THE FUTURE OF TRAVEL MOBILITY: SUSTAINABILITY

CLICK TO PLAY THE RECORDING
TORI BARNES
Executive Vice President,
Public Affairs & Policy

U.S. TRAVEL ASSOCIATION®
OUR VISION

A travel industry that is...

- Better connected
- Positioned for faster, enduring growth
- More sustainable, seamless and secure, innovative and inclusive
The Future of Travel Mobility Platform

- Sustainability
- Mobility
- Seamless, Secure Travel
- Workforce
- Emerging Issues

Diversity, Equity and Inclusion
THE FUTURE OF SUSTAINABLE TRAVEL

“We need to find new sources of energy... that make people feel they’re not having to choose between seeing the world and saving the world—we can do both.”

-Ed Bastian, Delta
TRAVEL’S SUSTAINABILITY IMPERATIVE

- Industry’s future competitiveness and viability
- Consumer, investor, policymaker, employee demands
- Talent recruitment and retention
- Preserve natural assets
DISCUSSION GOALS

1. **Review** sustainability trends and drivers in travel

2. **Share** our vision to support travel industry leadership

3. **Present** our policy goals for achieving the vision
MICHAEL COOK
Director, ESG and Sustainability

AMERICAN EXPRESS
ESG Trends & ESG at American Express

U.S. Travel Association

MARCH 2022
The evolution of ESG
Why Environmental, Social & Governance (ESG) at American Express

At American Express, we see effective ESG management as critical to charting a path to a sustainable, inclusive, and successful future. For years, we have mobilized our business to address pressing global challenges, delivering high impact initiatives serving our colleagues, customers, communities, and other stakeholders.

- **PROMOTE DIVERSITY, EQUITY, & INCLUSION (DE&I)**
- **BUILD FINANCIAL CONFIDENCE**
- **ADVANCE CLIMATE SOLUTIONS**

We aim to drive $100 billion in spending at independently owned retailers or restaurants, including at small businesses owned by underrepresented populations through 2025. We are supporting underrepresented groups and communities to build financial wellness through products, services and $500 million in equity-focused community grants.
Macro Trends: Key Drivers of ESG

REGULATORS
Expanding regulations on ESG reporting, climatee risk, and board diversity
- SEC to require increased disclosures on ESG
- UK mandated TCFD disclosures beginning in 2022
- EU Green Deal with proposed rules to achieve net zero by 2050

INVESTORS
Increasing shareholder proposals and requests for disclosure on ESG
- 220 investors w/ $30T in assets called for 1,600 companies to set science-based targets
- 7/10 investors will prioritize climate risks and opportunities during 2022 shareholder meetings
- 2/3 of investors asking for executive compensation linked to ESG

COLLEAGUES
ESG serves as a way to attract talent and motivate employees
- 70% are more likely to choose to work at a company with a strong environmental agenda

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1Source: Investors demand science-based emissions targets 29 Sep 2021
2Source: EY 2022 Proxy Season In Review February 2022
3Source: Center for Sustainability & Excellence Linking ESG targets to executive pay 21 Oct 2021
4Source: Fast Company Survey, 2019
Consumer Trends: Traveling with Purpose

69% Agree they want to choose an airline/hotel that values diversity and inclusion, whose employees reflect a diverse customer base

72% Agree they are passionate about traveling to destinations that help boost tourism revenue and the local economy

68% Agree they are trying to be more aware of sustainability-friendly travel brands to support

69% Agree they are interested in “philantourism”

55% Say they are interested in ‘carbon negative travel’ and 60% agree they want to book with airlines that have a carbon neutral commitment

76% Agree they want to spend more on travel to improve their well-being

This Amex Trendex online poll was conducted by Morning Consult between September 9-15, 2021, among a national sample of 2,000 general population travelers in the United States and 1,000 in Japan, Australia, Mexico, the United Kingdom, Canada, and India. The audience is defined as those with a household income of at least $70K who traveled by air at least once in 2019. Results from the survey have a margin of error of plus or minus 2 percentage points.

Corporate Trends: Companies Taking Action on ESG

**NET ZERO COMMITMENTS**

- **2,577** Companies committed to set science-based targets with SBTi
- **300+** Companies signed onto the Glasgow Declaration for Climate Action on Tourism to achieve net-zero by 2050

**COALITIONS**

- **100+** Companies are members of the World Economic Forum’s Clean Skies for Tomorrow Coalition and 10% SAF by 2030
- **30,000+** Properties members of the Sustainable Hospitality Alliance

**ESG REPORTING**

- **52%** of US CEO’s say they are seeing significant demand for increased reporting and transparency on ESG issues from stakeholders
- **96%** Global 250 report on sustainability and a majority in alignment with GRI, SASB, and TCFD

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1. Source: 2021 KPMG U.S. CEO Outlook
2. Source: "The Time has Come" The KPMG Survey of Sustainability Reporting 2020
ESG Strategy at American Express
Background

A comprehensive and collaborative approach

- Performed ESG priority assessment with key stakeholders
- Established ESG Steering Committee
- Developed and finalized ESG Strategy Framework
- Formed ESG Working Groups
- Established ESG roadmaps with objectives & targets across 3 strategic pillars

Cross-functional engagement
Our ESG Strategy Framework

ESG MISSION STATEMENT
To back people and businesses to thrive and create equitable, sustainable and resilient communities globally.

PROMOTE DIVERSITY, EQUITY, AND INCLUSION
Support a diverse, equitable, and inclusive workforce, marketplace, and society.

BUILD FINANCIAL CONFIDENCE
Provide responsible, secure, and transparent products and services to help people and businesses build financial resilience.

ADVANCE CLIMATE SOLUTIONS
Enhance our operations and capabilities to meet customer and community needs in the transition to a low-carbon future.
Responsible Backing Our Colleagues, Customers, and Communities

2020-2021 HIGHLIGHTS

PROMOTE DIVERSITY, EQUITY, AND INCLUSION (DE&I)

• **$1B Action Plan** to promote DE&I through goals, commitments, and initiatives by the end of 2024
• **100% pay equity** achieved for colleagues across genders globally and races and ethnicities in the US
• **New disclosures** on median pay gap, hiring, promotion and retention
• **$10M** pledged to the Coalition to Back Black Businesses in partnership with US Chamber of Commerce Foundation

BUILD FINANCIAL CONFIDENCE

• **Shop Small Campaign** supported small businesses including an estimated **$23.3B** in reported spending by US consumers on Small Business Saturday¹
• **$40M** pledged to Accion Opportunity Fund to expand access to loans for historically underfunded small businesses, including those owned by women and underrepresented groups
• **$1M** Backing Historic Small Restaurants Program with National Trust for Historic Preservation in 2021

ADVANCE CLIMATE SOLUTIONS

• **Carbon Neutral** in our operations since 2018 and powered by 100% renewable electricity²
• **RE100 Member**, a global initiative of businesses committed to 100% renewable electricity
• **210,000+** trees planted with The Nature Conservancy since 2017
• **Low-carbon products** including Carbon Footprint Dashboard to help clients track emissions
• Joined **Science Based Targets initiative, Business Ambition for 1.5°C, and Race to Zero** in 2021

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¹The American Express 2021 Small Business Saturday Consumer Insights Survey was conducted by Toluna on behalf of American Express and the National Federation of Independent Business (NFIB). The study is nationally representative, sample of 2,436 U.S. adults 18 years of age or older. The sample was collected using an email invitation and online survey. The study gathered self-reported data and does not reflect actual receipts or sales. The study conducted anonymously on November 28, 2021. The survey has an overall margin of error of +/- 2.0%, at the 95% level of confidence. Projections are based on the current U.S. Census estimates of the U.S. adult population, age 18 years and over.

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LAUNCH OF OUR 2020–2021 ESG REPORT

To read the 2020–2021 report and learn more, visit: amex.co/ESG
Looking Ahead
Looking Ahead

• ESG is constantly evolving with emerging regulations, priorities, and reporting standards
• Stakeholder expectations on ESG commitments, initiatives, and disclosures will continue to increase
• The return to travel presents new opportunities for innovation that positively impact people and the planet
Thank you
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 which are subject to risks and uncertainties. The forward-looking statements, including the company's aspirational emissions and climate-related commitments and goals, contain words such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “aim,” “will,” “may,” “seek,” “should,” “could,” “would,” “likely,” “potential,” “continue” or other similar expressions. Actual results may differ from those set forth in the forward-looking statements due to a variety of factors, including: competition, brand perceptions and reputation; an inability to develop and market value propositions that appeal to Card Members and new customers; the amount and efficacy of investments in product innovations, resources, marketing campaigns and programs; changing customer behaviors, interest in the company's products, resources and programs, and willingness to access capital provided by the company; spend money at small businesses and value environmentally and socially responsible products and services; management's inability to identify suitable suppliers, grantees, partners and community investments and negotiate acceptable terms; an inability to build partnerships and execute programs with other companies and of partners to meet their obligations to the company; changes in developing standards and certifications; the cost and availability of renewable energy, carbon removal and carbon offset projects, energy attribute certificates, certified paper and green buildings, and alternatives to single-use plastic; supply chain and market disruption; regulation; potential M&A activity; severe weather conditions, natural disasters and other catastrophic events; changes in the company's real estate, technology, colleague and community engagement, and risk management strategies; an inability of waste management systems to divert waste to recycling and composting facilities; and changes in economic or business conditions and the company's ability to grow, improve its financial performance and execute on its strategies. A further description of these and other risks and uncertainties can be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and the Company's other filings with the U.S. Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update or revise any forward-looking statements.
U.S. TRAVEL ASSOCIATION’S SUSTAINABILITY GOALS

1. Spotlight industry progress
2. Amplify industry goals and leadership
3. Highlight why sustainability matters
4. Play offense to help the industry achieve its goals
5. Defend against harmful policies
U.S. TRAVEL SUSTAINABILITY GOALS

SPOTLIGHT INDUSTRY PROGRESS

- Showcase leadership and ongoing actions.
U.S. TRAVEL SUSTAINABILITY GOALS

**SPOTLIGHT INDUSTRY PROGRESS**

- Showcase the cutting edge
- Virgin Hyperloop
  - 600+ MPH
  - Fully electric, zero direct emissions
U.S. TRAVEL SUSTAINABILITY GOALS

AMPLIFY INDUSTRY GOALS AND LEADERSHIP

- Ambitious waste and emissions reduction targets
- Leading conservation efforts
- Significant sustainability investments
- Best practices on sustainability
HIGHLIGHT WHY SUSTAINABILITY MATTERS

• Make the case: Sustainability is core to travel’s future
• Keep up a steady drumbeat
PLAY OFFENSE TO HELP THE INDUSTRY ACHIEVE ITS GOALS

- Identify and promote proactive policies
DEFEND AGAINST HARMFUL POLICIES

• Bad Policy:
  › Slows progress towards sustainability goals
  › Penalizes the industry without advancing progress
ERIK HANSEN
Vice President, Government Relations

U.S. TRAVEL ASSOCIATION®
Automakers are all-in on an all-electric future.

- Ford investing $22 billion to electrify most popular products
- GM will only make EVs starting in 2035
OUR POLICY PRIORITIES

- **Range anxiety**: most significant hurdle to EV adoption.
- **80%** of long-haul travel in U.S. is by car
- Travelers: **41%** would take more road trips if access to EV charging available
- **Solution**: Expand EV infrastructure along frequently used corridors and in popular destinations
Making progress...

- Infrastructure bill: $7.5 billion to expand EV infrastructure
- Biden Administration goal: 500,000 new EV charging stations by 2030
- $5 billion over five years for EV infrastructure
State tourism offices and DMOs:
Engage with your state DOTs
Joby Aviation

- Four-passenger EVTOL air taxi service
- All-electric, zero emissions
- 150-mile range, 200 MPH top speed
- LAX to Orange County in 15 minutes
Airlines have committed to net-zero carbon emissions by 2050

Travelers prefer sustainable travel options:

- 18% of Americans would travel more frequently if they had access to more sustainable flight options
OUR POLICY PRIORITIES

- Net-zero targets requires SAFs
- Problem: SAFs demand greater than supply
- Solution: Scale-up SAFs production and infrastructure
- U.S. Travel will advocate for policies to accelerate SAFs deployment
SUSTAINABILITY WORKING GROUP

- Guide future efforts and determine U.S. Travel focus
- U.S. Travel members with subject matter expertise and sustainability experience
OUR COMMITMENT

- Support national and global climate goals
- Become a recognized leader on sustainability