

Sustainable Supply Chain Policy

Updated August 2024

At American, our business is to bring people together — flying over borders, walls, and stereotypes to connect people, cultures, and commerce worldwide. Our values are the foundation of our business, as articulated in our Human Rights Statement, Environmental Policy Statement and Standards of Business Conduct for team members and suppliers.

We endeavor to conduct our business in a socially responsible and ethical manner consistent with our values — and to extend these values to our supply chain. We expect our suppliers to uphold the same high ethical standards we do. We engage new and existing suppliers to understand how they view and manage environmental, social, and governance (ESG) risks. We aim to partner with those who share our goals on ESG matters, including protecting and promoting biodiversity, eliminating all deforestation, and respecting human rights.

Executive management, led by our Chief Executive Officer, oversees our supply chain program. Our Chief Procurement Officer, who reports to our Chief Financial Officer, leads our program, with support from leaders from other departments across the company, including Legal and Sustainability.

American is committed to:

1. Monitoring and assessing our supply chain

Monitoring our supply chain and regularly assessing supplier risk is crucial to meeting our sustainability goals and conducting business ethically and responsibly.

- We segment suppliers to identify those that are critical, which we define as highly business relevant or vulnerable to ESG risks. Factors we include in this analysis are spend, substitutability of products, operational impact, potential impact on customers, and ESG-specific risks. Our analysis includes high-volume suppliers, suppliers of critical components, and sole source suppliers. We also screen suppliers of specific commodities that bring sector-, country-, or commodity-specific ESG risks.
- We have identified several ESG risks as important to our business, including climate change, human rights, safety, team member relations, and customer satisfaction. We consider these issues, and others, when assessing our supply chain.
- We use both direct engagement with suppliers and third-party screening services to better understand our risks.
- When evaluating new suppliers, we consider key ESG factors, such as environmental stewardship, diversity, safety, and impact to customers.
- Our Standards of Business Conduct for Suppliers set forth our minimum expectations for workplace standards and business practices. We expect all suppliers to align with and uphold these Standards.

2. Partnering with critical suppliers to mitigate ESG risks

We have thousands of suppliers, many of whom we define as critical to our business. If an issue arises affecting their ability to provide services, it could significantly disrupt our operations. Our critical suppliers also include suppliers that carry commodity- or sector-related ESG risks. Our procurement strategy targets critical suppliers and aims to better understand the particular risks they may present.

- We focus on key risk factors such as financial, environmental, social, cybersecurity, and geopolitical risks, as applicable to the relevant commodity, sector, or country. By identifying relevant risk areas, we focus our efforts and can target engagement with suppliers to improve their performance and reduce our risk.
- We engage with our critical suppliers regularly and ask targeted questions on their ESG practices. Our teams review responses and follow up with suppliers directly to address any concerns.
- We seek to expand our positive influence upstream in our supply chain by engaging with our critical suppliers on ESG-related matters. For example, we encourage our suppliers to report on their environmental impact, including GHG emissions, and we expect all suppliers to consider diverse suppliers in their procurement decisions, as outlined in our Standards of Business Conduct for Suppliers.

3. Understanding our upstream supply chain risk

Identifying and assessing our suppliers' suppliers (Tier 2) and their suppliers (Tier 3) helps us better understand our own risk exposure.

- We use third-party screening services to understand inherent risks our Tier 1 suppliers may be exposed to through their direct suppliers.
- We consider Tier 2 and Tier 3 risk in ongoing assessments of our supply chain, and we engage with our Tier 1 suppliers to understand and mitigate these risks.

4. Working with suppliers to mitigate concerns

Through our supplier selection process and by aiming to partner with suppliers who share our values, we strive to proactively mitigate risk. When issues arise, we work with suppliers to remedy the situation.

- We work closely with and monitor and assess our suppliers to understand and minimize known risks.
- We conduct both desk and on-site assessments to monitor performance indicators that highlight risk and track progress.
- For serious issues, such as those affecting safety, we publish advisories or other communications requiring our suppliers to submit to us a corrective action plan, which we monitor for implementation.

- Ultimately, if no suitable solution can be found, we carefully consider our response, which may include working directly with suppliers to improve performance and meet expectations or potentially terminating our business relationship.

5. Building internal and external capacity

Training our team members and suppliers on our Standards, on potential risks, and how to mitigate risks supports our procurement strategy.

- We regularly train team members on our Standards of Business Conduct and on other key issues, including safety, environmental compliance, cyber risk, and diversity and inclusion. Team members with purchasing responsibilities receive additional job-specific training relevant to their roles.
- We provide training to our suppliers to help develop their capabilities to mitigate risks in known areas, such as airport safety and environmental compliance.
- We will regularly report on our supply chain management program in our annual Sustainability report.

We intend to continually encourage our business partners, suppliers, contractors, service providers, and vendors to support this policy and to adopt similar policies.

Our senior executives have approved this policy and are committed to executing and providing resources to implement it.