



Modern Slavery and Human Trafficking Report
2023

Introduction

This report highlights the programs and initiatives American Airlines, Inc. has undertaken to combat modern slavery (including forced labour and child labour) during the financial year ending December 31, 2023. It is prepared under the UK Modern Slavery Act 2015, Australia Modern Slavery Act 2018, and Canada Fighting Forced Labour and Child Labour in Supply Chains Act.

Our commitment

American is committed to respecting human rights, including combating human trafficking, modern slavery, and child exploitation. As a prominent member of the worldwide travel industry, we conduct our business with a focus on protecting human rights and the rights of children within our sphere of influence. We have adopted responsible workplace practices and endeavour to conduct our business operations free from complicity in human rights abuses.

Key highlights for 2023

We are continually looking for ways to strengthen and improve our practices. Here are some steps American took in 2023 to prevent and reduce the risks of modern slavery:

Adopted a Sustainable Supply Chain Policy

We implemented a Sustainable Supply Chain Policy, which outlines our commitment to maintain a socially responsible supply chain and expectations for American's suppliers to share in our environmental, social, and governance goals and initiatives, including protecting and respecting human rights.

Conducted annual human trafficking and modern slavery risk assessment

We conducted our annual risk assessment to identify potential modern slavery and human trafficking risk in our operations and supply chains. Our 2023 assessment, based largely on the controls we have implemented to mitigate human trafficking and modern slavery risk, resulted in an overall "low" rating.

Conducted independent supply chain risk analysis

We had Interos, a leading supply-chain risk management solutions provider, assess American's supply chain based on key compliance risk factors, including labour/human rights issues, to identify potential downstream forced and child labour risk.

Our structure, activities, and supply chains

Who we are

American is a Delaware corporation with its headquarters in Fort Worth, Texas. American is a wholly owned operating subsidiary of American Airlines Group, Inc. (AAG). Our 114,000+ team members are devoted to creating a world-class customer experience. With its affiliated regional airlines and third-party regional carriers operating as American Eagle, American is one of the largest airlines in the world, providing scheduled air transportation for passengers and cargo to more than 350 destinations in more than 60 countries through our hubs in Charlotte, Chicago, Dallas-Fort Worth, Los Angeles, Miami, New York, Philadelphia, Phoenix, and Washington, D.C., and our partner international gateways including London, Doha, Madrid, Sydney, and Tokyo.

In 2023, more than 211 million passengers boarded our flights. American is a founding member of the **oneworld**[®] Alliance, which brings together a global network of 13 world-class member airlines and their affiliates working together to provide a superior and seamless travel experience.

American also operates a cargo division providing a wide range of freight and mail services, with facilities and interline connections available across the globe. In 2023, we served more than 21,000 unique origin and destination pairs, transporting more than 900 million pounds of time-sensitive freight and mail across our network.

Our sustainable supply chain

Our commitment to running a responsible airline extends to our supply chain. We procure high-quality, cost-competitive goods and services from more than 10,000 suppliers.

Purchasing at American consists of six primary teams:






Team	Responsibilities
Technical Operations Purchasing	Aircraft parts, components, equipment, and systems.
IT Vendor Management	Management of IT services, including network, infrastructure, cloud, communications, mobility, software, and application support.
Corporate, Airports, and Onboard Services	Products and services used by the operation and our team members, including outsourced ground and passenger services, office supplies, team member uniforms, inflight products such as blankets and amenity kits, and catering.
Fuel Supply	All fuel for aircraft and ground service equipment used in our global operation.
HR Vendor Management	Professional and managed services, contract labour, contingent workforce, and consulting services.
Corporate Real Estate	Construction, facilities maintenance, janitorial services, utilities, and other facility costs for American's owned and leased properties.

Historically, these purchasing teams have been decentralised, each with varying procurement strategies, controls, and procedures. However, American plans to consolidate the purchasing function across the company and hired a new Chief Procurement Officer in early 2024 to lead this effort. This will provide even more supply chain transparency and ensure consistent strategic sourcing, supplier selection criteria, and onboarding processes. American is also developing a unified way to monitor all third-party spending, which will provide helpful context for determining whether we need to modify our goals or policies. Not surprisingly, jet fuel is our largest purchase, both in terms of expense and volume, and we devote significant resources to assessing the health, safety, environmental, and labour risks associated with its production, distribution, and use aboard our aircraft.

Canada operations

American provides scheduled year-round service from the United States to four locations in Canada: Toronto, Ontario; Vancouver, British Columbia; Calgary, Alberta; and Montreal, Quebec. We also operate seasonal service to Halifax, Nova Scotia. American employs more than 380 team members to manage our operation in Canada.

American routinely imports goods—including team member uniforms, catering, onboard products, and aircraft parts—to support our Canada operation and ensure our passengers experience a pleasant journey. This table outlines the categories of goods American imported into Canada in fiscal year 2023, the percentage each category represents of the total imported goods, and the countries of origin and export for the goods in each category.

Goods Category	Examples	% of FY23 Imports	Countries of Origin	Country of Export
 Inflight Goods	Passenger amenities (blankets, pillows, amenity kits), cabin dining (tableware, linens, trays), lavatory products (toilet tissue, paper towels, soap), and safety cards.	26%	U.S. (60%) China (33%) Vietnam (3%) Belgium (3%) Other (1%)	U.S.
 Food and Beverage	Snacks and beverages—inflight and lounges.	12%	U.S. (79%) Belgium (9%) Sri Lanka (4%) China (4%) Mexico (3%) Other (1%)	U.S.
 Aircraft Maintenance	Aircraft parts, components, equipment, and engine fluids.	8%	U.S. (63%) Great Britain (12%) Canada (9%) France (8%) China (6%) Other (2%)	U.S.
 Airport Operations	Goods, other than information technology, used to support ground operations (ticket stock, safety gear, office supplies).	7%	U.S. (84%) China (13%) Mexico (1%) Canada (1%) Other (1%)	U.S.
 Uniforms and Accessories	Uniforms and required travel ware for onboard, airport, and ground support team members.	45%	China (50%) Sri Lanka (17%) U.S. (15%) Indonesia (9%) Other (4%) Vietnam (3%) Mexico (2%)	U.S.
 Information Technology	Computers, monitors, ticket kiosks, and other technology supporting the airport operation.	2%	Taiwan (35%) China (33%) U.S. (16%) Mexico (11%) Vietnam (3%) Other (2%)	U.S.



Assessing modern slavery risks in our business and supply chain

Millions of people trust American to care for them on life's journey. We fly over borders, walls, and stereotypes to connect people from different races, religions, nationalities, economic backgrounds, and sexual orientations. Unfortunately, making the world a smaller place can come with the risk of exploitation by human traffickers. While studies suggest airlines are rarely used for labour trafficking, American recognises our aircraft could potentially be used by traffickers for forced labour involving debt bondage or sexual exploitation.

The breadth of products and services American procures across its global supply chain may also expose American to modern slavery risk. It is impracticable to assess our entire supply chain to determine how every supplier identifies, prevents, and addresses modern slavery risks. So American focuses on those products and suppliers in geographies or sectors where the risk of modern slavery is high and those most critical to our operations.

American's assessment of its operational and supply chain risk falls within a broader risk management framework. Modern slavery risk is first assessed without consideration given to the mitigation controls American has in place, producing an inherent risk level. In determining this inherent risk level, American evaluates internal and external stakeholder data and source material. We also assess both suppliers critical to our operation and those vulnerable to environmental, social, and governance (ESG) risks based upon geographic, sector, and product-specific factors. Understanding where the products we procure are sourced helps us identify potential modern slavery risk in our supply chain.

The inherent risk is then considered with American's existing controls to produce an assessment of the current, or net, level of risk. The goal of this process is to allow senior management to understand if American is appropriately controlling its risk and, if not, what additional measures American should take.

American annually updates its risk assessment to identify potential modern slavery and human trafficking risk that American is likely to encounter as the result of entry into new markets, new regulations, and changes in the supply chain. Risk matrices are reviewed by the Chief Ethics & Compliance Officer, and risk areas rated Serious or High are reviewed annually with the Chief Legal Officer. Our most recent risk assessment, based largely on the controls we have implemented to mitigate human trafficking and modern slavery risk, resulted in an overall "low" rating.

How we manage modern slavery risks

As a global airline, we recognise our unique role and responsibility to combat modern slavery and child exploitation. We embrace this responsibility by maintaining a comprehensive human trafficking and modern slavery prevention program designed to prevent, detect, and remediate forced or child labour. American's program comprises four essential elements: (1) policies and due diligence processes addressing modern slavery; (2) training to identify and report suspected human trafficking and forced labour; (3) internal accountability and reporting; and (4) external engagement and collaboration.

Our policies and due diligence processes

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

For many years, we addressed expectations about our commitment to human rights in our [Standards of Business Conduct](#) for team members and suppliers. In 2020, we strengthened those expectations through the adoption of a [Human Rights Statement](#) that embodies our core values and commitment to respecting human rights in all aspects of our business and geographies where we operate. Our Human Rights Statement is formally aligned with global standards, such as the UN Guiding Principles on Business and Human Rights, and it applies to all team members, contractors, suppliers, and other business partners.

As a U.S. federal government contractor, American is subject to the Trafficking Victims Protection Act of 2000 and implementing Federal Acquisition Regulation (FAR) 48 CFR § 52.222-50—Combating Trafficking in Persons—which was enacted to combat all forms of human trafficking and forced



Supplier Due Diligence at Work – Lands' End

In 2018, American selected Lands' End as the uniform supplier for our Inflight, Airport Customer Service, and Premium Guest Services team members. American was impressed with Lands' End's 25 years of corporate uniform experience and its insistence upon exceeding industry quality and compliance standards. Like American, Lands' End is committed to human rights and adheres to both the Worldwide Responsible Accredited Production standard and Ethical Trading Initiative Base Code. Recognising the heightened risk of forced labour and child labour in the garment industry, American also undertook additional steps in our supplier due diligence process and toured the Lands' End manufacturing facilities in Asia to view firsthand their uniform manufacturing process and labour practices.

labour. We have adopted a Policy Prohibiting Trafficking in Persons and Compliance Plan that serves as a guide to address and comply with these regulatory requirements. We also flow down FAR 52.222-50 as required to our government subcontractors and agents. Any violations of the FAR or American’s policy prohibiting trafficking in persons by team members, agents, or subcontractors may cause an agent’s or subcontractor’s removal from the contract, termination of the contract, suspension of the team member’s privileges, or termination of employment.

We also expect our suppliers to share our commitment to human rights and ethical business practices. These expectations are outlined in our [Standards of Business Conduct for Suppliers](#) and on a Supplier Management portal. To ensure suppliers meet our standards, we include a Supplier Corporate Social Responsibility Assessment in our standard requests for proposals, which asks suppliers about their policies and practices around wage and labour standards, business ethics, the environment, and health and safety. In 2023, we published our [Sustainable Supply Chain Policy](#) which formalises our long-standing procurement strategy to conduct business with partners and suppliers who share our commitment to sustainability, including respecting human rights.

We also use direct engagement with suppliers and third-party screening services to detect and better understand our risks. This multi-layered assessment helps us identify potential areas of risk, and where identified, flag suppliers for additional due diligence. We monitor supplier performance against these criteria and assess potential risks, such as labour standards or workplace safety violations, and we engage with our critical suppliers regularly, asking targeted questions about their ESG practices. American’s teams review responses and follow up with suppliers to address any concerns. In certain situations, particularly in geographic locations or product and service industries where modern slavery risk may be higher, our Procurement team will inspect a prospective supplier’s facilities and operations to validate workplace practices.

Through our Standards of Business Conduct for Suppliers, we require suppliers to not use forced labour or child labour and not engage in slavery or trafficking of persons. We also added a provision in our supplier contract templates requiring suppliers to comply with laws and regulations to prevent human trafficking and commercial sexual exploitation of children, including preventing the use of American’s premises or products for such exploitation.

American realises modern slavery risk is not limited to our Tier 1 suppliers and may exist farther downstream in our supply chain, where we have less direct visibility into working conditions and sub-supplier practices. So we plan to employ third-party screening services, like Interos, to identify risks our Tier 1 suppliers may encounter through their suppliers, evaluate Tier 2 and 3 supplier risk as part of our ongoing supply chain assessments, and work with our Tier 1 suppliers to mitigate identified risks.

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





Training

Training is an integral component of our human trafficking and modern slavery prevention program. Through training, team members learn to recognise the signs of human trafficking and modern slavery and what action to take if they suspect these violations. We have mandatory human trafficking awareness training for our frontline, customer-facing team members, including flight attendants, pilots, and airport customer service agents. This training is required for new team members and as part of our recurrent training programs. We also provide modern slavery training developed by TRACE International for team members with international purchasing responsibilities, which helps them learn how to identify and be aware of forced labour, know how to formulate a plan to avoid forced labour, understand what to do if they suspect possible modern slavery risks, and take action to report them. All told, we train more than 70,000 team members each year.

Accountability and reporting

American knows, even with robust policies and practices, that companies may unknowingly cause or contribute to forced or child labour in their supply chains. Should we identify such instances, whether through our due diligence processes, risk assessments, or other means, it is our responsibility to remediate. According to the Guiding Principles on Business and Human Rights published by the UN Human Rights Council, grievance mechanisms for those potentially affected by the business enterprise's activities can be one effective means of enabling remediation.

American encourages the reporting of any incidents of suspected human trafficking, forced labour, or other activity inconsistent with our Standards of Business Conduct for team members and suppliers. American's business ethics helpline, EthicsPoint, is available 24/7 to all team members, suppliers, and business partners globally, and reporters can remain anonymous. Reporters can call a toll-free number, use an online, secure web portal, or access the helpline with a mobile device to ask questions or report questionable conduct.

American's Business Ethics & Compliance Office and Legal department also receive reports by telephone, mail, and email. We also inform team members they may report any activity inconsistent with U.S. government policy or American's policy by contacting The National Human Trafficking Hotline.

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

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

We recognise that terminating supplier relationships can harm employees and families who rely upon the supplier for their income. American received no reports or complaints of forced or child labour in 2023 and is unaware of any loss of income to vulnerable families resulting from measures taken to mitigate or eliminate the risk of modern slavery in our activities and supply chains. However, we work closely with, monitor, and assess our suppliers to identify and minimise known risks.



Our EthicsPoint helpline enables suspected abuses, once identified, to be addressed and for adverse impacts to be remediated early. If forced labour or child labour is discovered in our supply chain, American will carefully consider our response and its potential impacts and engage with our relevant suppliers to implement a corrective action plan to meet international human rights standards and avoid the use of forced or child labour.

External engagement and collaboration

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

American is a signatory of PACT’s Tourism Child-Protection Code of Conduct. PACT (or Protect All Children from Trafficking) is the leading policy organisation in the United States seeking to end the commercial, sexual exploitation of children. The Code, which represents a joint venture between the tourism private sector and PACT, is a voluntary set of business principles travel and tour companies can implement to prevent child sex tourism and trafficking of children.

American is also proud to be involved with the U.S. Department of Homeland Security’s Blue Campaign, a national public awareness campaign designed to educate the public, law enforcement, and other industry partners how to identify the indicators of human trafficking and how to appropriately respond to possible cases. In January 2023, American spearheaded airport-wide training with DHS at Ronald Reagan Washington National Airport. More than 100 people participated in this session, including American team members, employees of other airlines, airport vendors, the Transportation Security Administration, and the Metropolitan Washington Airports Authority.

Recognising our responsibilities as one of the largest employers in Texas, we joined Texas Businesses Against Trafficking (TBAT) in 2019, a business partnership established by the Office of the Texas Secretary of State to combat human trafficking by fostering collaboration between the public and private sectors. American was recognised for its commitment to combating human trafficking by the Texas Secretary of State at the inaugural TBAT forum in October 2019.

Other notable activities:

- In 2021, American joined the [UN Global Compact](#), the world’s largest corporate sustainability initiative. As a signatory, we commit to align our strategies, policies, and operations with universal principles on human and labour rights, the environment, and anticorruption. Among the UN Global Compact principles, members pledge to uphold the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.
- American participated in a Human Trafficking Roundtable hosted by U.S. Secretary of Homeland Security Alejandro Mayorkas to gain industry feedback on the DHS’s Blue Lightning Initiative and identify opportunities to improve the campaign, which is aimed at training aviation personnel to recognise potential human trafficking.
- American attended a Combating Human Trafficking in Aviation summit during National Human Trafficking Prevention Month in January 2023. The event was hosted by the Blue Lightning Initiative to raise awareness of human trafficking in aviation and featured subject matter expert presentations, partner representative panels, and a lived experience expert perspective on best practices to combat the crime.
- We have continued our close partnership with New Friends New Life (NFNL), a Texas-based organisation working to restore and empower formerly trafficked teenage girls and sexually exploited women and their children. In collaboration with three of our employee business resource groups—Professional Women in Aviation, Black Professional Network and Latin Diversity Network—NFNL held human trafficking awareness sessions in 2022 for more than 100 American team members at our headquarters in Fort Worth, Texas, and another 120 team members at Miami International Airport. Our legal team also provides pro bono services to NFNL, such as helping the organisation’s clients expunge criminal records from their time being trafficked. For its efforts, American was selected as a 2021 ProtectHER Award recipient by NFNL.
- We marked World Day Against Trafficking in Persons on July 30, 2023, by sharing a message with 1.6 million followers on X (formerly Twitter) and LinkedIn.



Assessing the effectiveness of our program

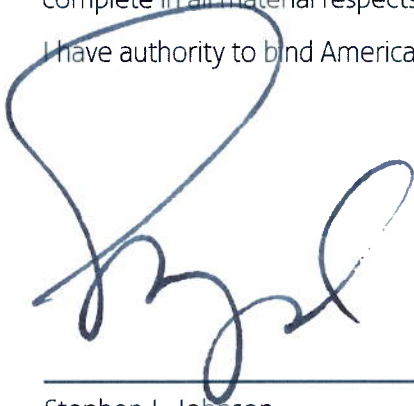
Assessing the effectiveness of our human trafficking and modern slavery prevention program is important. But we also recognise the difficulty in using key performance indicators and metrics to accurately measure a program’s effectiveness. Despite these challenges, American is focused on identifying ways to assess our effectiveness in ensuring forced labour and child labour are not being used in our operation and supply chains. These efforts include periodic reviews of our program policies and procedures and tracking relevant performance indicators such as the number of team members trained and human rights cases reported through EthicsPoint.

Approval and attestation

This statement was approved by the Board of Directors of American Airlines, Inc.

I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the reporting year listed above.

I have authority to bind American Airlines, Inc.



Stephen L. Johnson
Director, American Airlines, Inc.
May 2024