargaining agreements and initiatives such as profit sharing, mid-contract pay increases for pilots and flight attendants and similar increases for maintenance and fleet service team members as we work toward a contract. During 2017, we launched the industry's best maternity and adoption program. And in early 2018, we also shared benefits of the recent Tax Cuts and Jobs Act through \$1,000 payments to all non-officer team members.

We are committed to improving our diversity and inclusion efforts to provide us with expanded sources of ideas and to better reflect our customer base and the communities we serve. American and Mr. Parker joined the CEO Action for Diversity & Inclusion in 2017, the largest CEO-driven business commitment to advancing diversity and inclusion within the workplace. American is one of more than 250 organizations that have taken the pledge and committed to cultivating a workplace where diverse perspectives and experiences are welcomed and respected, where team members feel comfortable and encouraged to discuss diversity and inclusion and where best practices can be shared. We are proud of the diversity and inclusion initiatives already in place at American, but we know we can do even better. We are eager to become global leaders in inclusion and diversity — and we are energized by the actions we plan to take as a result.

As a global airline, we believe it is our responsibility to manage the impact that our operation has on the environment. We purchase renewable energy to minimize our indirect emissions. One hundred percent of the electricity purchased at American's headquarters campus and facilities at DFW Airport is now from renewable sources. At the end 2017, the Environmental Protection Agency announced American is ranked 43rd on its Fortune 500 list of the largest green power users. We are seeking certification of our buildings through the U.S. Green Building Council Leadership in Energy and Environmental Design ("LEED") standard to the extent feasible. For example, our new headquarters under construction in Fort Worth, Texas, is designed to meet the LEED Gold standard.

We therefore take sustainability seriously. We have a team of high-level managers and subject-matter experts who meet on a regular basis to monitor global trends, determine our response to stakeholder inquiries and assess risks and opportunities around specific sustainability issues and help prepare this Corporate Responsibility Report. This team will also review our policies and reports and make recommendations to our Chief Executive Officer and other senior leadership members and to the Corporate Governance and Nominating Committee, which oversees sustainability matters for the Board.



American's Strategic Objectives





2017 Highlights

2017 HIGHLIGHTS

Because the landscape of our industry has changed so dramatically, our mission at American has also changed. In years past, we managed our business and made decisions with a very short-term focus. For a lot of airlines, including American, that meant simply trying to stay afloat and survive. Now, because the industry is healthy, we're able to take a much different approach. We're playing the long game and building an airline people can count on for decades to come.

As part of that, we are working hard to validate the trust placed in us by our team members, our customers and our investors. Those three groups — our team, our customers and our investors — put a lot of faith in us every single day. Our dedication is paying off, and we are proud of the awards and recognitions we have received in 2017 as we work to fulfill our mission and achieve our goals.

TOP AWARDS AND RECOGNITIONS:

- *Air Transport World* (ATW) — the leading magazine for global airlines and the air transport community — selected American as its 2017 Airline of the Year.
- American was named Best North American Airline for the fourth consecutive year by readers of *Business Traveller* magazine.
- For the second consecutive year, American was named Best Airline of the Year to the Caribbean in the 2017 *Caribbean World* magazine Travel and Living Awards.
- The world's No. 1 job site, Indeed, named American to its Fortune 500 Best Places to Work in 2017 list for the first time.
- For the 16th consecutive year, the Human Rights Campaign honored American with the highest possible rating in the prestigious Corporate Equality Index.
- American received the top score of 100 on the 2017 Disability Equality Index (DEI) and was named one of the 2017 DEI Best Places to Work for Disability Inclusion for the second consecutive year.
- For the ninth consecutive year, American's Diversity Advisory Council received recognition as one of the Top 25 Diversity Councils in the nation by the Association of ERGs and Councils, ranking ninth in the nation in 2017.
- American was named Cargo Airline of the Year for the third year in a row by readers of *Air Cargo News*.



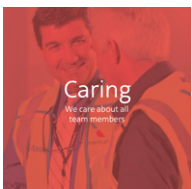


Make Culture a Competitive Advantage

Every day, American relies on its more than 120,000 team members around the world. Building a high level of trust with our employees requires creating a caring environment and giving them the tools, training and facilities that they need to deliver exceptional service to our customers. We are focused on developing innovative, inspiring and caring leaders who will continue to help American develop our corporate culture into a defining characteristic of our organization — as well as a competitive advantage.

AMERICAN'S LEADERSHIP MODEL AND LEADERSHIP ATTRIBUTES

American rolled out a new leadership model and leadership attributes in 2017 in conjunction with a new investment in training for our frontline team members. We believe leadership is an awesome responsibility and privilege. A diverse group of American Airlines team members and their families trust us to ensure they have a growing and thriving employer and a rewarding, inclusive and supportive work environment. We are humbled by that responsibility and invigorated to validate the trust placed in us.



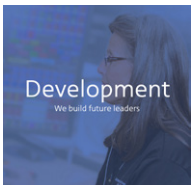
Caring

We care about all team members. Leaders at American understand their role is to support our frontline team members, not manage them. We are either serving a customer or serving someone who is. And to do that, we must care about colleagues as people. Our leaders fight to ensure team members have the tools they need. We continuously thank and recognize colleagues, and we listen to each other with compassion and empathy.



Collaboration

We succeed as a team. We are team players who understand that people working together can accomplish exponentially more than a group of individuals. We seek to break down silos through active communication and collaboration. We have no jerks. We enjoy working in a team environment, and we particularly enjoy winning and celebrating our success together. Relationships matter, and we treat each other with respect.



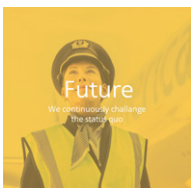
Development

We build future leaders. Our leaders are people whom great people want to work for because they know that they will be given the latitude to learn and make a difference while working in a fun environment built on mutual respect. We dedicate time and effort to develop the world's best leaders.



Results

We drive to be the best. The leaders of American believe there is no reason we cannot be the very best at everything we do. We are competitive and demanding of ourselves. We actively and aggressively monitor our performance and are continuously seeking improvement. We reject complacency and excuses and reward passion and results.



Future

We continuously challenge the status quo. Our leaders love intellectual debate and thrive on progress. History is important and so are the actions of our competitors, but neither will comprise the full rationale of our decision-making process. We value creativity, innovation, open-mindedness and diversity of thought. We encourage risk-taking. Our leaders are big-picture thinkers with a particular focus on the future.

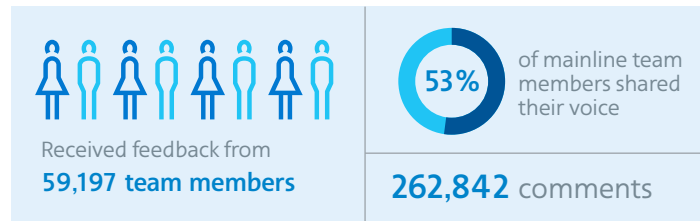


Make Culture a Competitive Advantage

OUR COLLECTIVE AMERICAN VOICE

To create positive experiences and lasting memories for our customers, we know we must first validate the trust our team members place in us by creating a great place for them to work. That starts by listening to the feedback of our team.

In 2017, we set out to supplement the other avenues we use for regular dialogue (such as town hall meetings) with an employee engagement survey. In October, we launched American Voice, an online portal that gave every team member a quick and confidential way to tell us how they feel about working at American.



We received feedback from 59,197, or 53 percent, of our mainline team members, which included nearly 263,000 individual comments about strengths and opportunities we have to build upon. We heard that our team members are proud to work for American and that they have meaningful relationships at work. They asked us to do a better job of making sure frontline team members feel supported by leadership and support teams. They also called for building more trust and respect across all levels of the organization.

We know that creating and maintaining a positive culture requires constant care, attention and energy. American Voice has provided us with a blueprint to do this, and we will use it as a model to continue collecting feedback in the future.

REACHING NEW HEIGHTS ON INCLUSION AND DIVERSITY

In a world that seems increasingly divided, we use the power of travel to connect people to each other. We are proud of the progress we are making and the external recognition we have received. For example, in 2017, the Association of ERGs and Councils ranked American's Diversity Advisory Council ninth in the nation for the work we do in engaging team members and connecting inclusion and diversity to our business success. This honor marks the ninth consecutive year (out of the nine years the award has been given) that we have been ranked as a Top 25 in the nation.

American Airlines Chairman and CEO Doug Parker joined the [CEO Action for Diversity & Inclusion](#) in 2017, the largest CEO-driven business commitment to advancing diversity and inclusion within the workplace. American is one of more than 250 organizations that have taken the pledge and committed to cultivating a workplace where diverse perspectives and experiences are welcomed and respected, where team members feel comfortable and encouraged to discuss inclusion and diversity and where best practices can be shared.

But we fully recognize we still have room to improve. In October 2017, we heard from civil rights leaders that they and others aren't always satisfied with how we serve them. Their perspective, while hard to hear, prompted us to engage in an effort to better understand this view.

BEING INCLUSIVE EVERY DAY

More than 400 entry- to mid-level leaders and supervisors attended the second annual Inclusion Summit in June 2017, hosted by American's Inclusion & Diversity team. The day-long event focused on identifying the impact and importance of inclusive behaviors within our diverse workforce that help shape the culture of American.



The June 2017 Inclusion Summit featured team activities and roundtable discussions on the importance of an inclusive and diverse workforce.



Make Culture a Competitive Advantage

We are proud of the inclusion and diversity initiatives already in place at American, but we know we can do even better. So we viewed the feedback from the NAACP and others as an opportunity. We are eager to become global leaders in inclusion and diversity — and we are energized by the actions we plan to take as a result. We have identified four specific actions American will take to make our airline a more inclusive and diverse company:

- 1. Conduct an inclusion and diversity gap analysis**, led by an independent firm, that will review our practices — including hiring, promotions, training, customer and team member experience — and make recommendations where gaps exist compared to industry best practices. We will then develop an action plan to become world class in all areas.
- 2. Implement company-wide implicit bias training** to examine ways to recognize — and mitigate — implicit bias. This training will start with our leadership team and will grow to include each of our team members.
- 3. Overhaul our customer discrimination claims process** and create a new customer resolution team that will specialize in managing discrimination complaints to improve response, visibility and coordination across the company.
- 4. Sharpen our focus on team member concerns** by increasing awareness of work environment policies and the process to report concerns. We will also improve our internal oversight and resolution of team member discrimination claims.

INCLUSIVITY THROUGH EBRGS

One of the most important ways we cultivate support for our team members is through our Employee Business Resource Groups (EBRGs), which are dedicated to promoting cultural enrichment, supporting business success and engaging in community service. Twenty EBRGs across 125 local chapters appeal to a wide variety of backgrounds and affiliations, including race, religion, culture, age and personal interest. Membership increased in 2017 to 16,701 team members who are engaged in one or more of our EBRGs. Together, they contributed 37,000 volunteer hours during EBRG service activities. In 2017, our EBRGs also expanded internationally, adding new chapters in Mexico, Peru and the United Kingdom.

The following are a few examples of the many initiatives led by American's EBRGs in 2017, both domestically and around the world:

- With a focus on the professional development of team members, Caribbean EBRG members in Phoenix hosted Ready-Set-Résumé, an event where team members collaborated with managers and the talent acquisition team to learn about creating a more effective résumé.
- Our Asian Pacific Islander EBRG members partnered with the Leisure Sales team at a community AsiaFest event to promote American's Asia-Pacific flights.
- American and our Latin Diversity Network EBRG were recognized by the U.S. Embassy in Colombia for a mission trip to Bogota that contributed to the development of older adults in need by improving their quality of life, self-esteem and inclusion in the family and social environment.
- The Christian EBRG helped more than 300 people in La Lima, Nicaragua, by building the infrastructure necessary for residents there to have access to clean, safe drinking water.



From 2016 to 2017, American increased the female and ethnic minority representation among its Directors, Managing Directors and Officers.

| | 2016 | 2017 | 2016 | 2017 |
|------------|--------|-------|-----------------|-------|
| | Female | | Ethnic Minority | |
| Director + | 30% | 31.4% | 16.7% | 17.8% |

CELEBRATING OUR PRIDE

American was the first major airline to implement both sexual orientation and gender identity nondiscrimination policies in the workplace, as well as launch a company-recognized lesbian, gay, bisexual and transgender (LGBT) EBRG — known today as PRIDE. During Pride month in June 2017, American celebrated its team members through Pride parade sponsorships in 17 locations and special social media posts and continued giving to LGBT organizations in the communities where our team members live and work.



Team members in Southern California participating in the Long Beach Pride parade in June 2017.



Make Culture a Competitive Advantage

ELEVATING OUR TRAINING

American's team members continue to participate in our systemwide training, Elevate the Everyday Experience. The training aims to inspire our frontline colleagues to provide service that will set American apart from our competitors. By the end of 2017, 35,000 frontline team members and leaders had completed the training.



Over the past year, de-escalating tense customer service situations has been a key focus area for the commercial airline industry, following several high-profile incidents. Several of American's training programs already teach elements of de-escalation, but we have heard from many of our team members that in light of the heightened awareness and sensitivity of these issues, additional training would be useful. We asked our frontline airport agents, flight attendants, pilots and reservations representatives to contribute to an effort to update and strengthen our de-escalation model by

sharing their own experiences. We then rolled out a new video in mid-2017 featuring our own team members and launched new web-based training to reinforce the de-escalation model.

Going forward, in addition to the ongoing investments we'll make in face-to-face training programs for these and other issues, we're working to develop a multi-channel strategy to deliver training content to reinforce the Elevate the Everyday Experience principles. In 2018, we will expand the training to 70,000 team members and launch Elevate II, an updated version of the training that will include de-escalation training and implicit bias training.

For managers and above, we launched the Inspire Like a Leader program in 2017, a two-day onsite journey for executives and high-level managers to understand why we do what we do. When we think of the best leaders, we see they are driven, purposeful people who inspire the same mentality in those around them. By focusing this new leadership enrichment program on the "why" behind our management team's actions and decisions, our goal is to better understand what is truly driving our organization forward and to harness the power of meaningful leadership in setting inspirational examples.

INTERNATIONAL FEMALE DEVELOPMENT PROGRAM

Diversity is a key component of our focus on developing innovative, inspiring and caring leaders. In 2017, the International and Cargo division launched the International Female Development program to mentor 11 high-performing candidates in their journey toward roles in management.

These team members were selected in a competitive process after being nominated by their managers, who will guide their career growth and development. The inaugural class includes women from Operations, Premium Services, Flight Service and Reservations. Each has been assigned a mentor and will be supported with a customized plan, including quarterly appraisals to provide feedback and support.



From left: Manjit Gill, London Heathrow (LHR); Tamara Salmon, Montego Bay, Jamaica (MBJ); Haffiza Husain, Toronto (YYZ); Jennifer Sterling, Port-au-Prince, Haiti (PAP); Mariana Usach, Santiago, Chile (SCL); Melissa Soulat, Munich (MUC); Elaine Cheng, Hong Kong (HKG); Flavia Turrini, Liverpool, England (LPL RES); Elicia Garraway, Port of Spain, Trinidad and Tobago (POS); Alison Jones, LPL RES; and Rosy Nogales, Cancun, Mexico (CUN).



Make Culture a Competitive Advantage

INVESTING IN TEAM MEMBERS

Caring for our team members requires investments in their well-being, both professionally and personally. In 2017, we took several steps to offer benefits that reflect how much we value our team. For example:

- In March 2017, team members received the first profit sharing payout of our combined airline and the second profit sharing payment at American in the past 15 years. American's profit sharing program paid out \$314 million in 2017.
- We announced mid-term pay adjustments for pilots and flight attendants in April 2017 to bring them to levels equal to the highest rates currently in place at our largest network peers, following a similar move in 2016 with maintenance and fleet service team members as we work toward a new joint collective bargaining agreement with the TWU-IAM Association.
- American became the first domestic airline to offer additional resources for eligible U.S.-based mainline team members who have become new parents, including up to 10 weeks off immediately following pregnancy and delivery, paid at 100 percent of their base pay. We also offer financial assistance of up to \$4,000 for adoptions.
- We are launching helpful new resources to build a better workplace. We recently opened the Team Member Service Center, a one-stop shop for HR needs staffed by knowledgeable American team members who can speak to their own direct experience. Team members who need assistance can ask questions and access helpful information on HR issues, policies or travel.
- In light of the federal tax changes made in 2017 and in recognition of our outstanding team members, American distributed \$1,000 to each team member (excluding Officers) at our mainline and wholly owned regional carriers in January 2018.

APPRECIATING EMPLOYEE EXCELLENCE

Recognizing the exemplary work of our team members is an important part of our culture at American. In 2017, we expanded our employee recognition programs to include new ways and more opportunities for team members at all levels of the organization to give and receive appreciations. We also expanded our points-based reward system, allowing team members to have more choices in redeeming prizes. Specifically:

- The Above & Beyond (A&B) program is American's peer-to-peer award recognizing the efforts of hard-working team members. In 2017, there were 801,146 A&B recognitions, 2,881 winners and more than \$2.1 million awarded. This year, by linking the program with a points-based system, those whose names are not selected as winners in quarterly drawings are still able to collect award points to redeem for value.
- In September 2017, we launched new programs to give our managers more ways to tangibly recognize their team members.
- Our Chairman's Award continues to be the highest honor for team members who have career-long histories of exemplary service. In 2017, American celebrated more than 100 Annual Chairman's Award honorees from 2016.



Make Culture a Competitive Advantage

At our Service Anniversary Dinner in 2017, we honored 341 team members celebrating 45 years or more (and pilots celebrating 35 years or more) with the company. Two particularly remarkable anniversaries celebrated in 2017 include:

- Bette Nash, a flight attendant based in Washington, D.C. (DCA), who celebrated 60 years of service with us. Since she began flying in 1957, Bette has served millions of customers, many becoming familiar faces and regular customers on her flights.
- Azriel "Al" Blackman, an Aviation Maintenance Technician (AMT) crew chief based in New York (JFK), who celebrated 75 years of service with us. Blackman began his career as an apprentice and has worked on nearly every aircraft American has flown since the 1940s. He now officially holds the Guinness World Records title for "longest career as an airline mechanic."



Following the celebration, Al, his family and close friends were able to go on a special inaugural flight around New York City on his dedicated B777-200, which was painted by team members from Tech Ops – Tulsa.

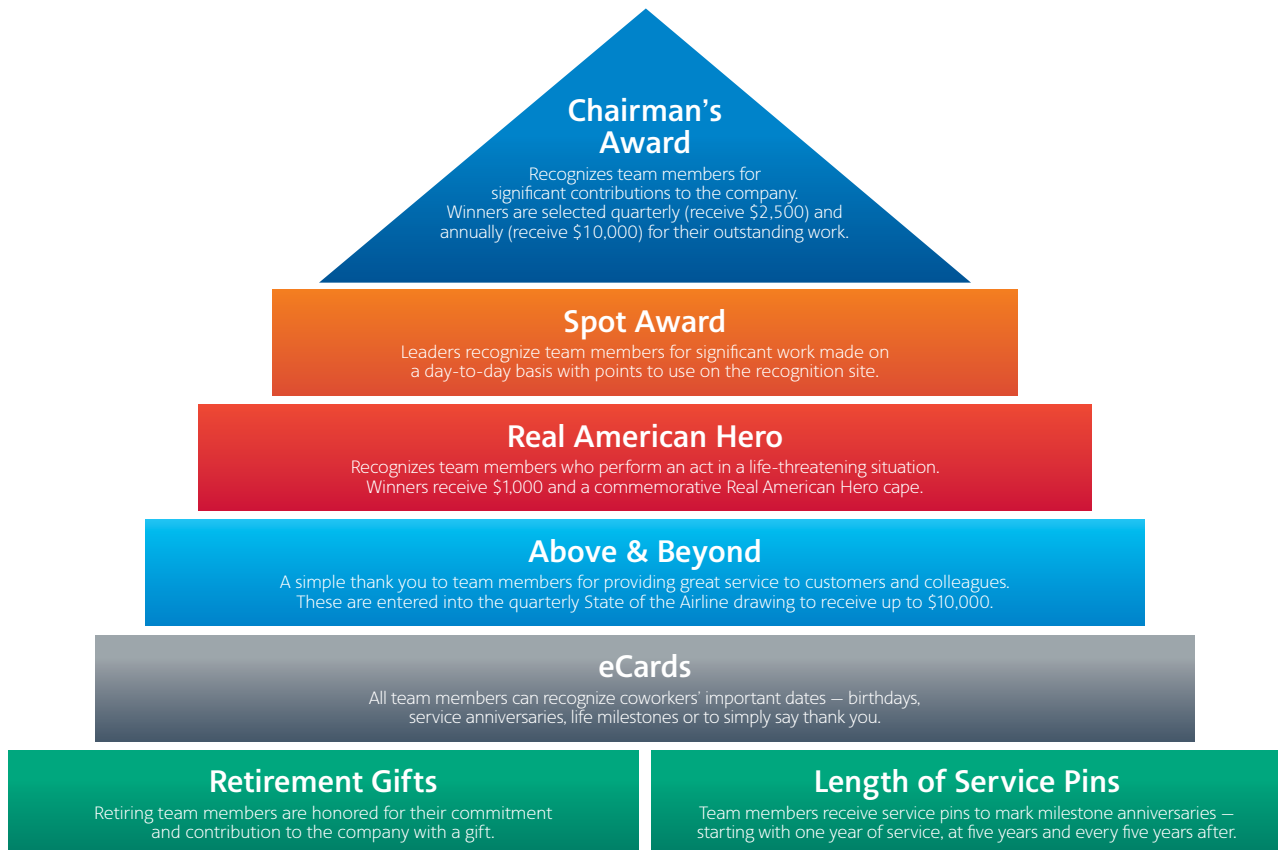


Bette Nash



Make Culture a Competitive Advantage

Employee Recognition Programs



2017 Recognition by the Numbers

79,223 team members
registered in the recognition site

369.2 million points
awarded through the recognition site in 2017



100 Annual and 324 Quarterly Chairman's honorees

Chairman's Awards recognize team members for significant contributions to the company. Winners are selected quarterly (receive \$2,500) and annually (receive \$10,000) for their outstanding work.



801,146
Above & Beyonds awarded

A&Bs are a simple thank you to team members for providing great service to our customers and their colleagues.



127 Real American Heroes

A Real American Hero is a team member who helped during a life-threatening event.



29,306
Spot On awards issued in the first four months (September–December) of the program

Spot On allows leaders to recognize significant work as it is happening with points in the Recognition site, which can then be redeemed for gift cards and other merchandise.

Breakdown of A&Bs sent

286,484 by customers
288,898 by managers
225,764 from peer to peer

2,880 team members were awarded during the State of the Airline drawing.



96,394
eCards sent

All team members can recognize coworkers' important dates — birthdays, service anniversaries and life milestones — or simply say thank you.

Most popular eCards sent:





Make Culture a Competitive Advantage

ENSURING TEAM MEMBER HEALTH AND SAFETY

We recognize that running a safe and reliable operation is the key to our success. Our uncompromising commitment to safety, security and compliance is the responsibility of the entire team, from leadership to frontline team members. Our management approach to safety relies on the sound judgment of our experienced professionals and our Safety Management System (SMS). The four pillars of our SMS include:

- Safety Policy, which summarizes our safety commitment, policies and procedures
- Safety Assurance, which includes continuous monitoring to ensure the effectiveness of risk controls and identification of new hazards
- Risk Management, which outlines our process for analyzing and mitigating risk
- Safety Promotion, which encourages communication, training and awareness building

As part of our SMS approach, in 2017, we set up new opportunities to communicate and collaborate on safety with our team members and union partners, including the Transport Workers Union and the International Association of Machinists and Aerospace Workers. We conducted safety summits in Denver, Las Vegas and Orlando, during which members of the Corporate Safety Team met with local safety personnel and union representatives to inspect and audit stations. Any issues that were discovered were discussed, followed-up on and corrected. We also hosted quarterly Base Maintenance Symposiums with the unions to share best practices between our four maintenance bases in Tulsa, Dallas/Fort Worth, Pittsburgh and Charlotte.



These four maintenance bases are currently in the process of certifying their safety and health management systems through the Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP), the highest rating for excellence in safety and health management. Our

Tech Ops — Tulsa Auxiliary Power Unit and Aircraft Wiring Center (AWC) facility was the first to become VPP certified in 2016.

To drive a culture of safety, we make several awareness tools available to our team members and ensure strong levels of communication. These include safety alerts, safety preflight summaries, computer-based training, SMS bulletins, newsletters and videos. Being accountable to each other also means reporting hazards, safety concerns and incidents immediately, as well as any behavior that violates our policies, industry standards, regulatory requirements or the laws of the countries in which we operate. We encourage all team members to use our established nonpunitive safety reporting programs to alert us of potential hazards. In addition to our General Hazard Reporting and EthicsPoint Helpline, we have the Aviation Safety Action Program (ASAP), a voluntary and confidential mechanism for team members to report an incident without fear of retaliation. In 2017, we received more than 11,000 ASAP reports.

In 2018, we plan to further strengthen and expand our SMS, increasing collaboration and building on our safety culture. This includes continuing to reduce team member injuries, expanding ASAP to include ground personnel and pursuing faster, real-time safety assurance.

BUILDING A CULTURE OF SAFETY

In an effort to engage frontline team members and increase safety awareness, American organized and hosted 100 safety fairs across our regions, hubs and gateways in 2017.

For example, in our Northeast region during National Safety Month in June, team members from Portland, Maine, to Dayton, Ohio, creatively spotlighted how important it is to work safely at work and at home. The fairs included learning opportunities through games, activities, demonstrations, food and fun. We also engaged local business partners, airport authorities and community safety leaders to provide information about safety at work and at home.



Team members participated in safety awareness games during a safety fair at Burlington International Airport (BTV) in June 2017.



Make Culture a Competitive Advantage

LET GOOD TAKE FLIGHT

As the world's largest airline, we're proud to give back to the communities where our team members and customers live and work. We focus our efforts in three main areas:

- **Our heroes:** supporting U.S. military members and honoring their selfless sacrifice
- **Our well-being:** improving the lives of people in need
- **Our future:** meeting the needs of children through medical and educational assistance

American's team members do great work in their communities through volunteering, charitable giving and community outreach. American proudly supports nonprofit organizations that work to make a difference in communities and provide assistance to eligible nonprofits. In 2017, team members donated more than 155,000 volunteer hours and American donated more than 20 million miles to local charities on their behalf.

COMMUNITY RELATIONS IMPACT

Since 1994, American has participated in the Change for Good program, an innovative partnership between UNICEF and the international airline industry to help save and improve the lives of millions of children around the world. Travelers on select international flights can donate unused U.S. and foreign currencies onboard the aircraft to help UNICEF in its mission to put children first. In 2017, we raised \$1.5 million for the program.

Another important way we make an impact is through our premier fundraising events. In 2017, we raised more than \$4.7 million in funds for charities, which included events raising funds for the Cystic Fibrosis Foundation and Answer ALS Foundation and our annual Sky Ball in support of the Airpower Foundation, one of the oldest military support organizations in the United States.

Our customers also have a history of giving generously to the causes we support. AAdvantage® members can earn miles by donating miles and cash to make a difference in the lives of those in need. By coupling our partnerships and events with strategic cause marketing campaigns that encourage customer donations, we were able to drive approximately \$35 million in cash and travel value in the marketplace for charitable causes in 2017.

STAND UP TO CANCER

American went the extra mile for Stand Up To Cancer during our Giving Tuesday campaign by offering 25 AAdvantage® miles for every dollar donated through the Miles to Stand Up program. Mastercard® matched cardholder donations of \$25 or more, and together, we raised nearly \$1.5 million for Stand Up To Cancer, with donations coming in from around the world.



DISASTER RELIEF

From Houston to Mexico City to Miami to Puerto Rico and throughout the Caribbean, when our colleagues and customers were in need, or when there was an opportunity to help the victims of natural disasters, the American team was out in front, giving their time and money. We were the first commercial airline to restore service to San Juan, Puerto Rico (SJU), after Hurricane Maria. We delivered 2.5 million pounds of relief supplies and raised almost \$2 million for the American Red Cross. Operation Puerto Rico Strong helped American team members send more than 830,000 pounds of relief supplies to loved ones in Puerto Rico.



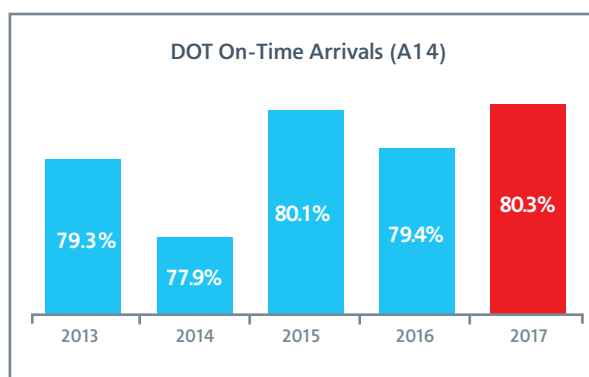
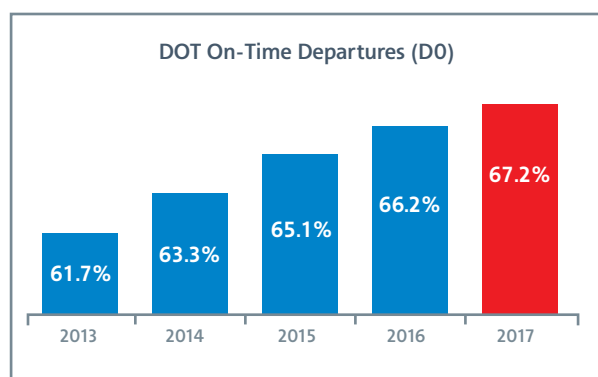


Create a World-Class Customer Experience

Building trust with customers is more important than ever to the airline industry today. We are committed to delivering a world-class product by creating value for everyone who flies with us, driving operational excellence and strengthening our network, including expanding where we know we have a competitive advantage.

COMPETING FOR B(R)AGGING RIGHTS

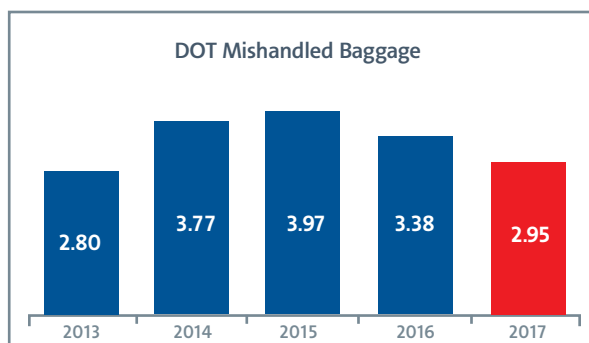
In 2017, American recorded its best on-time departure and arrival performance since 2003 and our best baggage handling performance since the U.S. Department of Transportation (DOT) began reporting the metric in 1994. We are particularly proud of these achievements, given the challenges we faced navigating back-to-back(-to-back) hurricanes and other operational hurdles.



Baggage performance has been a bright spot, as our year-over-year mishandled baggage rate (MBR) — the number of mishandled bags out of every 1,000 — improved each month in 2017. American's MBR is dropping thanks to the hard work and innovation of our team members.

- PRIME is American's new baggage tracking system that provides a detailed record of a bag's journey and highlights bags that are in jeopardy of missing their flights.
- Megascan is an initiative in place at our hubs to scan a bag up to 10 times. The more times we scan a bag, the more we know about its location and the better chance we have of preventing a mishandling. A bag's Megascan history feeds into PRIME.

We were also able to minimize inconveniences with the introduction of Customer Bag Notification, a new tool that went live in July 2017. This tool sends alerts directly to customers if their bag doesn't arrive as intended, saving them time spent waiting at an empty carousel and filing a claim. In most cases, the customer can fill out a form online and provide a delivery address, and we'll bring their bags to them. Early results are encouraging, as nearly 20 percent of customers notified of early or delayed bags are using Customer Bag Notification to set up a bag delivery.



Number of mishandled bags out of every 1,000 bags.

TLINK2 AT LAX

TLINK2, launched by the Customer Experience Operations team, is an enhanced tool designed to assist with the transfer of connecting bags. By finding the quickest, most efficient routes, this tool has led to improved efficiency and reliability of bag transfers and fewer lost or misconnected bags.



GROWING OUR GLOBAL NETWORK

American's network is the largest in the world.



Together with our partners, we help customers reach every corner of the globe.





Create a World-Class Customer Experience

IMPROVEMENTS IN THE TRAVEL EXPERIENCE

To provide every customer with a product that suits his or her needs, we rolled out Basic Economy across the continental United States. In February, American began selling these no-frills fares to better compete with ultra-low-cost carriers, while still offering an elevated level of service and established network.

We also introduced Premium Economy in 2017, which offers enhanced seating between Business Class and the Main Cabin, including benefits such as more legroom and free on-demand entertainment. We now have dozens of widebody aircraft offering this new option. It has been so popular that we will continue to roll out Premium Economy on the majority of our widebody fleet.

In 2017, we also announced several other product enhancements, including:

- New, high-quality inflight bedding from Casper, the innovative sleep company
- More in-seat power, free entertainment and cutting-edge satellite Wi-Fi
- Amenity kits that feature an updated, chic look and include skincare products from 3 LAB, C.O. Bigelow and Clark's Botanicals, as well as the usual necessities like an eye mask, toothbrush and toothpaste
- Our Refuel and Refresh program (formerly known as Gateside Amenities) is now available at all airports. During any delay over two hours, we will provide customers with light snacks and drinks right in the gate area. For delays of three hours or more, we will provide sandwiches or breakfast items.



We have elevated the onboard sleep experience as part of a new partnership with Casper.

SELF-SERVICE REBOOKING

In 2017, we launched Dynamic Rebooking, our new reservation re-accommodation tool that gives customers the ability to rebook themselves during irregular operations, such as a flight cancellation. The new offering — accessible via American's mobile app, airport kiosks or on aa.com — saves customers from having to make a phone call or stand in long airport lines. When a flight is canceled, the system electronically sends customers a recommended rebooking or lets them choose the option that is most convenient for them. In addition to providing more flexibility for our self-service customers, this solution is also reducing airport lines and minimizing reservation center wait times for those customers who do need to speak to a team member.



Create a World-Class Customer Experience

INNOVATION AND EFFICIENCY AT CHECKPOINTS

In coordination with the Transportation Security Administration and Miami-Dade Aviation Department, we launched two automated security screening lanes in Terminal D at Miami International Airport (MIA). These new lanes incorporate innovative technology and screening station modifications that enhance security effectiveness while decreasing the time travelers spend in line at the checkpoint, including:

- Automated belts that direct suspicious bags to a separate area allowing other bins behind it to continue through the system uninterrupted
- 25 percent larger property bins in regular screening lanes
- Unique Radio Frequency Identification (RFID) tags that are attached to each bin to allow for additional accountability of items as they transit throughout the system
- Cameras that capture photos of the outside of the bag, which is linked to the X-ray image of the bag's contents

American has also launched automated screening lanes in Chicago (ORD), Dallas/Fort Worth (DFW), Los Angeles (LAX) and New York (JFK).

RESPONDING TO CHALLENGES

Our team members consistently handle difficult situations with patience and compassion. But we know challenges and “friction points” can arise, and we want to equip our teams with all the tools and resources we can offer to support them in delivering customer-friendly experiences. With this in mind, we have reworked our policies and the product attributes that may contribute to unnecessary conflict:

- Our contract with every customer — American's Conditions of Carriage — states we will never remove a paying customer to seat another passenger.
- We simplified our Conditions of Carriage to include friendlier language and less corporate speak.
- Our Day of Departure Desk troubleshoots departure issues across the network, monitoring every overbooked flight and getting involved earlier to find volunteers to take a later flight.
- We've established a dedicated hotline for gate agents to offer appropriate compensation that encourages volunteers when we are in an oversale situation.
- In early 2018, we launched a new technology that allows customer-facing team members to offer on-the-spot compensation — in the form of AAdvantage miles — to customers for inconveniences at the first point of contact.

GETTING FAMILIAR WITH FLIGHT

Our team members care deeply about ensuring a pleasant flying experience for everyone. For families traveling with children with autism, flying can be overwhelming. That's why our Abilities EBRG created It's Cool to Fly and Wings for All programs to help make flying less stressful for travelers with special needs. Each year, American partners with Clearbrook, an organization serving more than 8,000 people with disabilities, to assist with the program.



Zachary Smart with Captain Jeff Paschen and First Officer Roger Mayer



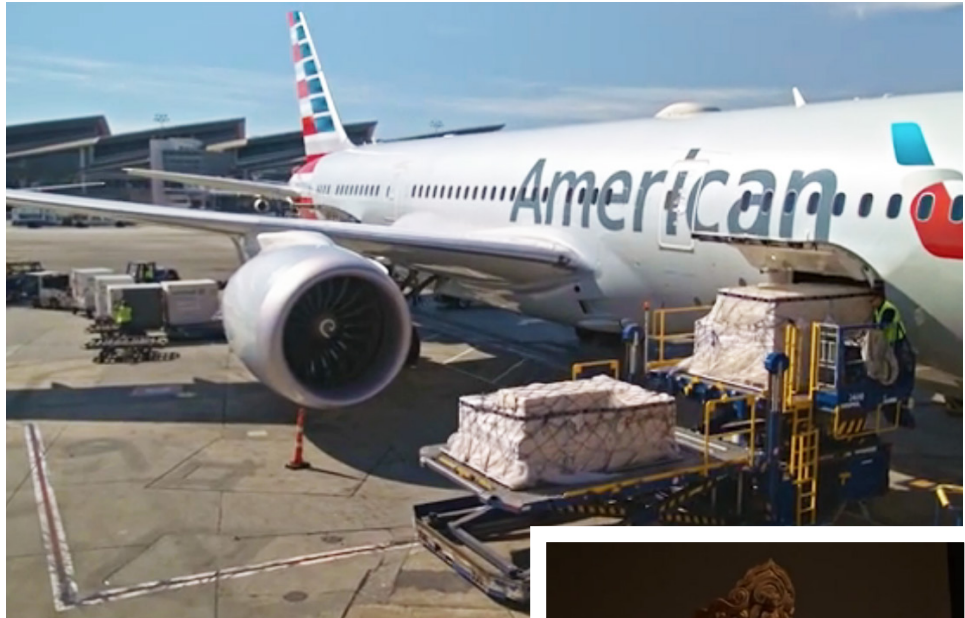
Create a World-Class Customer Experience

CARGO TREASURES

In addition to taking customers where they need to go, we fly cargo all over the world. We provide more than 100 million pounds of weekly cargo lift to major cities in the United States, Europe, Canada, Mexico, the Caribbean, Latin America and the Asia-Pacific region. For more than 80 years, our Cargo team has pushed for positive change within the industry and local communities, enhancing our technology and service options while also expanding our global reach.

In November 2017, American Airlines Cargo transported some particularly notable items on a Boeing 787-8 from Shanghai (PVG) to Los Angeles (LAX), namely more than six tons of China's national treasures as part of a first-of-its-kind exhibit in the U.S.

In conjunction with the Bowers Museum in Santa Ana, California, American worked closely with museum curators to bring important and carefully packaged selections from the life of Empress Dowager Cixi to the U.S. American successfully managed the logistical challenge of safely transporting more than 13,000 pounds of delicate historical material.





Ensure Long-Term Financial Strength

As we work to create a vibrant future where we deliver the right products, partners and network, we are making investments and managing risks in ways that will maximize shareholder value and position us for long-term success. Our top priorities since the merger have been to invest in integration, invest in our team and invest in our product and operation — all while paying down and refinancing higher-cost debt and returning capital to our investors.

We are making unprecedented investments in improving our customers' experience in the air and on the ground — from better compensation and new training for our team members to historic fleet renewal and new airport facilities. One of the long-term strategic objectives American will be focused on in 2018 and beyond is to “think forward, lead forward” by becoming increasingly nimble and setting a new standard for delivering value to the market more quickly.

Demand for air travel continued to be strong in 2017, and our customers demonstrated they want to fly American Airlines. We produced pretax profits of \$3.1 billion, or \$3.8 billion excluding net special charges for the year.

INVESTING IN INTEGRATION

Integration planning began immediately following the merger of American and US Airways. Among our biggest challenges was combining the two airlines' reservations systems into a single computer platform, as well as combining our pilot groups and fleet of aircraft into one Flight Operating System. We successfully did both in 2015 and 2016, respectively, and we are on track to complete any remaining integration tasks as scheduled. Thanks to the hard work of all our team members, we have accomplished all key integration milestones with no disruptions to our service. We expect to have our flight attendants on a single operating system in 2018.

INTEGRATION MILESTONES



INVESTING IN OUR TEAM

We aim to make culture the defining characteristic of American, which is supported by our significant investments in team members:

- **Profit sharing:** Our pretax profits for the full year 2017 brought 2017's profit sharing pool to \$241 million, which was distributed in March 2018.
- **\$1,000 bonuses:** Following the announcement in December 2017 of the Tax Cuts and Jobs Act, and the anticipated financial benefits it will bring to American in the future, we distributed one-time bonus payments of \$1,000 to each team member (excluding Officers) at our mainline and wholly owned regional carriers. These distributions totaled nearly \$130 million and were made in the first quarter of 2018.
- **Team member engagement:** We launched the American Voice team member survey and 59,000 team members shared their opinions about American and how we can improve.
- **Training:** We continued the Elevate the Everyday Experience training program for more than 35,000 team members.



Ensure Long-Term Financial Strength

A ROOM WITH A VIEW

In October 2017, we unveiled American's newest Hub Control Center (HCC) at DFW, a 10,000-square-foot state-of-the-art facility that features a virtual wall with a real-time view of the operation. Large TV monitors provide video footage of each terminal as well as ramp and deicing areas. The HCC, a nearly \$10 million investment, also features new work spaces in an open-office concept, an emergency command center, conference rooms, new restrooms, a team member break room, a kitchen and lockers. The space now brings all DFW mainline and regional operational departments together in one area, allowing them to collaborate more effectively, mitigate operational disruptions and provide the best customer service experience possible.



INVESTING IN OUR PRODUCT

We are creating a world-class customer experience with unprecedented investments in our product:

- **Fleet renewal:** 2017 marked another year in an accelerated program in which we have inducted almost 500 mainline and regional aircraft into our fleet since 2014.
- **New aircraft:** In 2017, American welcomed 57 new mainline aircraft, a significant investment in our ongoing effort to operate the youngest fleet among major U.S. carriers. As of the end of 2017, the average age of our fleet was just 10 years.
- **Fleet harmonization:** We are also harmonizing our fleet so that when a customer steps on board, they know exactly what they're getting — a new interior, power at every seat, free wireless entertainment and live TV, access to faster than-ever satellite Wi-Fi and larger overhead bins. We will adjust the configuration of our existing Boeing 737-800s to match the configuration of our Boeing 737 MAX that began revenue service in November 2017. We will do the same for our existing Airbus A321s, with the exception of our A321T (transcontinental) aircraft.
- **Product segmentation:** We are appealing to a broader customer base and increasing revenues through further segmentation of our product offerings. We rolled out Basic Economy (a new fare option designed to help us compete against ultra-low-cost carriers) domestically in every state except Alaska and Hawaii, as well as the Caribbean and Mexico. We also introduced Premium Economy and will eventually have more than 100 widebody aircraft with this premium product offering.
- **Customer experience:** We opened larger Flagship Lounges in JFK, MIA, ORD and LAX, as well as new or refreshed Admirals Club lounges in seven locations throughout the system. We introduced Flagship First Dining, a sit-down restaurant experience that offers complimentary full-service dining with locally-inspired menus to customers traveling in Flagship First on qualifying international and transcontinental flights. And we also introduced several new tools to put more power in customers' hands if things don't go as planned during off-schedule operations.
- **Equity investment:** We closed a \$200 million equity investment in China Southern Airlines, the largest carrier in China with an extensive network that touches markets only a Chinese carrier can reach. This investment will further connect the world's two largest economies and give our customers access to dozens of new markets in China.



Ensure Long-Term Financial Strength

ETHICS AND COMPLIANCE

Our robust compliance program is consistent with leading best practices as befits the world's largest airline. We maintain a strong governance approach to ethics and compliance. American's Senior Vice President and General Counsel serves as the airline's Chief Ethics and Compliance Officer (CECO) with overall responsibility for American's compliance program. The CECO reports to the Executive Vice President of Corporate Affairs, who reports to American's Chief Executive Officer. American's Board of Directors exercises oversight of the Business Ethics and Compliance Program and has delegated to the Board's Audit Committee the lead role in fulfilling this responsibility.

All management and other key team members and contractors must complete an annual web-based compliance training and certification, which requires them to certify they are not aware of any violations related to key compliance issues, such as antitrust, corruption, conflicts of interest, environmental responsibility, safety and unlawful discrimination and harassment. In 2017, more than 18,000 team members and 800 contractors completed this training and certification. In addition, more than 18,000 team members and contractors completed our online Business Ethics training and more than 450 team members completed a live, attorney-facilitated antitrust or anti-corruption training, or both. We also offer training for team members in specialized roles, such as government contracts training and anti-human trafficking training for frontline team members and those with purchasing responsibilities with American's international suppliers.

American's team members can call our 24/7 hotline (the EthicsPoint helpline) or use an online, secure web portal to ask questions or report questionable conduct. The helpline is available systemwide to domestic and international team members and reporters can choose to remain anonymous. All calls are tracked under the direction of the Compliance Office through to closure.

MANAGING DATA PRIVACY

The frequent exchange of information enables American to provide high-quality service to customers and to deliver pay, benefits and other human resources-related services to team members. To keep everyone's personal information safe, in 2017, American established a Global Privacy Office, which oversees how the company appropriately processes and protects sensitive data in an ever-changing technological, legal and regulatory landscape.

The Global Privacy Office is responsible for increasing awareness of the importance of privacy at American and ensuring we maintain compliance with all privacy laws. It establishes procedures to protect the information we collect, places limits on how and why we use it and serves as a resource for customers and team members who have questions.

The goal of the Global Privacy Office is to help everyone understand the value of the personal information we collect and to honor the commitments we make in our policies. This approach helps us build and maintain the trust of our team members and our customers in how we collect, use, store and share information about them. The Global Privacy Office also manages the regulatory, legal, financial and reputational risks related to privacy breaches or security threats.

LIVING UP TO OUR STANDARDS

To help guide our actions and decision-making, we make our [Standards of Business Conduct](#) available to all team members. We consider these Standards to be part of our moral compass that sets clear expectations for every team member and tells the world how we conduct business.



Ensure Long-Term Financial Strength

RESPONSIBLE PROCUREMENT

In 2016, we released our Standards of Business Conduct for Suppliers to emphasize our expectations for workplace standards and ethical business practices by all suppliers. In 2017, we added to the information we make available to suppliers by creating an accompanying webpage (accessible on aa.com) that outlines key criteria for doing business with American, including having a deep understanding of the airline industry, being financially stable and certifying an ethical supply chain. We also added a supplier risk matrix to our request for proposal (RFP) process where suppliers submit a questionnaire about their policies and practices around labor, business ethics, the environment, health and safety.

American established its Supplier Diversity Program in 1989 to connect diverse and small businesses with the purchasing entities within the airline. The Program affords qualified minority-owned, women-owned, veteran-owned, service disabled veteran-owned, disability-owned, LGBT-owned businesses and small businesses the opportunity to participate as potential suppliers for products and services for American.

This year, we also redesigned our Supplier Diversity portal to improve the supplier experience and to make it easier for us to find potential suppliers for opportunities that arise during the year. The system now allows the supplier to receive multiple connections within the business units, upload certificates and make profile updates. The system also notifies American's contacts that the supplier has registered with a link to their company profile.

In 2017, American spent 18 percent more with small and certified-diverse suppliers over the previous year. We participated in 43 supplier diversity events around the United States, which provided networking opportunities through matchmaking sessions, business fairs and other events supporting diverse and small business connections. For example, at the Rainbow Coalition Conference in Chicago, we presented a seminar on "How to do Business with American." For Black History Month, our African-American Diversity Network EBRG worked with our Supplier Diversity team to put on a business fair at American's headquarters. The business-to-business portion of the event allowed small local suppliers to sell their products and services to team members. The business-to-consumer portion featured invited local certification organizations that spoke about the pathways to successfully becoming certified.



Ensure Long-Term Financial Strength

TAKING LOCAL CONFECTIONS GLOBAL

In 2017, American selected a small, woman-owned business to provide chocolates on First Class flights from Dallas/Fort Worth (DFW) to Hong Kong (HKG). Andrea Pedraza of CocoAndré Chocolatier now provides American's customers with a unique product that is specific to the region of flight origin. Her chocolates were so well-received that we asked CocoAndré to begin providing chocolates for other routes. Starting in March 2018, CocoAndré chocolates will be featured on all of American's First Class flights. This opportunity will increase her company's profile from 3,000 to 58,000 customers a year.



Cindy Pedraza, co-owner and daughter of Andrea Pedraza stated, "We are honored that American Airlines selected our women-owned business to be its chocolatier. With this partnership, we will be able to hire another full-time employee, add on to our production facilities and increase our customer base."

TOP SUPPLIER DIVERSITY AWARDS AND RECOGNITION

- National Business Inclusion Consortium (NBIC) — Best-of-the-Best Corporation for Inclusion
- North Texas Gay Lesbian Bisexual Transgender Chamber of Commerce — Corporate Ally Award: "In recognition of support and contributions to the Gay Lesbian Bisexual Transgender Community"
- United States Hispanic Chamber of Commerce — The Million Dollar Club — Recognition for corporations that have invested a minimum of \$25 million to upward of \$1 billion or more in contracts with Hispanic-owned companies.
- National Veteran Owned Business Association (NaVOBA) — recognized for having a Military Friendly Supplier Diversity Program
- DFW Minority Supplier Development Council (DFW MSDC) — Buy Those That Buy Us™: "Recognizes the achievements in the utilization of minority-owned businesses in their supply chain"
- WE USA — WE 100 Corporations of the Year: Influential companies that regard the inclusion of women's business enterprises as essential to supply chain productivity and, ultimately, to corporate success.



Think Forward, Lead Forward

As a global airline with a rich heritage and a bright future, we are thinking and leading for the long-term. American is committed to doing its part to sustain the planet for future generations of travelers. We know that the next generation of team members, customers and investors will expect and demand nothing less from us.

More than 20 years ago, American established an environmental management system (EMS) to provide a systematic approach to complying with environmental regulations and managing a broad range of issues, including air emissions, hazardous waste disposal, underground tanks and aircraft water quality. The EMS is modeled on the ISO 14001 standard and aligns closely with our FAA-approved Safety Management System (SMS). The EMS is overseen by the Company Operations Standards Board, which is made up of senior executives of the company. We continually review and update our EMS, as well as provide rigorous training. In 2017, more than 68,000 team members completed more than 150,000 hours of environmental training.

MITIGATING CLIMATE CHANGE

American is taking significant steps to reduce its carbon footprint. We are in the midst of an unprecedented fleet renewal program while exploring alternative, renewable energy sources. Today, our fleet of fuel-efficient aircraft is the youngest of any U.S. network carriers. More specifically:

- By the end of 2017, American invested more than \$18 billion and introduced nearly 500 new aircraft into our fleet since the merger, while retiring 469 older aircraft.
- Aircraft like the Boeing 787 Dreamliner improve fuel efficiency by up to 20 percent over similarly sized aircraft. As of the end of 2017, we have 34 787 Dreamliners (both the -8 and -9 variety) in our fleet.
- In September 2017, we also took delivery of the first of 100 Boeing 737 MAX aircraft we have on order. The 737 MAX is similar to the Boeing 737 800s we have today, but with newer and even more fuel-efficient engines.

We are also supportive of ambitious targets set by the International Civil Aviation Organization (ICAO) to mitigate greenhouse gas emissions (GHG) from air transportation. These include an average improvement in fuel efficiency of 1.5 percent per year from 2009 to 2020; carbon-neutral growth from 2020 and beyond (known as the Carbon Offsetting and Reduction Scheme for International Aviation or CORSIA); and a 50 percent reduction of net aviation CO₂ emissions by 2050.

MAKING SURE WE'RE FUEL SMART

Fuel Smart's mission is to develop a fuel-saving culture at American through education, teamwork and advocacy. While an engine or auxiliary power unit (APU) can supply air to cool the aircraft via the onboard air conditioning system, neither is as fuel efficient as the ground pre-conditioned air supply or the portable cooling units. These are the types of reductions in fuel consumption that American's team member-led Fuel Smart program is helping to secure. Other initiatives include optimizing planned aircraft arrival fuel, washing engine components for maximum efficiency and reducing aircraft weight by removing unnecessary items.



In 2017, we focused on improving the quality of data available to measure fuel savings, and we began to build out several other fuel savings categories. Moving forward, these improvements will help us better measure and track our progress against our goals.

In addition to achieving savings in costs and GHG emissions, Fuel Smart is making a difference in other ways, too. Once APU fuel savings meet a certain threshold, they are translated into a donation to the Gary Sinise Foundation for the purposes of providing travel for active duty military members, veterans, first responders and their family members in need. Since Fuel Smart launched in 2010, American has generated nearly \$4 million in contributions through the program, helping more than 6,800 service members and their families travel to receive the support they need.



Think Forward, Lead Forward

SUSTAINABLE ALTERNATIVE JET FUEL (SAJF)

Sustainable and commercially viable alternative jet fuels have the potential to play a significant role in helping American further reduce emissions beyond our significant investment in fuel-efficient aircraft. We engage in discussions with numerous companies and industry organizations to monitor technology developments and encourage the advancement of additional SAJF production pathways, including those that have existing capacity. In 2017, we:

- Partnered with Neste Oil, a leading producer of renewable fuels. One goal of this cooperation is to facilitate acceptance and commercialization of High Freeze Point – Hydroprocessed Esters and Fatty Acids (HFP–HEFA) renewable jet fuel. This fuel is currently under consideration for approval by ASTM International, a globally recognized leader in the development and delivery of voluntary consensus standards for a range of industries.
- Collaborated with Agrisoma, a Canadian agricultural technology company that is promoting a non-food, non-GMO oil seed called Carinata. When grown between regular crop cycles, Carinata can reduce erosion, help retain moisture and improve soil quality. When the Carinata seed is crushed, the extracted oil can be converted into jet fuel and the remaining seed can be used as high-quality feed for livestock.
- Participated in a study coordinated by the Commercial Aviation Alternative Fuels Initiative to assess the feasibility of making bio jet fuel from high-sugar content crops, such as sugar beets and sorghum, grown in areas of Florida that have suffered citrus crop losses from citrus greening infestation. The study was funded by the U.S. Department of Agriculture through its Farm 2 Fly 2.0 program.

RESPONSIBLE ENERGY USE

To lessen our environmental footprint, we began using renewable energy in several of our North Texas facilities in 2015. Our Fort Worth headquarters campus and wholly owned subsidiary Envoy's headquarters in Irving and maintenance facility in Abilene are now using 100 percent renewable energy as of October 2017.

And just next door to American's headquarters, we have partnered with Dallas Fort Worth International Airport (DFW) to purchase renewable energy for 100 percent of our operations at the airport. In 2016, DFW became the first North American airport to become carbon neutral, meaning the airport now absorbs or offsets the same amount of carbon dioxide that it produces. One of the key ways the airport has achieved this milestone is by purchasing and retiring enough renewable energy credits to cover 100 percent of its annual energy usage.

In addition to supporting renewable energy usage, we are also committed to finding new opportunities for energy efficiency in our operations. In 2017, American launched a relighting project at our hangar facilities. More efficient LED lights will replace older, mostly fluorescent and metal halide lights at our airport maintenance facilities. Not only do these lights use less electricity, but they produce higher quality lighting and last longer than traditional bulbs. Efficient LED lighting is now in place at our Washington, D.C., and San Francisco facilities, and work to install these upgrades is underway at other locations.

We are also supporting significant redevelopment projects to renovate older airport facilities and, in turn, improve their energy-efficiency. American works closely with our airport partners on multibillion dollar capital programs that incorporate the latest energy enhancements.

GOING FOR GOLD

When we build a new facility, or upgrade existing facilities, we strive to utilize environmentally friendly construction practices. One way we demonstrate this commitment is by seeking certification of our buildings to the U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) standard.

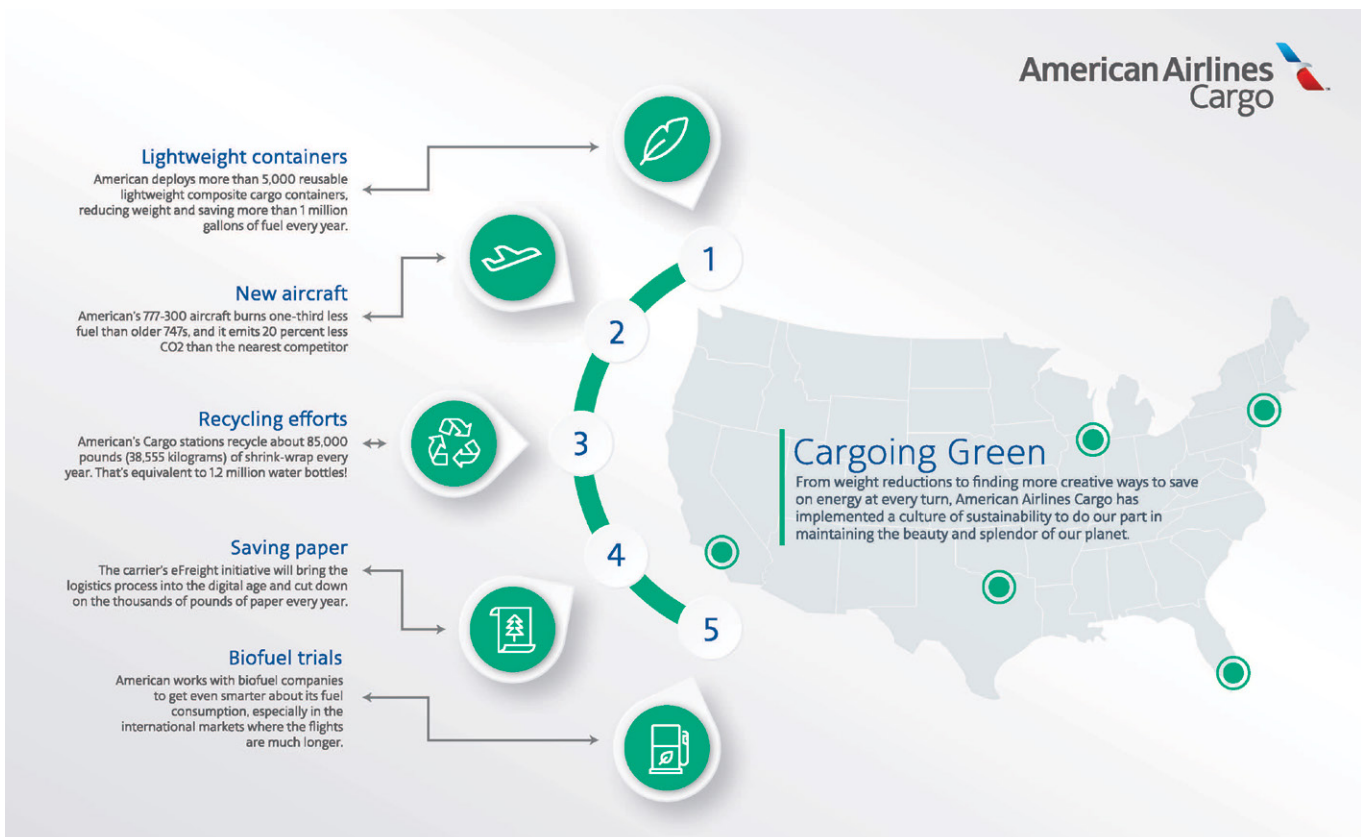
American's new Government Affairs office in Washington is built to a LEED Platinum standard. Our new headquarters campus under construction in Fort Worth is designed to meet the LEED Gold standard. Other facilities meeting LEED Gold standard include our Philadelphia International Airport (PHL) Terminal F Baggage Claim Building and San Francisco International Airport (SFO) Terminal 2. Our facilities meeting LEED Silver standard include our PHL ground support equipment shop and SFO Admirals Club in Terminal 2.



Think Forward, Lead Forward

CARGOING GREEN

As a global cargo carrier, we are committed to finding new and better ways to ensure we're running a sustainable operation, whether by reducing our carbon footprint through new tools and technology, or simply recycling the plastic materials we use daily to protect and package our shipments. For example, the Cargo team at American's Dallas/Fort Worth (DFW) hub recycles nearly 100 percent of the plastic used for shipping cargo. At Chicago O'Hare (ORD), the Cargo Green Team uses electric tractors and forklifts to minimize gasoline emissions and collects electronic waste, such as used TVs, for recycling. American's San Francisco (SFO) Cargo team pays a local company to take broken wood skids for recycling, which fills around six to eight 30-yard dumpsters a month.



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. 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 piloted 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.



Think Forward, Lead Forward

RESPONSIBLE AIRCRAFT DISASSEMBLY

The global airline industry's continued growth means that managing end-of-line aircraft also becomes more important. As part of our continuous fleet modernization process, we responsibly manage the removal of older aircraft from service in a safe and environmentally conscious way. Servicable aircraft are leased or sold to independent airlines, training schools and corporations. The remaining aircraft that are not airworthy are sold for parts or recycled.

Understanding how best to recycle the metals, carbon and other materials from a scrapped aircraft at the end of its useful life is an important part of American's environmental considerations and business planning. To support this effort, in 2017, American joined the Aircraft Fleet Recycling Association (AFRA), which strives to promote efficient, safe and environmentally friendly practices for aircraft disassembly. AFRA created and maintains the only industry-developed best practices guide for aircraft disassembly, demolition and recycling. Through this membership, we will continue to confidently affirm that our aircraft parts are always properly decommissioned and recycled and never improperly reused.



IS THIS SEAT TAKEN?

When American began replacing fabric seat covers on aircraft with E-Leather, an easier-to-clean leather alternative, throwing out tens of thousands of seat covers seemed wasteful. After brainstorming about organizations that might have a use for the materials, we partnered with Dallas Animal Services (DAS) to upcycle the covers into tug toys for dogs housed at the shelter.

We donated more than 2,000 covers to DAS, and members of the GenNow Employee Business Resource Group organized a group of volunteers to help make 60 toys from the covers and play with the animals at the shelter. In addition to making more tug toys next year, American is also working with other nonprofits to find uses for the thousands of remaining seat covers, such as turning them into bean bags and pencil holders for classrooms in the Dallas/Fort Worth area.

COMBATING HUMAN TRAFFICKING

According to the International Labor Organization, an estimated 21 million people around the world are victims of some form of modern-day slavery, which may be unwillingly facilitated, in part, by travel and tour companies. As the world's largest airline, American has a leading role to play in combating this issue. We have adopted responsible workplace practices that affirm our commitment to respecting human rights and our condemnation of all forms of child exploitation.

Further, we are actively raising awareness of these issues among our team members so that they are equipped to work with law enforcement authorities to address any instances of human trafficking and child exploitation that we become aware of. We have had awareness and compliance training in place for our flight attendants for a number of years, and in 2017, we rolled out and completed expanded awareness training for 60,000 frontline team members, including pilots and airport customer service team members.



From left: CEO Doug Parker, Denice Miracle, and President Robert Isom; Denice received the Chairman's Award for saving two girls from trafficking in August 2017.

In 2017, we also began working more closely with the nonprofit ECPAT-USA, the leading policy organization in the United States working to end the commercial sexual exploitation of children. On National Human Trafficking Awareness Day in January 2018, American signed ECPAT-USA's Tourism Child-Protection Code of Conduct, which is a voluntary set of business principles to prevent child sex tourism and trafficking of children.



Our Approach to Corporate Responsibility

Running a global business brings with it global responsibility. American believes being a good corporate citizen means contributing to the economic and social well-being of not only our team members, but also our shareholders, customers and communities. We pay close attention to the expectations our stakeholders have with regard to managing the environmental, social and governance (ESG) issues where we have an opportunity to make the biggest positive impact.

In 2018, we plan to complete a materiality analysis, which will help us identify the most relevant ESG topics for our business, as aligned with stakeholder needs and concerns. As part of the process, we are soliciting insights from company leaders into the issues of highest concern. We are also conducting a review of a comprehensive set of stakeholder source materials, including peer reports, investor requests, ESG ratings and rankings criteria, customer RFPs and other documentation. The analysis will serve as a foundation for internal corporate responsibility strategy-setting and planning, ongoing stakeholder engagement and the development of more-targeted ESG disclosure and communications.

We are also formalizing the internal oversight of corporate responsibility at American by establishing a committee of high-level leaders who will meet on a regular basis to monitor global trends, determine our response to stakeholder inquiries and assess risks and opportunities around specific ESG issues. This team will also offer recommendations to our senior leadership team regarding corporate responsibility commitments, goals and targets and discuss them and American's Corporate Responsibility Report with our Board of Directors.

OUR GOVERNANCE BEST PRACTICES

We welcome and value communication with our stockholders. The following corporate governance and Board practices ensure accountability and enhance effectiveness in the board room.

- ✓ Annual Board elections
- ✓ Majority voting standard
- ✓ 11 of 12 director nominees are independent
- ✓ Robust Lead Independent Director role with responsibilities that comport with leading governance practices
- ✓ Routine review of Board leadership structure
- ✓ Regular executive sessions held without management present
- ✓ Stockholder right to proxy access
- ✓ Annual Board, committee and director evaluations
- ✓ Annual review of Board and committee composition
- ✓ All members of the Audit Committee are designated financial experts
- ✓ Diverse Board
- ✓ Significant stock ownership requirements for directors and senior vice presidents and above
- ✓ Comprehensive risk management with Board and committee oversight
- ✓ Commitment to corporate social responsibility



Performance Data

| FINANCIAL PERFORMANCE | | | | |
|---|--------|---------|----------|---------|
| In millions (USD), except per-share amounts | 2017 | 2016 | 2015 | 2014 |
| Revenue | | | | |
| Mainline passenger | 29,238 | 27,909 | 29,037 | 30,802 |
| Regional passenger | 6,895 | 6,670 | 6,475 | 6,322 |
| Cargo | 800 | 700 | 760 | 875 |
| Other | 5,274 | 4,901 | 4,718 | 4,651 |
| Total operating revenue | 42,207 | 40,180 | 40,990 | 42,650 |
| Total operating expenses | 38,149 | 34,896 | 34,786 | 38,401 |
| Operating income | 4,058 | 5,284 | 6,204 | 4,249 |
| Nonoperating expense | (974) | (985) | (1,588) | (1,037) |
| Income tax expense | 1,165 | 1,623 | (2,994) | 330 |
| Net income | 1,919 | 2,676 | 7,610 | 2,882 |
| Basic earnings per share | \$3.92 | \$ 4.85 | \$ 11.39 | \$ 4.02 |
| Cash dividends declared per common share | \$0.40 | \$ 0.40 | \$ 0.40 | \$ 0.20 |

Source: 2017 Form 10-K

| OPERATIONAL DATA | | | | |
|--------------------------------------|---------|---------|---------|---------|
| Miles figures in millions | 2017 | 2016 | 2015 | 2014 |
| Mainline | | | | |
| Revenue passenger miles ¹ | 201,351 | 199,014 | 199,467 | 195,651 |
| Available seat miles ² | 243,806 | 241,734 | 239,375 | 237,522 |
| Passenger load factor ³ | 82.6% | 82.3% | 83.3% | 82.4% |
| Departures (thousands) | 1,081 | 1,102 | 1,114 | 1,144 |
| Regional | | | | |
| Revenue passenger miles ¹ | 24,995 | 24,463 | 23,543 | 22,219 |
| Available seat miles ² | 32,687 | 31,676 | 29,361 | 28,135 |
| Passenger load factor ³ | 76.5% | 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 available seats that are filled with revenue passengers.

Source: 2017 Form 10-K



Performance Tables (continued)

| ENVIRONMENTAL PERFORMANCE | 2017 | | 2016 | | 2015 | | 2014 | |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| | Mainline | Regional | Mainline | Regional | Mainline | Regional | Mainline | Regional |
| Energy | | | | | | | | |
| Jet fuel consumption (millions of gallons) | 3,579 | 773 | 3,596 | 751 | 3,611 | 712 | 3,644.4 | 687.6 |
| Direct energy from jet fuel (millions of gigajoules) | 509.0 | 109.9 | 511.3 | 106.8 | 513.5 | 101.2 | 518.2 | 97.8 |
| Energy intensity (gigajoules per million RTMs) ¹ | 22.9 | 43.6 | 22.9 | 43.3 | 23.2 | 43.2 | 26.6 | 43.8 |
| Indirect energy from electricity (millions of gigajoules) | 2.7 | 0.1 | 2.6 | 0.1 | 2.5 | 0.1 | 2.9 | 0.1 |
| Direct purchase of renewable electricity (MWh) ² | 23,858 | 4,278 | 18,745 | 3,414 | 10,253 | 2,512 | | |
| Direct and Indirect purchase of renewable electricity (MWh) ³ | 106,837 | 4,278 | 74,266 | 3,414 | 45,700 | 2,512 | | |
| Greenhouse gas emissions (thousands of metric tons CO₂e) | | | | | | | | |
| Scope 1 (direct) | 34,451 | 7,441 | 34,593 | 7,208 | 34,757 | 6,858 | 35,142 | 6,621 |
| Scope 2 (indirect) | 357 | 19 | 385 | 9 | 413 | 10 | 500 | 19 |
| Scope 3 (employee commuting & aircraft delivery) | 237 | | 214 | | 182 | | 184 | |
| GHG Intensity (Scope 1 emissions from jet fuel per 1,000 RTMs) | 1.49 | 2.93 | 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) | 970 | 1,073 | 1,027 | 1,078 | 1,159 | 1,053 | 1,109 | 1,047 |
| Air emissions (Mainline and Regional) | | | | | | | | |
| Nitrous oxide (NO _x) (metrics tons from landing/take-off cycle) | 15,718 | 6,940 | 16,018 | 6,948 | 16,170 | 6,682 | 16,473 | 6,186 |
| Ozone-depleting substances (metric tons) | 7.4 | | 14.6 | | 30.7 | | 29.3 | |
| Waste (Mainline and Regional) | | | | | | | | |
| Regulated waste, including hazardous waste and universal waste (tons) | 732 | 44 | 757 | 42 | | 1,134 | | 1,161 |
| Water (Mainline only) | | | | | | | | |
| Water consumption for AA major facilities excluding airports (millions of gallons) ⁴ | 430 | | 467 | | 425 | | 467 | |
| Noise (Mainline only) | | | | | | | | |
| Percent of mainline aircraft certified as or meeting Chapter 3 noise limits | 100% | 100% | 100% | | 100% | | 100% | |
| Percent of mainline aircraft certified as or meeting Chapter 4 noise limits | 95% | 100% | 94% | | 90% | | 86% | |



Performance Tables (continued)

| ENVIRONMENTAL PERFORMANCE | 2017 | | 2016 | | 2015 | | 2014 | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| | Mainline | Regional | Mainline | Regional | Mainline | Regional | Mainline | Regional |
| Environmental Compliance (Mainline and Regional) | | | | | | | | |
| Environmental fines and penalties (amount in thousands of dollars) | \$4.8 | | \$54.7 | | \$0.0 | | \$0.5 | |
| Environmental notices of violation (number) | 7 | | 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 Scope 1, 2, 3 and emissions intensities are in carbon dioxide, not carbon dioxide equivalents.

4 Scope 1 figures for 2016 were updated to include emissions associated with Heating Oil.

5 Regional Scope 2 figures for 2015 and 2016 were recalculated due to a conversion error.

6 From municipal water supplies.

| SAFETY PERFORMANCE | | | | | | |
|--|----------|----------|----------|----------|----------|----------|
| Safety data | 2017 | | 2016 | | 2015 | 2014 |
| | Mainline | Regional | Mainline | Regional | Mainline | Mainline |
| Injury rate (total recordable cases per 200,000 man hours) | 8.43 | 8.13 | 8.12 | 9.70 | 6.14 | 7.79 |
| Lost day rate | 4.89 | 3.88 | 4.62 | 4.77 | 3.76 | 3.41 |
| Reliability data | | | | | | |
| On-time performance ¹ | 80.3% | 77.9% | 79.4% | 77.9% | 80.1% | 77.9% |
| Completion factor ² | 98.6% | 97.3% | 98.8% | 97.0% | 98.4% | 98.4% |
| Mishandled baggage ³ | 2.95 | | 3.38 | | 3.97 | |

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 IMPACT | | | | |
|---|-------|-------|-------|-------|
| Global Giving | 2017 | 2016 | 2015 | 2014 |
| Cash ¹ donations and in-kind (miles) donations (millions in USD) | 34.8 | 23.5 | 22.5 | 11.2 |
| Volunteer Support | Hours | Hours | Hours | Hours |
| Total Volunteer Hours (thousand hours) | 155.0 | 125.0 | 60.0 | 52.7 |

1 "Cash" includes cash contributions and the value of mile donations from American and its customers as well as proceeds from American's charity events.



Performance Tables (continued)

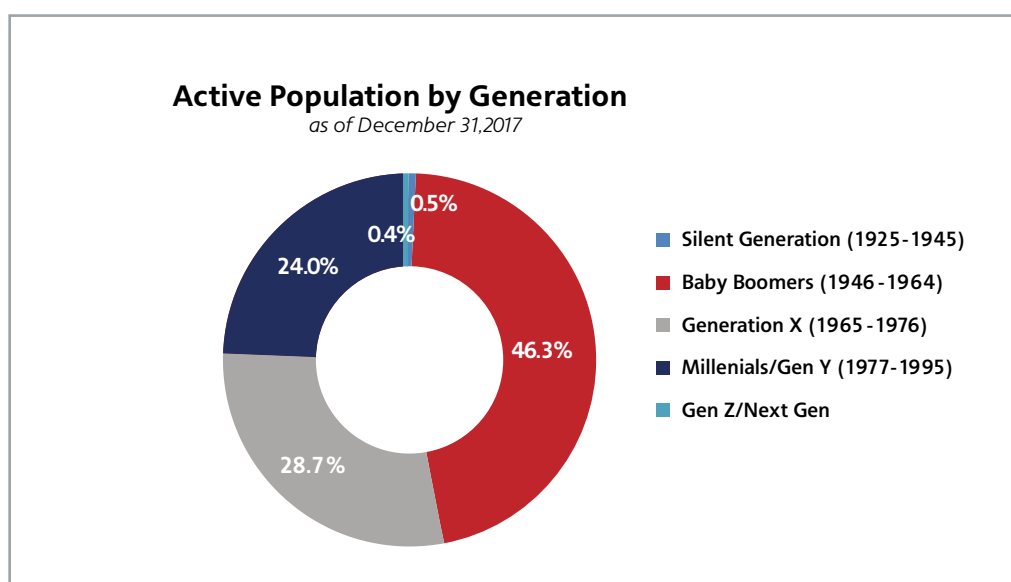
| WORKFORCE AND DIVERSITY – MAINLINE | | | | | | | | | | | | |
|-------------------------------------|----------------|------------|------------|----------------|------------|------------|----------------|------------|------------|---------------|------------|------------|
| Workforce and Diversity | 2017 | | | 2016 | | | 2015 | | | 2014 | | |
| Employee category: | Total | Female | Male | Total | Female | Male | Total | Female | Male | Total | Female | Male |
| Management | 13,323 | 42% | 58% | 12,163 | 42% | 58% | 11,224 | 43% | 57% | 10,136 | 43% | 57% |
| Non-Management | 87,575 | 41% | 59% | 86,884 | 41% | 59% | 90,949 | 42% | 58% | 81,460 | 41% | 59% |
| International | 5,806 | 59% | 41% | 5,419 | 60% | 40% | | | | | | |
| Total Workforce | 106,704 | 42% | 58% | 104,466 | 42% | 58% | 102,173 | 42% | 58% | 91,596 | 41% | 59% |
| Employees by employment type | | | | | | | | | | | | |
| Full-time | 94,096 | 40% | 60% | 92,797 | 41% | 59% | 90,339 | 41% | 59% | 86,305 | 40% | 60% |
| Part-time | 12,608 | 54% | 46% | 11,669 | 54% | 46% | 11,834 | 54% | 46% | 10,760 | 56% | 44% |
| Employees by region | | | | | | | | | | | | |
| US | 100,898 | 41% | 59% | 99,047 | 41% | 59% | 96,781 | 41% | 59% | 91,596 | 41% | 59% |
| Canada | 279 | 56% | 44% | 274 | 58% | 42% | 230 | 64% | 36% | 224 | 64% | 36% |
| Mexico, Caribbean, Latin America | 3,981 | 61% | 39% | 3,670 | 62% | 38% | 3,620 | 64% | 36% | 3,867 | 62% | 38% |
| Europe and Asia | 1,546 | 54% | 46% | 1,475 | 55% | 45% | 1,542 | 53% | 47% | 1,378 | 57% | 43% |
| Employees by work area | | | | | | | | | | | | |
| Director and above | 556 | 31% | 69% | 532 | 30% | 70% | 538 | 27% | 73% | 547 | 27% | 73% |
| Management and professional | 12,767 | 43% | 57% | 11,631 | 43% | 57% | 11,224 | 43% | 57% | 9,589 | 44% | 56% |
| Administrative | 2,702 | 78% | 22% | 2,759 | 78% | 22% | 2,686 | 79% | 21% | 2,318 | 82% | 18% |
| Passenger Service | 10,433 | 74% | 26% | 10,031 | 74% | 26% | 9,887 | 74% | 26% | 9,168 | 74% | 26% |
| Reservations | 5,180 | 82% | 18% | 5,607 | 82% | 18% | 5,975 | 82% | 18% | 5,199 | 83% | 17% |
| Maintenance and related | 14,483 | 5% | 95% | 14,383 | 5% | 95% | 14,427 | 5% | 95% | 14,355 | 5% | 95% |
| Fleet Service | 16,838 | 12% | 88% | 16,410 | 12% | 88% | 16,010 | 12% | 88% | 14,272 | 11% | 89% |
| Pilots | 13,432 | 5% | 95% | 13,301 | 4% | 96% | 13,005 | 4% | 96% | 12,932 | 4% | 96% |
| Flight Attendants | 24,507 | 74% | 26% | 24,393 | 74% | 26% | 23,572 | 75% | 25% | 23,216 | 75% | 25% |
| International | 5,806 | 59% | 41% | 5,419 | 60% | 40% | 5,387 | 61% | 39% | 5,469 | 61% | 39% |
| Employees by age group | | | | | | | | | | | | |
| Less than 30 years old | 10,781 | 53% | 47% | 10,429 | 53% | 47% | 9,662 | 53% | 47% | 7,356 | 55% | 45% |
| From 30-50 years old | 37,831 | 43% | 57% | 38,423 | 43% | 57% | 39,540 | 44% | 56% | 39,911 | 44% | 56% |
| More than 50 years old | 58,092 | 39% | 61% | 55,614 | 39% | 61% | 52,971 | 39% | 61% | 49,798 | 39% | 61% |



Performance Tables (continued)

| WORKFORCE AND DIVERSITY – MAINLINE | | | | | | | | | | | | |
|---|--------|------|--------|--------|------|--------|--------|------|--------|--------|------|--------|
| Workforce and Diversity | 2017 | | | 2016 | | | 2015 | | | 2014 | | |
| Ethnic composition of our U.S. workforce* | | | | | | | | | | | | |
| Employee Category: | Total | Male | Female | Total | Male | Female | Total | Male | Female | Total | Male | Female |
| Non-minority | 62,073 | 39% | 61% | 62,140 | 39% | 61% | 62,053 | 39% | 61% | 61,371 | 39% | 61% |
| Ethnic minority, of which: | | | | | | | | | | | | |
| African-American | 14,906 | 50% | 50% | 14,785 | 50% | 50% | 14,356 | 50% | 50% | 12,498 | 50% | 50% |
| Hispanic/Latino | 13,379 | 37% | 63% | 12,955 | 37% | 63% | 12,222 | 37% | 63% | 11,098 | 38% | 62% |
| Asian | 5,737 | 44% | 56% | 5,329 | 45% | 55% | 4,760 | 44% | 56% | 4,244 | 44% | 62% |
| American Indian/ Alaskan Native | 753 | 36% | 64% | 749 | 35% | 65% | 747 | 34% | 66% | 705 | 44% | 56% |
| Native Hawaiian/ Pacific Islander | 547 | 46% | 54% | 505 | 45% | 55% | 468 | 46% | 54% | 319 | 41% | 59% |
| Two or more races | 1,512 | 52% | 48% | 1,306 | 51% | 49% | 1,106 | 52% | 48% | 789 | 55% | 45% |
| Ethnic minority total | 36,834 | 44% | 56% | 35,629 | 44% | 56% | 33,659 | 44% | 56% | 29,653 | 44% | 56% |
| Not reported | 1,987 | 32% | 68% | 1,274 | 36% | 64% | 1,069 | 42% | 58% | 572 | 38% | 62% |
| Attrition rate | | | | | | | | | | | | |
| Total exits | 4,479 | 58% | 42% | 5,799 | 46% | 54% | 7,112 | 50% | 50% | | | |
| Voluntary | 3,416 | 59% | 41% | 4,288 | 46% | 54% | 4,528 | | | | | |
| Involuntary | 1,063 | 56% | 44% | 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

Thank you for your interest in our 2017 Corporate Responsibility Report, which reflects the operations of the American Airlines Group for the 2017 calendar year. In developing this report, we reference the [Global Reporting Initiative](#) (GRI) Sustainability Reporting Standards as published in 2016. Disclosures corresponding to the GRI Standards can be found in our GRI Index.

CONTACT INFORMATION

Visit our website at www.aa.com.

Connect with us on Twitter [@AmericanAir](#), on Facebook [Facebook.com/AmericanAirlines](https://www.facebook.com/AmericanAirlines), on Instagram [@americanair](#) and on LinkedIn at <https://www.linkedin.com/company/american-airlines>.

View us on our YouTube channel, <https://www.youtube.com/c/americanairlines>, and on our SnapChat channel, [AmericanAir](#).

For inquiries, contact 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 Inc. (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. |
| | | About American Airlines, page 2 2017 10-K, pages 5-8 |
| 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). 2017 10-K, page 5 |
| 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. As of December 31, 2017, we operated 948 mainline aircraft and are supported by our regional airline subsidiaries and third-party regional carriers, which operated an additional 597 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. | Ensure Long-Term Financial Strength, pages 22-23 2017 10-K, pages 5-14 |
| 102-8 | Information on employees and other workers | Our Collective American Voice, page 9 Workforce and Diversity Performance table, pages 35-36 2017 10-K, pages 8-10 |
| 102-12 | External initiatives | Think Forward, Lead Forward, pages 27, 30 |
| 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 Ensure Long-Term Financial Strength, page 24 |



GRI Content Index (continued)

| GENERAL DISCLOSURES | | |
|-------------------------------|--|---|
| Disclosure | Description | Cross-Reference or Answer |
| 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 percent of employees are covered by collective bargaining agreements (CBAs) with various labor unions. 2017 10-K, page 8 |
| 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 | Our Approach to Corporate Responsibility, page 31 <i>Investors:</i> <ul style="list-style-type: none"> Regulatory filings, annual and quarterly reports Annual meetings, board interactions Press releases and online information <i>Customers:</i> <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 <i>Team Members:</i> <ul style="list-style-type: none"> Internal newsletters, emails and announcements Labor negotiations updates <i>Communities:</i> <ul style="list-style-type: none"> Briefings to local and state officials Philanthropic activities and employee outreach to communities (ongoing) <i>Industry and Trade Associations:</i> Ongoing participation in trade associations and industry groups including: <ul style="list-style-type: none"> Airlines for America (A4A) International Air Transportation Association (IATA) <i>Regulators:</i> <ul style="list-style-type: none"> Ongoing engagement through permitting, compliance and reporting activities Safety testing, audits and screenings |



GRI Content Index (continued)

| GENERAL DISCLOSURES | | |
|---------------------------|--|---|
| Disclosure | Description | Cross-Reference or Answer |
| 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 | We have restated Scope 1, 2, 3 and emissions intensities to be in carbon dioxide, not carbon dioxide equivalents. Scope 1 figures for 2016 were updated to include emissions associated with Heating Oil. Regional Scope 2 figures for 2015 and 2016 were recalculated due to a conversion error. |
| 102-49 | Changes in reporting | None |
| 102-50 | Reporting period | Calendar year 2017 |
| 102-51 | Date of most recent report | Calendar year 2016 |
| 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 38-43 |
| 102-56 | External assurance | We did not seek external assurance for the information provided in this report. |



GRI Content Index (continued)

| TOPIC SPECIFIC DISCLOSURES | | | | |
|----------------------------------|-------------|---|--|--|
| GRI Standard | Disclosures | Description | Cross-Reference | GRI 103: Management Approach Cross-Reference |
| Economic | | | | |
| Economic Performance | 201-1 | Direct economic value generated and distributed | Financial performance table, page 32 | Ensure Long-Term Financial Strength, pages 22-26 |
| | 201-2 | Financial implications and other risks and opportunities due to climate change | | 2017 10-K, pages 13, 26-27 Think Forward, Lead Forward, page 27 |
| Indirect Economic Impacts | 203-1 | Infrastructure investments and services supported | | Ensure Long-Term Financial Strength, page 23 |
| | 203-2 | Significant indirect economic impacts | Community Impact table, page 34 | Make Culture a Competitive Advantage, page 16 Giving |
| Procurement Practices | 204-1 | Proportion of spending on local suppliers | | Ensure Long-Term Financial Strength, page 25 |
| Anti-Competitive Behavior | 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 2017 10-K, pages 36-37 | Ensure Long-Term Financial Strength, page 24 |
| Environmental | | | | |
| Energy | 302-1 | Energy consumption within the organization | Environmental Performance table, page 33 | Think Forward, Lead Forward, page 28 |
| | 302-3 | Energy intensity | Environmental Performance table, page 33 | Think Forward, Lead Forward, page 28 |
| | 302-4 | Reduction of energy consumption | | Think Forward, Lead Forward, page 28 |
| | 302-5 | Reductions in energy requirements of products and services | | Think Forward, Lead Forward, page 27-29 |
| Water | 303-1 | Water withdrawal by source | Environmental Performance table, page 33 | Think Forward, Lead Forward, page 27 |



GRI Content Index (continued)

| TOPIC SPECIFIC DISCLOSURES | | | | |
|---------------------------------------|-------------|--|---|---|
| GRI Standard | Disclosures | Description | Cross-Reference | GRI 103: Management Approach Cross-Reference |
| Emissions | 305-1 | Direct (Scope 1) GHG emissions | Environmental Performance table, page 33 | Think Forward, Lead Forward, pages 27-29 |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | Environmental Performance table, page 33 | Think Forward, Lead Forward, pages 27-29 |
| | 305-3 | Other indirect (Scope 3) GHG emissions | Environmental Performance table, page 33 | Think Forward, Lead Forward, pages 27-29 |
| | 305-4 | GHG emissions intensity | Environmental Performance table, page 33 | Think Forward, Lead Forward, pages 27-29 |
| | 305-5 | Reduction of GHG emissions | | Think Forward, Lead Forward, pages 27-29 |
| | 305-6 | Emissions of ozone-depleting substances (ODS) | Environmental Performance table, page 33 | Think Forward, Lead Forward, pages 27-29 |
| | 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions | Environmental Performance table, page 33 | Think Forward, Lead Forward, pages 27-29 |
| Effluents and Waste | 306-2 | Waste by type and disposal method | Environmental Performance table, page 33 | Think Forward, Lead Forward, page 29-30 |
| Environmental Compliance | 307-1 | Non-compliance with environmental laws and regulations | Environmental Performance table, page 34 | Focusing on compliance Ensure Long-Term Financial Strength, page 24 |
| Social | | | | |
| Employment | 401-1 | New employee hires and employee turnover | Workforce and Diversity table, page 36 | Make Culture a Competitive Advantage, pages 8-16 |
| | 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Benefits | Make Culture a Competitive Advantage, page 12 Ensure Long-Term Financial Strength, page 22 |
| Occupational Health and Safety | 403-2 | Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities | Safety Performance table, page 34 | Make Culture a Competitive Advantage, page 15 |
| Training and Education | 404-2 | Programs for upgrading employee skills and transition assistance programs | Make Culture a Competitive Advantage, page 11 | Make Culture a Competitive Advantage, page 11 |



GRI Content Index (continued)

| TOPIC SPECIFIC DISCLOSURES | | | | |
|--|-------------|--|--|---|
| GRI Standard | Disclosures | Description | Cross-Reference | GRI 103: Management Approach Cross-Reference |
| Diversity and Equal Opportunity | 405-1 | Diversity of governance bodies and employees | Workforce and Diversity table, pages 35-36 | Make Culture a Competitive Advantage, pages 9-11 |
| | | | | Message from our CEO, page 3 |
| | | | | Diversity Statement |
| | | | | Inclusion and Diversity |
| Non-discrimination | 406-1 | Incidents of discrimination and corrective actions taken | Make Culture a Competitive Advantage, pages 9-10 | Make Culture a Competitive Advantage, pages 9-10 |
| Human Rights Assessment | 412-2 | Employee training on human rights policies or procedures | Think Forward, Lead Forward, page 30 | Think Forward, Lead Forward, page 30 |
| Local Communities | 413-1 | Operations with local community engagement, impact assessments and development programs | Make Culture a Competitive Advantage, pages 10, 16 | Make Culture a Competitive Advantage, page 16 |
| | | | | Giving |
| Supplier Social Assessment | 414-1 | New suppliers that were screened using social criteria | | Ensure Long-Term Financial Strength, page 25 |
| | | | | Standards of Business Conduct for Suppliers |
| Customer Health and Safety | 416-1 | Assessment of the health and safety impacts of product and service categories | Safety Performance table, page 34 | |
| Customer Privacy | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | | Ensure Long-Term Financial Strength, page 24 |



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 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 Annual Report on Form 10-K for the year ended December, 2017 (especially in Part I, Item 1A, Risk Factors, and Part II, Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations), and other risks and uncertainties listed from time to time in our other filings with the Securities and Exchange Commission. 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.