



AMERICAN EXPRESS
CORPORATE RESPONSIBILITY UPDATE 2011

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CORPORATE RESPONSIBILITY UPDATE 2011 **SHAREHOLDERS**

American Express strives to achieve strong financial returns for our shareholders, while maintaining high ethical standards. We know that our reputation affects our business results, and it is essential that we operate with integrity in all that we do. From risk management programs to public policy work to efforts to promote diversity among our suppliers, we are guided by this ethic and our company values.

INTRODUCTION

In a rapidly changing and increasingly interdependent world, we believe that it is more important than ever to hold fast to our company values. The company Code of Conduct, our values, and our views on business ethics are central to employee training and development at all levels. Each employee is responsible for his or her actions and the ways these actions affect the company. We believe this investment in building a “culture of character” has a direct, positive impact on our customers’ experience of our brand, the satisfaction of our employees, and the bottom line.

OUR VALUES

Our company values reflect who we are and what we stand for, and clearly state our commitment to customers, quality, people, integrity, teamwork and good citizenship.

CUSTOMER COMMITMENT

We develop relationships that make a positive difference in our customers’ lives.

QUALITY

We provide outstanding products and unsurpassed service that, together, deliver premium value to our customers.

INTEGRITY

We uphold the highest standards of integrity in all of our actions.

TEAMWORK

We work together, across boundaries, to meet the needs of our customers and to help the company win.

RESPECT FOR PEOPLE

We value our people, encourage their development and reward their performance.

GOOD CITIZENSHIP

We are good citizens in the communities in which we live and work.

A WILL TO WIN

We exhibit a strong will to win in the marketplace and in every aspect of our business.

PERSONAL ACCOUNTABILITY

We are personally accountable for delivering on our commitments.

OUR BOARD OF DIRECTORS

Our board, acting through the Nominating and Governance Committee, seeks a board of directors that, as a whole, possesses the mix of experiences, skills, expertise, and qualifications appropriate to support the success of the company and function effectively in light of the company’s current and evolving business circumstances.

Our Corporate Governance Principles provide that directors should be people who have achieved prominence in their fields and who possess significant experience in areas of importance to us as a large, global public company, such as general management, finance, marketing, technology, law, international business, and public sector activities. The minimum personal characteristics that must be met by a nominee include integrity, independence, energy, forthrightness, strong analytical skills, and the commitment to devote the necessary time and attention to the company’s affairs.

Candidates must also demonstrate a willingness to work as part of a team in an atmosphere of trust and a commitment to represent the interests of all shareholders rather than those of a specific constituency. Candidates are assessed based on their history of achievement, background, specific

skills, expertise or experience, and personal attributes. The committee looks for directors who have established records of significant accomplishment in leading large, global businesses and in areas relevant to our success and our strategy, and seeks candidates who have demonstrated they have the ability to challenge and stimulate management and to exercise sound judgment.

Our governance principles provide that while the board need not adhere to a fixed number of directors, generally a board composed of 12 to 14 directors offers a sufficiently large and diverse group to address the important issues facing the company while being small enough to encourage personal involvement and discussion.

BOARD COMMITTEES

- Audit and Risk
- Compensation and Benefits
- Innovation and Technology
- Nominating and Governance
- Public Responsibility

PUBLIC RESPONSIBILITY COMMITTEE

The board established the Public Responsibility Committee in recognition of the importance of issues that affect the communities in which we work, or the public interest in general.

Responsibilities — Reviews legislation and regulation affecting American Express, our philanthropic programs, our political action committee and corporate political contributions, our government relations activities, other policies affecting the communities in which we operate, and our environmental programs.

ETHICS AND COMPLIANCE

All American Express employees are bound by the company's Code of Conduct, which is regularly updated to reflect current issues and regulations affecting our industry. It covers areas such as anti-corruption, the use of technology, gift-giving and travel expenses. Each business unit maintains guidelines specific to its function, for example, money laundering, doing business with foreign governments and protecting customer privacy. Adherence to the Code is a condition of employment, and violations can result in termination. Each employee must review and sign a copy of the Code upon joining American Express and confirm receipt every other year thereafter. The Board of Directors is subject to an additional Code of Conduct focused on areas of potential conflict of interest. Beyond our policies, American Express fosters a culture that rewards employees for making sound ethical judgments. Leaders are expected to communicate regularly with their teams about

the importance of ethical conduct, and encourage employees to voice concerns. The company maintains an official whistleblower policy to encourage a culture of openness and accountability. To review the Whistleblower Policy and Codes of conduct, visit ir.americanexpress.com.

WORLD'S 'MOST ETHICAL COMPANIES' HONOR

In 2011, we were recognized by Ethisphere Institute for the fifth year in a row as one of the world's most ethical companies. Ethisphere reviewed thousands of nominations from 100 countries and more than 30 industries, evaluating them on codes of ethics; litigation and regulatory infraction histories; investment in innovation, sustainable business practices and corporate citizenship; and nominations from senior executives, industry peers, suppliers, and customers.

RISK MANAGEMENT

Managing enterprise risk is an important priority for the company. The company's Enterprise-wide Risk Management Policy defines risk management objectives, risk appetite, risk limits and escalation triggers, and establishes the internal governance structure for managing risk. The Policy focuses on the major risks that are relevant to the company

given its business model — credit risk, operational risk, market risk, and reputational risk. Internal management committees, including the Enterprise Risk Management Committee (ERMC), chaired by the company's Chief Risk Officer, and the Asset Liability Committee, chaired by the company's CFO, are responsible for implementing the policy across the company. Operational and Reputational risks are the most connected to Corporate Social Responsibility. Specifically, Operational risk is what the company defines as the risk of not achieving business objectives due to inadequate or failed processes or information systems, human error or the external environment (e.g., natural disasters) including losses due to failures to comply with laws and regulations. The company uses an operational risk framework to identify, measure, monitor and report inherent and emerging operational risks.

The company defines reputational risk as the risk that negative publicity regarding the company regarding practices, management, clients and partners, whether true or not, could cause a decline in the customer base, costly litigation, or revenue reductions. The company views protecting its reputation as core to its vision of becoming the world's most respected service brand and reputation as fundamental to its long-term success. General principles and the overall

framework for managing reputational risk across the company are defined in the Reputational Risk Management Policy. The Reputational Risk Management Committee (RRMC) is responsible for implementation and adherence to this policy, and for performing periodic assessment of the company and brand health based on internal and external assessments. Business leaders across the company are responsible for ensuring that reputation risk implications of transactions, business activities and management practices are appropriately considered and relevant subject matter experts are engaged as needed. More information about risk management at American Express is available in our Annual Report.

PUBLIC POLICY

American Express operates in a competitive and highly regulated industry. To enhance our understanding of the marketplace, gain insight about consumer needs, and share our views on laws and policies that affect our business, we meet regularly with stakeholder groups, including policy makers, consumer advocates, regulatory agencies and trade associations. We are committed to regular and open dialogue with legislators, and accomplish this through our U.S. federal and state government affairs offices. We also work with governing and regulatory bodies around the world on issues such as consumer credit protection, disclosure and data privacy, among other issues.

LOBBYING AND CONTRIBUTIONS

The American Express Political Action Committee is a fund supported solely by the voluntary contributions of American Express employees. Funds support federal and state political candidates, parties or committees that broadly share the Company's perspective on public policy issues. All contributions are 100% voluntary and employees can choose whether or not to participate. In 2011, employees voluntarily contributed a total of \$396,020.54 to the Political Action Committee. For a list of American Express political contributions, visit: americanexpress.com/csr.

SUPPLIER DIVERSITY

American Express purchases a broad range of products and services from diverse businesses.

We strive to achieve diversity in purchasing relationships, and actively seek to source from small businesses, and firms owned and operated by minorities, women, veterans and people with disabilities. In addition, large suppliers who do business with American Express are expected to demonstrate their own commitment to diverse sourcing through a plan or program established within their own business operations that quantitatively measures their purchases of goods and services from minority, women-owned, physically challenged and small businesses.

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CORPORATE RESPONSIBILITY UPDATE 2011 CUSTOMERS

For millions of loyal customers, American Express is not simply a company that facilitates purchases or manages travel, but is also a service provider that makes possible meaningful experiences and offers assistance in times of need.

American Express is a global service company, providing customers with access to products, insights and experiences that enrich lives and build business success. American Express is the world's largest card issuer by purchase volume, processing millions of transactions daily as the premium network for high-spending cardmembers. We help merchants succeed by delivering purchasing power, flexibility and financial control; providing commercial payment tools and expertise that help companies control their spending and save billions of dollars; and offering marketing and information management insights that help merchants build their businesses. We operate the world's largest travel network serving customers and businesses.



BENEFITS OF CARD MEMBERSHIP

Our global network delivers extraordinary service to our cardmembers everyday, from replacing lost or stolen cards, to providing emergency medical

assistance, lost luggage and passport assistance for cardmembers traveling, to creating once-in-a-lifetime memories through exclusive merchant partner offers. American Express cardmembers benefit from a range of services offered with our products, including round-the-clock access to our Global Assist Hotline, return protection for purchases, dispute resolution if there is an issue with a charge, and account alerts that provide important updates about charges, payments and more.

CASE STUDY ICELANDIC VOLCANO AIR TRAVEL DISRUPTION

With 100,000 European flights canceled between April 15 and April 20, 2010, 1.2 million passengers a day saw their travel plans evaporate, and more than 150,000 American Express Business Travel (AEBT) customers needed assistance.

This was an unprecedented event in the travel industry and for our business, affecting 29 percent of global aviation and driving our global call volume up by 60 percent. Our Global Service Delivery organization worked around the clock, scheduling 12,000 overtime hours and extending operating hours at many travel centers. Our Client Management teams juggled calls from concerned clients, armed with frequent updates about the situation and AEBT's response, and the Global Supplier Relations team worked tirelessly to secure accommodations for stranded customers.

"All of our Amex dedicated team have shown unflinching, unquestioning agreement and commitment to work all hours, very late and on the weekend, to support our travelers and get them home. The complex logistical issues of this particular crisis have been not only tactically intense but creatively and intellectually challenging. We have been very impressed with the dedication, 'smarts' and creativity that the Amex team have shown during this period and our ability to really 'follow the sun'."

—Quote from client following Iceland volcano eruption



RECOGNIZED FOR SERVING CUSTOMERS

In August, 2011, American Express received its fifth consecutive J.D. Power and Associates award for highest customer satisfaction among credit card companies. Benefits and services, as well as overall customer care, were cited as key contributors to this ranking. *BusinessWeek* also named American Express to its annual roster of customer service champs, and we received 10 other awards



for distinguished service around the world.

Through our Relationship Care servicing philosophy, we have empowered our Customer Care Professionals (CCPs) to deliver a superior service experience by actively listening to and engaging with our customers, rather than sticking to scripts and treating calls as timed transactions. This concept was introduced to employees several years ago in the U.S., and now our CCPs around the world are embracing this approach. Through Relationship Care, we treat every single interaction with

our customers as an opportunity. We focus on how we can resolve the issue and purpose of the call, then go beyond to ensure our customers get the most from their relationship with American Express. Our World Service Learning Network has provided the support structures and learning materials to equip our CCPs with the knowledge and skills necessary to provide extraordinary service to our customers, wherever they may be in the world. This has entailed increasing the number of training hours for our CCPs as well as flipping the ratio of technical versus personal skills. Our training is now 70 percent on personal skills and 30 percent on technical skills.

CASE STUDY CONSUMER EDUCATION AND FINANCIAL LITERACY

For decades, American Express has supported programs to increase customers' understanding of the responsible use of credit. We've partnered with numerous consumer advocacy organizations, in countries around the world, to address the financial needs of young adults, first-time credit users and long-term customers who want to improve their financial management skills.

In response to the Federal Credit CARD Act, we created a website to help educate U.S. consumers about how the federal regulation affects their credit card accounts, including explanations of industry terms, how finance charges and pay terms are applied to credit card products, and how to better understand our updated billing statement design. The website also provides basic information about how credit cards work, tips to manage one's account, advice on what to do if fraud or identity theft are suspected, and how customers can take steps to improve their credit scores. In addition, microsites in Canada, Australia and New Zealand help consumers manage credit effectively and responsibly.

**PROTECTING KEY ASSETS—
DATA SECURITY AND FRAUD
PROTECTION**

The foundation of our customer relationships is built on trust.

Trust that payments will be handled correctly, trust that personal information will be protected properly, and trust that, if something goes wrong, someone will be there to help make it right. Our company takes numerous steps to safeguard the financial information and transactions that customers entrust to us.

Key elements:

- As a founding member of the Payment Card Industry Security Standards Council, we have helped set security protocol across the payments industry and work closely with our merchants and partners to ensure compliance.
- Our Chief Privacy Officer and Chief Information Officers are continually working to update procedures to secure customer data and combat fraud.
- All employees and contractors participate in annual, mandatory Privacy and Data Security training.
- We provide customers with online tools to customize their interactions with us and control how and when we use their information to offer additional products and services.
- Customers can sign up for account alerts to monitor account activity and we provide real time fraud alerts to cardmembers to flag any suspicious charges.

- Cardmembers who are concerned their identity has been stolen can receive assistance from American Express to protect their accounts and personal information.
- As part of our long standing policy, our Fraud Protection Guarantee ensures that customers are not held responsible for fraudulent charges.

Our privacy program is a robust one that addresses the external landscape of consumer concerns, compliance with laws and regulations, strict information sharing policies and a privacy education and awareness program for our employees.

Our privacy program is headed by a Chief Privacy Officer (CPO) with company-wide responsibility for ensuring the privacy of both customer and employee information. The CPO, in turn, is supported by privacy officers within each of the larger business units.

IMPROVEMENTS

We are continually seeking improvements to our processes and training to maintain the confidentiality of our customers' and employees' information.

1. We are among the first companies to develop a global set of "Employee Data Privacy Principles," which are comprehensive guidelines for employee data handling, including strict requirements on data access. All employees are trained in our principles. These policies and controls, and related rules regarding safeguarding information, are

reinforced through mandatory Privacy and Data Security training for all employees. More than 100,000 employees, contractors and vendors in 79 countries have received this training. We also have specialized privacy policy training for employees by function.

2. We created a centralized global Enterprise Incident Response Program (EIRP) in 2007 to mitigate risks associated with customer, employee, or American Express proprietary information. This program also includes a global, automated process for communicating with our customers in the event of an issue.
3. We also expect our vendors, merchants and business partners to protect our employees' and customers' privacy and require that they agree to our security expectations. The company requires outside firms to safeguard data, restrict the use and retention of information to the purposes and timeframe of the project, and take other measures to ensure appropriate privacy protections. The company also performs security reviews to verify that outside parties have processes, procedures and systems in place to ensure compliance with American Express policies, standards and procedures related to information security.

SUPPORTING SMALL BUSINESS

American Express is dedicated to supporting small business owners to help run and grow their businesses.

All of our offerings are tailored to their needs and include charge and credit cards, extensive online financial management tools, online business solutions and discounts on critical business services from a portfolio of supplier partners.

In the past few years, American Express OPEN, our small business division in the U.S., unveiled a host of new offerings to help small business owners weather the economic challenges and achieve success:

Small Business Saturday, a national movement led by founding sponsor American Express along with numerous advocacy and public and private organizations to support the local businesses that create jobs, boost the economy and preserve neighborhoods across the United States (see case study).

OPEN Forum, an online resource and networking site for small business owners that helps facilitate networking and information sharing among OPEN members. OPEN Forum features exclusive Twitter feeds, offers and events from American Express and access to expert content, and featured speakers on small business trends.

Give Me 5: Education and Access for Women in Federal Contracts, a program featuring events, one-on-one mentorships and a comprehensive

online curriculum to help women business owners secure U.S. federal government contracts. Since its launch in 2008, Give Me 5 has educated close to 300,000 women business owners on federal contracting opportunities and helped more than 25,000 women register their businesses with the federal government.

SUPPORT FROM EVERY CORNER OF THE COUNTRY

- Public awareness of Small Business Saturday rose to 65 percent from 37 percent in 2010.
- Elected officials in all 50 states and Washington D.C. championed Small Business Saturday.
- More than 230 small business advocate groups, public and private organizations supported the nationwide initiative.
- More than 2.7 million Facebook users “liked” the Small Business Saturday page—more than doubling the 1.2 million “likes” in 2010.

SMALL BUSINESS OWNERS MAKE THE DAY THEIR OWN

More than 500,000 small business owners leveraged an online tool or promotional materials for Small Business Saturday.

15,000 small businesses signed up and received free Facebook advertising to promote their products and services in the run up to Small Business Saturday.

CASE STUDY

SMALL BUSINESS SATURDAY

An important engine of job creation in the U.S. economy, and the glue that holds local communities together, small businesses have been among the sectors hardest hit by challenging economic times.

According to the U.S. Small Business Administration, there were nearly 28 million small businesses in the United States in 2009, and over the past two decades, they created 65 percent of net new jobs. To help increase demand for small business’ products and services and in response to small business owners’ most pressing need—more customers—American Express OPEN led the effort to declare the Saturday after Thanksgiving, 2010 and beyond as Small Business Saturday, kick starting a national movement that encouraged consumers to shop at small, independently-owned stores. The second-annual Small Business Saturday in 2011 gave a boost to independent merchants and spurred an estimated 103 million Americans to shop at independently-owned small businesses. Increased awareness of the day and dozens of locally-organized initiatives helped merchants leverage the wave of consumer support.



CORPORATE RESPONSIBILITY UPDATE 2011 EMPLOYEES

We believe that engaged and motivated employees will deliver superior service to our customers. All 60,000+ of our employees worldwide play a part in our vision to be the world's most respected service brand.

EMPLOYEES

American Express takes great pride in fostering a working environment that encourages different backgrounds, talents and perspectives to thrive, which in turn, delivers enhanced products and services for our customers. We aim to build an inclusive environment that leverages the unique experiences, talents, skills and perspectives of all our employees in support of our vision, becoming the world's most respected service brand. Promoting a culture of inclusiveness and diversity starts at the top with our most senior executives, including our CEO, and is driven throughout the organization on a global scale. We seek to create an environment that will not only ensure employee engagement, but also inspire people of all backgrounds to succeed and grow.

We have a longstanding record of retaining employees over a long period of time and have worked to create an environment where talented people want to work. Having such a tenured

and diverse workforce signifies that we have highly engaged employees who continue to be inspired, feel valued and are given opportunities to be successful.

EMPLOYEE ENGAGEMENT

To ensure employees feel inspired, valued and engaged, American Express strives to create an open environment in which employees can ask questions or make suggestions at any time, even to senior leadership.

To this end, we provide a variety of channels to encourage employees to share their questions and feedback.

Communication vehicles include:

- Companywide town hall meetings
- Frequent staff meetings
- Group lunches with department leaders
- One-on-one discussions with managers
- Discussions and announcements on the company intranet
- Blogs, instant messaging, and teleconferencing

In person and online employee feedback is used to help select upcoming meeting topics, guide future agendas and ensure we are addressing employees' interests.

CASE STUDY ACCESS TO SENIOR MANAGEMENT

Employees new to American Express frequently comment about the extent of senior leader access. Town Hall meetings featuring CEO Kenneth Chenault occur quarterly and are packed to capacity. Active and engaged discussion is encouraged both at the session Q&A as well as afterward. It is not uncommon for senior leaders to send an email as a follow-up response to individuals who asked questions at the Town Hall. In addition, the senior executive team regularly hosts luncheons at headquarters that are open to all employees. The two-hour luncheons are informal and provide the opportunity for approximately 20 attendees from across the company to have a personal forum with a company leader. When leaders travel to employee locations around the world, these luncheons are often replicated.

Employees have been completing an annual global survey to assess how we are doing for many years. Leaders throughout the company are held accountable for results, and use the feedback generated to leverage opportunities and surface issues. Once surveys are complete, Employee Engagement Action Teams in each business area assess the findings and solicit additional feedback in areas targeted for improvement.

In 2010, the survey was reinvented and introduced a new way for encouraging employee-leader dialogue and feedback about business priorities, leadership behaviors, and employee experience by creating the Employee Pulse. In doing this we are able to conduct pulses at different points in the year when a particular business unit has a specific organizational challenge or opportunity to address.

The redesign is helping provide richer dialogue, better experience, and clearer impact—for employees and for leaders. Employees will benefit from more open-ended questions to better express their opinions and experiences, and leaders can better understand what is on the minds of their employees. In addition, we link the measurement of our cultural health to the compensation of leaders.

“Our employees are our company. Going back all the way to 1850 and fast-forwarding to today, they have been the ones that have taken risks, challenged the status quo, created new innovative products, worked together to overcome failures and celebrated successes to make American Express what it is today.”

—Kenneth I. Chenault, Chairman & CEO, American Express

OPEN COMMUNICATION

Since 1994, American Express has designated a neutral resource, the Office of the Ombudsperson, to provide confidential and informal assistance to employees, contractors and vendors. The Corporate Ombudsperson reports directly to the CEO and has access to the Audit Committee of the Board of Directors. Periodically, the Office reports trends or issues to senior management and employees. The office has the experience and knowledge to address highly confidential information in a neutral manner and has successfully helped individuals resolve work-related issues and helped the company improve its processes and procedures.

DEVELOPING THE NEXT GENERATION OF LEADERS

Company CEO, Kenneth Chenault, is known for saying “No matter what your level is in the organization, you can be a leader.” Our investment in building leadership skills begins with a comprehensive orientation and continues throughout a career at American Express. Training is a top corporate priority, both to ensure that employees are developing their professional abilities and to foster personal growth. Employees are well aware that the company has a stake in their professional development: 84 percent of them said in a recent

employee survey that their leaders care about their professional advancement. Every employee is expected to have a meaningful and specific development plan that outlines how he or she intends to build the skills and attain the experience needed for career advancement. Employees design their own plan, with their direct supervisors acting as “development partners,” responsible for discussing, fine-tuning and approving the plan.

Once a plan is established, the full resources of American Express are available to help employees achieve personal success and career goals. Professional development takes many forms, from formal classroom instruction to job rotation programs, assignment sharing and cross-border training and business-unit opportunities, to career counseling, and professional networking.

Leadership training programs are available throughout the year, both in person and online. *Leadership Insights* is an email and speaker series for the entire American Express community with content from external experts as well as on-the-job examples from our own people that encourage employees to be teachers and role models for one another. *Cultural Navigator* is a web-based tool that helps employees understand

their personal cultural preferences, reference information about countries American Express operates in, and access learning and development tools to further build cultural awareness and knowledge. The resources within this tool can also be used to build team effectiveness, especially for geographically-dispersed teams.

An initiative underway that invests in research, development and sponsorship of our female talent is *Women in the Pipeline & at the Top*. This is a global effort designed to support our talent development initiatives and spearhead the advancement of our female leaders across the globe. To better leverage our female employee base and continue to develop a pipeline of female talent for senior roles, women at top levels of the company convened for the first Global Women's Conference in September 2010. Leaders took part in a series of workshops and programs designed to create greater networking opportunities among the leadership team, discuss research related to gender intelligence and the importance of leveraging key relationships necessary for advancement as well as to explore the characteristics of the expanding female consumer base globally. Work of this group continues with an additional convening planned for 2012.

CASE STUDY HIRING AND TRAINING CUSTOMER CARE PROFESSIONALS

The professionals who interact directly with our customers every day are the frontline representatives of American Express and critical partners in our goal of providing unparalleled service.

To make sure we are hiring the best people, we use a competency-based interview model to identify candidates, including an online assessment to measure ability to solve problems, make sound decisions and respond to customers with empathy and care. Prospective candidates also have an opportunity to role play with a simulated call experience to determine their fit for the necessary skills. Once onboard, our customer care professionals have access to frequent and ongoing development opportunities. As a first step, each new customer care professional is invited to a day-long seminar highlighting the key qualities of excellent customer service.

CREATING A MORE FLEXIBLE WORK ENVIRONMENT

Helping employees integrate work and life is a key concern at American Express, and many of the solutions we offer were created by employees themselves. We offer a variety of work arrangements, including; working virtually from home, job sharing, flexible hours and part-time work, available based on a job and its requirements. In addition, a recent employee survey revealed that 87 percent felt their leaders were flexible when they had a personal or family-related issue to handle.

We also recognize the changing real estate needs of the company, and that we have a workforce that is increasingly seeking flexibility in work locations and in work styles overall. As a result, the company has developed BlueWork, an overarching strategy that focuses on how we can best balance job needs, real estate layouts, and technology tools available to us. The BlueWork concept has been rolling out over the past few years and has now been introduced in a number of locations including Australia, Singapore, the United Kingdom and the United States.

BlueWork defines four primary workstyles as the basis for this new strategy.

- **Hub**—a role that is based primarily in an American Express office location and is assigned an individual dedicated workspace.
- **Club**—a role that splits time between a primary American Express facility and other locations, such as home, traveling, or other corporate offices one or more days a week, and will use designated hoteling workspace.
- **Home**—a role that is primarily set up to work from home and is enabled with a home office set up by the company.
- **Roam**—a role that primarily works at client locations or in the field with regular visits to an American Express office.

Work continues to help integrate this effort into the structure at American Express.

COMMITMENT TO DIVERSITY AND INCLUSION

At American Express, we understand that people of all ages, cultures, ethnicities, nationalities, genders, mental and physical abilities/ characteristics, races, religions, sexual orientations, styles and other differences are unique business assets. The company takes great pride in fostering an environment that encourages employee development, engagement and diversity. To deepen employees understanding of the value of diversity and inclusion at American Express, we offer a Diversity and Inclusion Curriculum via web-based and face-to-face training and leader debrief sessions.

The Global Diversity and Inclusion strategy is focused on three key areas:

- Talent Segmentation—hiring, retention and development of employees
- Market Segmentation—work with business units to use a diversity lens to review and market products and services
- Workplace Transformation—developing a workplace that inspires employees and drives engagement. BlueWork, mentioned above, is an example of this strategy in practice.

NETWORKS @ AMEX

Many employees are able to connect with peers who share common experiences and interests in the American Express-sponsored diversity Employee Networks.

Employee Networks are employee-formed groups that share common experiences and interests in the areas of disability, ethnicity, gender, gender identity, generations, nationality, race, religion and sexual orientation. American Express sponsors Employee Networks as part of its commitment to create a diverse and inclusive workplace. Employees are empowered to develop and implement initiatives in line with their group's mission and goals. As a resource to employees, the business and the community, Employee Networks promote leadership, development, business opportunities and our company values by focusing on:

- Recruiting and professional development of a target group
- Supporting business opportunities related to customer segments
- Building an inclusive environment for target groups
- Mentoring
- Networking across the company
- Volunteering
- Building awareness of diverse cultures and communities across networks and the company

Our employee networks include:

- ANA—Asian Network at American Express
- BAAN—Black and Asian Network
- BEN—Black Employee Network
- CHAI—Jewish Employee Network
- DAN—Disabilities Awareness Network
- HOLA—Hispanic Employee Network
- NATION—Native American Employee Network
- PARENTS @ AMEX—Employees with or expecting children
- PASSAGES—Generational Awareness Network
- PEACE—Muslim Employee Network
- POD—Professional Orientation and Development Organization
- PRIDE—Gay, Lesbian, Bisexual, Transgender Network
- SALT—Christian Employee Network
- WIN—Women's Interest Network

**CASE STUDY
EMPLOYEE NETWORKS HELP
SHAPE POLICY**

Employees from diverse groups have long had a powerful voice at American Express when it comes to shaping the corporate policies that will affect them. In 1997, our Gay and Lesbian Network was instrumental in attaining benefits for the domestic partners of American Express employees. The next year, WIN (The Women's Interest Network), was a driving force in establishing flexible work arrangements at the company. Other key policy changes, such as additional paid leave for secondary caregivers upon the birth or adoption of a child, increased financial assistance for adoption and up to 20 days of company-subsidized, emergency backup child care, also emerged based on recommendations by the U.S. Diversity Council and WIN.

American Express' diversity initiatives have been recognized by hundreds of organizations and publications including Fortune, DiversityInc., Working Mother Magazine, National Association for Female Executives' (NAFE), Hispanic Business, Black Enterprise, Human Rights Campaign's Corporate Equality Index, to name a few.

INVESTING IN EMPLOYEES

American Express' unique approach to helping employees balance their work lives and personal lives, as well as during significant life events, is less about any one specific program or an extensive list of offerings and more about the distinctive way we approach an employee. When American Express hires, we are not just hiring the "worker." We understand that there are layers underneath that employee and he or she may carry other roles and responsibilities on a daily basis, whether it is taking care of a child, spouse or parent, or a number of other factors.

PHYSICAL HEALTH

As a three-time winner of the National Business Group on Health's "Best Employer for Healthy Lifestyles" (2009-2011), American Express remains committed to our employees' physical health with many premier services offered through on-site medical clinics and Healthy Living employee wellness initiatives. Since we launched Healthy Living in 2009, employees and their families have taken positive steps toward better health through company-sponsored screenings, annual physicals and a free generic prescription program. Healthy Living is now rolling out globally for employees, with programs customized to meet local employee needs.

**HEALTHY LIVING IS WORKING.
IN 2010 THERE WERE:**

- 30,000 health assessments completed
- 17,000 on-site health screenings completed
- 30,000 employees and dependents immunized against flu
- 15,000 health coaching appointments
- Reductions in employee reported key health risks, 2010 versus 2009
- Perception of poor health decreased
- Physically inactive decreased
- Rate of obesity decreased
- Tobacco use decreased
- Perception of high stress decreased

FINANCIAL HEALTH

American Express is a major sponsor and board member for the American Savings Education Council to promote financial literacy for Americans, as well as the Independent Employee Benefits Research Institute, helping fund consumer health and financial security surveys for the general public. Our own employees' financial health is also our priority. With our

SmartSaving initiative in the U.S., we created a suite of services that are easily accessible to our employees, whether they are just starting to think about their finances or are financially savvy. SmartSaving offers free financial counseling and workshops, as well as deals and discounts to our employees to help them save money daily, access to legal services to develop wills and designate beneficiaries, tuition planning consulting and more.

SAFETY

Our Global Emergency Preparedness Standard has been developed to ensure that we are able to offer a quick and effective response in the event of an emergency. Every location has a response plan in place that is regularly tested, including employee drills. American Express also operates a toll-free number that employees can use in an emergency to get status updates, check on colleagues and locations around the world, and keep abreast of critical new information as it becomes available.

OUR COMPENSATION PHILOSOPHY

Creating a winning culture at American Express requires that our business be results-oriented, market-focused and flexible. The same is required of our Total Compensation programs, which encompass the pay, benefits and rewards offered by

American Express. A fundamental tenet of our Total Compensation Philosophy is “pay-for-performance,” which supports our business strategy to win in the marketplace. To do this, we must continue to develop a results-oriented organization with strong leadership at all levels, measure our progress through the performance management process (PMP), and develop and reward those individuals who contribute to our success. We use both a Goal rating and a Leadership rating to measure performance in order to balance the results-oriented, pay for performance culture with the ethical and progressive leadership we seek.

CORPORATE RESPONSIBILITY UPDATE 2011 COMMUNITY

Giving back to the community is central to the culture at American Express. We believe that serving our communities is not only integral to running a business successfully, it is part of our responsibility as citizens of the world. We strive to bring to life the American Express value of good corporate citizenship by supporting communities in ways that enhance the company's reputation with employees, customers, business partners and other stakeholders.

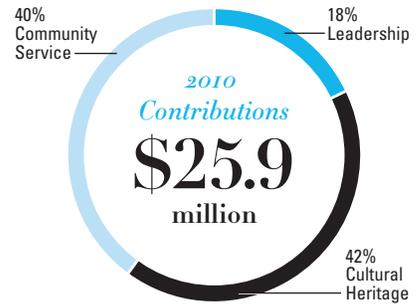
GIVING BACK/PHILANTHROPY
American Express has a rich legacy of contributing to communities. Our first employee giving campaign dates back to 1885, when our employees raised funds to construct the pedestal for the newly arrived Statue of Liberty. In 1983, we came full circle, creating the first-ever “cause marketing” campaign designed to engage our customers and raise money for the Statue’s restoration.

In 2010, American Express made grants globally along three major themes: Cultural Heritage (changed to Historic Preservation in 2011), Leadership and Community Service.

HISTORIC PRESERVATION
Historic preservation has long been a hallmark of American Express’s involvement in the community, reflecting the company’s recognition of the importance of cultural sites and monuments as symbols of national and local identity, and the role that their preservation can play in attracting visitors and revitalizing neighborhoods.

Historic preservation is about saving and sustaining historic places—preserving them for future use and protecting them for all to enjoy. It helps us to understand who we are and shapes relationships with our neighbors and other communities around the world. At American Express, we believe that respect for—and celebration of—these historic places is vital to ensuring that their history lives on, and that the public

TOTAL CHARITABLE CONTRIBUTIONS



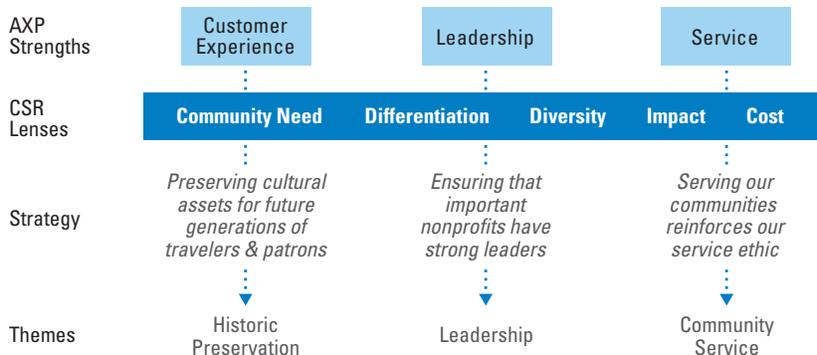
understands the significance they have to sustaining communities today and into future generations.

We support organizations and projects that preserve or rediscover major historic sites and monuments in order to provide ongoing sustainable access and enjoyment for current and future audiences. The programs we support include historic landmarks and public spaces and emphasize preserving sites that represent diverse cultures.

As founding sponsor of the World Monuments Watch program in

ORIGINS OF THEMES

When creating and developing our giving themes, we considered our company’s focus areas, positions of strength, and community needs. The framework below demonstrates the origins of these themes, and how they connect American Express to community needs.



1995, American Express has been an unwavering supporter of the World Monuments Fund and its mission to safeguard the most treasured landmarks around the globe. During the first ten years of the Watch program, American Express contributed more than \$10 million to help preserve 126 historic sites in 62 countries from the World Monuments Watch List of the 100 Most Endangered Sites, from Sir Ernest Shackleton's Expedition Hut in Antarctica to the Palace of Fine Arts in Mexico City, to the Temple of Hercules in Rome.

In 2007, American Express and the World Monuments Fund extended work to reward and encourage the responsible stewardship of historic sites by supporting projects that address the issue of sustainable tourism. As a result, \$4 million supported a variety of projects that integrate historic preservation, sustainable tourism management and visitor education. Projects that received funding are: St. Paul's Cathedral, London, England; Mexico City's Historic Center, Mexico; Delhi Heritage Route, Delhi, India; Route 66, the historic corridor that runs between Chicago and Los Angeles in the United States; and Easter Island, Chile. [In 2011, American Express renewed its commitment to the World Monuments Fund with a five-year,

\$5 million pledge to support the Watch List and select sites named to the list.]

Our current **Partners in Preservation** initiative with the National Trust for Historic Preservation aims to increase public awareness of the importance of historic preservation, and strengthen local communities through preservation efforts.

The partnership with the National Trust was born out of a desire to help preserve historic sites in specific regions in the United States, and the company committed \$5.5 million over the first five years of this effort and helped preserve 56 historic sites around the country. In 2010, American Express renewed its commitment to Partners in Preservation by pledging \$10 million toward the program over the next five years.

PARTNERS IN PRESERVATION LOCATIONS

- 2006 [San Francisco Bay Area](#)
- 2007 [Chicagoland](#)
- 2008 [New Orleans](#)
- 2009 [Greater Boston](#)
- 2010 [Seattle/Puget Sound Area](#)
- 2011 [Twin Cities—Minneapolis/St. Paul](#)

A LOOK AT THE EASTER ISLAND AND ST. PAUL'S CATHEDRAL PROJECTS: PROMOTING SUSTAINABLE TOURISM

EASTER ISLAND

The Sustainable Tourism initiative with the World Monuments Fund supported the development of a visitor reception center on Easter Island, Chile located at the entrance to the Orongo Ceremonial Village.

This is one of the most significant archeological sites in Rapa Nui National Park, and is heavily impacted by increasing numbers of tourists. The center will serve to educate tourists about the importance of both cultural and ecosystem preservation. Due to the site's remote location and sensitive ecology, conservation was a key focus of the project plan. The Visitor Center incorporates alternate sources of energy, including solar and wind, to power the center and architectural and building plans relied heavily on existing but unused construction and recycled materials. The Visitor Center opened in Spring, 2011 and is the final phase of a tourism plan designed to



regulate and manage the increasing visitation to the island while also improving tourists' experiences.

ST. PAUL'S CATHEDRAL

In July, 2010, the Oculus: an eye into St. Paul's, opened to visitors. Located in the crypt, Oculus is providing a new welcoming spot for tourists and provides a visual experience to give an in-depth history of the church.

This area will also encourage people to disperse on their own itineraries throughout the Cathedral. The new offerings in St. Paul's are part of a multi-year, multi-million-pound project designed to enhance visitors' experiences while aiding conservation. Concept design work is now beginning on the next phase of the project that will enable formerly inaccessible areas to be open to visitors, including the triforium, the upper level gallery



space. This will alleviate congestion in previously crowded parts of the building, thus aiding in conservation of the space overall. Christopher Wren's Great Model, once accessible only by appointment, will be permanently on view, as will a selection of carved stones from the medieval cathedral, which was destroyed in the 1666 Great Fire of London.

DEVELOPING NEW LEADERS FOR TOMORROW

Leadership development is one of the main focus areas for American Express charitable giving. Recognizing the difference that talented leadership can make in the social sector, we support programs that develop high-potential nonprofit leaders so they are prepared to tackle the important issues of our day—and the emerging issues of tomorrow.

In 2008, the company launched a signature effort of this theme: the American Express Leadership Academy. The Academy runs week-long intensive training programs at our New York offices that hone the personal and business skills—including career development, strategy, customer service, brand management and marketing—needed to run a successful organization. Facilitators and instructors include nonprofit executives, professional trainers and upper management from American Express. Selection is competitive, with

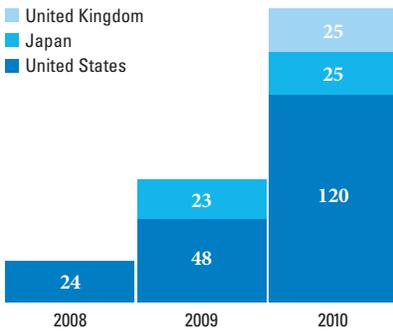
participants chosen from nonprofit organizations that represent the spectrum of community, cultural, international relief and environmental organizations. Following the success of the Leadership Academy in New York, we created similar programs in Japan, England and India.

CASE STUDY FOSTERING A NEW GENERATION OF NONPROFIT LEADERS IN JAPAN

American Express partnered with the Japan Philanthropic Association (JPA), to help bring the concept of the American Express Leadership Academy to nonprofits in Japan.

JPA developed a three-day training and networking program, blending group problem-solving activities, lectures, field visits and presentations from executives from American Express Japan as well as local nonprofit leaders. In its second year, the Japan Leadership Academy expanded the number of participants and extended the training to nonprofit leaders in Tokyo and as well as other neighboring cities. Attendees formed teams that discussed solutions to an array of problems facing modern Japan, including: economic revitalization, mental health in the workplace, environmental degradation and increasing communication between elder and youth populations.

TOTAL ACADEMY PARTICIPANTS PER YEAR



“It was an excellent opportunity for me to build my network with other nonprofit organizations. Now, it’s up to me to leverage this asset in the future and keep these relationships strong going forward.”

—Participant in Japan Leadership Academy

ENCOURAGING COMMUNITY SERVICE

We encourage good citizenship by supporting projects that cultivate meaningful opportunities for civic engagement by our employees and members of the community. We also serve our communities by supporting immediate and long-term relief and recovery efforts to help victims of natural disasters. Funding also goes to support preparedness programs that allow relief agencies to be better equipped in responding to emergencies as they occur.

The programs we support encourage community service and civic participation by:

- Engaging American Express employees in ongoing community service activities that have a measurable impact
- Demonstrating leadership and meaningful results in our communities by engaging a broad range of members of the community in civic participation. This includes promoting individual philanthropy, volunteerism and participation in local civic organizations

We view our company’s involvement in service to communities as an important extension of our service to customers. We are involved in a host of programs around the world that promote employee volunteerism and civic engagement. From mentoring programs for students with Junior Achievement to “first Thanksgiving” feasts held for refugees in partnership with the International Rescue Committee (IRC), employees are involved in numerous volunteer efforts around the world.

To make it easy for employees to donate their time, the company has established a number of support structures and programs, including:

SERVE2GETHER

Serve2Gether is a global program designed to encourage, promote, facilitate and reward volunteerism across the company and maximize the impact of those activities in our communities. While the causes we support are as diverse as American Express employees themselves, our motivation is the same—to help improve the quality of life of our families, friends and neighbors. Company-sponsored volunteer events range from donation drives, to runs/walks, mentoring programs and “hands on” service activities, such as planting trees, beautifying parks and schools, and food service.

In our recently created Serve2Gether Community Service handbook, employees can find information about how to join or organize a service project, as well as resources that help families and community including tips for creating a “greener” home, and crisis preparedness tools to promote readiness in case of an emergency.

GIVE2GETHER

Give2Gether, the company's annual employee giving campaign, enables eligible employees to make a contribution to charity and have a dollar for dollar company match—doubling the critical fundraising support the company and our employees can make together. In 2010, \$8.5 million in much-needed support was raised for more than 5,000 organizations working to improve life in our communities around the world. About half of those dollars, or \$4.2 million, came from employee contributions, with the rest coming from company matching funds. Employee participation rose to a high of 73 percent of our U.S. employee base contributing to the campaign. This topped the 2009 participation rate by 7 percent and total dollars raised by more than \$500,000. In addition, 43 percent of employees in India and 52 percent of employees in Canada contributed to the effort and received company matches for their contributions.

SERVE2GETHER GRANTS

Established in 1994 as the Global Volunteer Action Fund, this program was refined and re-branded in 2010. This program rewards volunteerism through “micro-grants” for nonprofit organizations where employees serve 25 hours or more per year.

GRANT DOLLARS AWARDED BY REGION

To recognize the community service of more than 2,300 employees worldwide (2006–2009).

USA	\$537,600
CANADA	\$60,500
EMEA	\$81,350
JAPA	\$183,100
LAC	\$260,000

EMEA [Europe, Middle East and Africa] JAPA [Japan, Asia-Pacific and Australia] LAC [Latin America and the Caribbean]

SKILLS-BASED VOLUNTEERING AND PRO-BONO WORK

American Express is increasingly focused on the ways our employees can bring their unique skills to the benefit of nonprofit organizations.

We have created and are piloting a number of skills-based volunteer programs in which our employees are bringing professional-quality services to organizations at no fee—leveraging their professional expertise to serve the greater good. We believe these programs are uniquely able to strengthen nonprofit organizations while at the same time, developing our employees and extending our community impact.

LEGAL EXPERTISE

Employees at all levels—lawyers and non-lawyers alike—are eligible to participate in pro bono legal projects run by the American Express General Counsel's Office (GCO).

GCO staffs legal clinics and provides financial and legal information to small business owners, foster care youth, and other groups from underserved communities. The Association of Corporate Counsel, Greater New York Chapter honored volunteers with its 2008 Pro Bono Award in recognition of the broad participation and efforts of employees in the program.

OPEN EXTERNSHIP PROGRAM

Small businesses and nonprofit organizations are a focal point in today's economy and community and we want to empower American Express employees to play a role in contributing to their growth and success. In 2010, we expanded and enhanced a program in the New York area to provide consulting resources to small businesses, both for profit and nonprofit, on a pro bono basis. The program staffs 5-6 member teams that are partnered with participating organizations on consulting engagements focused on brand strategy, competitive analysis and strategic planning. Following the first call for participants, 60 employees were engaged to deliver approximately 2800 hours of pro bono consulting to a small business or nonprofit organization.

AMERICAN EXPRESS CENTER FOR COMMUNITY DEVELOPMENT (CCD)

The American Express Center for Community Development in Utah oversees the company's Community Reinvestment Act strategies for American Express banks in the U.S., guiding our efforts to meet community credit needs, particularly those of low and moderate income communities. The CCD collaborates with community leaders to administer loans and investments that provide affordable housing, economic development, and community revitalization as well as to provide certain grants and volunteer services.

Target initiatives include grants and services to support:

- Prevention of foreclosures
- Capacity building of nonprofit organizations
- Financial literacy/credit education
- Elderly/Disabled Community
- Economic development and job training

DISASTER RELIEF—A SNAPSHOT OF AMERICAN EXPRESS SUPPORT
Responding in times of disaster is an integral part of American Express's corporate social responsibility efforts. A massive earthquake struck the capital of Haiti on January 12, 2010. The earthquake killed an estimated 200,000 people and crippled the country's infrastructure. American

Express, our employees and our cardmembers responded. The company contributed \$250,000 in support of the relief efforts of four organizations: the Red Cross, Doctors Without Borders, International Rescue Committee and the World Food Programme.

Employees and cardmembers reached out in many ways to help the people of Haiti:

- U.S. employees donated nearly \$106,000 to 100 charities, which the company matched dollar for dollar
- Outside the United States, employees donated \$125,000, which the company matched by giving that same dollar amount to the Red Cross
- Cardmembers donated nearly \$100 million and more than

CASE STUDY

Since 2008, American Express employees in Australia have been going back to school to help mentor and inspire young students from districts in areas of need. Through the Australian Business and Community Network (ABCN), employees participate in three different mentor efforts.

- In an eight-week long literacy program, 45 employees visited a primary school to read with students. The aim of the program is to ignite a love of reading in young children and to improve reading skills.
- A high school mentoring program, GOALS, was designed to inspire and help guide the future career choices of young high school students. During the program, mentors and students participated in activities designed to build the students' confidence and to open their eyes to career possibilities beyond the classroom.
- Partners in Learning paired the American Express country manager of Australia and New Zealand with the principal of a Western Sydney public high school to help provide business insights and expertise to the school leadership.

GOALS mentor Kathryn Hart from Customer Service International summed it up this way, "When I first met my student she was extremely shy and lacked confidence. Today I looked on with pride as she stood in front of a crowd of peers, teachers and other mentors and spoke about just how much she had gained from the program—it was amazing."



87 million Membership Rewards points to various charities supporting Haiti relief

- A number of our World Service customer service centers conducted collection drives for in-kind donations, such as water, rice, diapers, work gloves, paper goods and other critically needed items
- Individuals in the General Counsel's Office in New York provided pro-bono legal services to Haitians in the U.S. looking to file for Temporary Protected Status, so that they could legally remain and work in the U.S. for up to 18 months following the earthquake

CONSUMER AFFAIRS

American Express is an active partner of numerous consumer groups working to educate consumers about credit and credit cards.

AN EXAMPLE

Consumer Action, a leading consumer advocacy organization, in partnership with American Express, launched an updated free, multilingual consumer education series "Credit Cards: What You Need to Know" in 2010. This series is designed to help consumers understand new credit card rights and

what they mean for credit cardholders, as well as to learn how to compare credit card offers, read and understand credit card terms and conditions, and avoid penalties and fees.

The complete module, including brochures available in Chinese, Spanish, Korean and Vietnamese, is available on Consumer Action's website, www.consumer-action.org.

Since 2005 when the series was first created:

- Regional train-the-trainer meetings hosted in seven U.S. cities directly trained 337 representatives of more than 250 community-based organizations
- 286,600 education and training modules have been distributed to 1,538 community-based organizations in 50 states
- Close to 200,000 visitors have viewed the brochure in one of five languages on the Consumer Action website

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CORPORATE RESPONSIBILITY UPDATE 2011 ENVIRONMENT

Because we recognize the importance of protecting the environment and helping to combat climate change, we are working to reduce the environmental impact of our global operations, as well as leveraging our expertise to promote sustainable practices in our spheres of influence.

CORPORATE COMMITMENT

American Express is striving for efficient use of energy and natural resources, and to measuring, managing and reducing the environmental impact of our global operations. We are seeking continuous improvement to our Environmental Management System (EMS) as we work to improve data quality, reliability and transparency. Although we have made progress with these programs, we recognize that there is still much to do.

KEY IMPACT AREAS

As a global business, we know our operations have an impact on the environment. Our largest area of environmental impact is the emission of greenhouse gases (GHG) through our operations. A 2006 assessment revealed our estimated carbon footprint to be 312,651 metric tons,[†] with electricity and business travel responsible for the majority of emissions—70 and 27 percent, respectively. Geographically,

the Americas region, where our operations are substantial, accounted for approximately 70 percent of total emissions.

Other significant environmental impact areas include paper use and solid waste generation. To manage the environmental impact of our operations, we have set internal reduction targets for each of our key impact areas.

CARBON FOOTPRINT

We are making steady progress toward our voluntary goal to reduce our carbon footprint 10 percent by 2012 compared with the 2006 baseline and have been publicly disclosing progress via the Carbon Disclosure Project (CDP) since 2007.

In 2011 we obtained limited assurance for a portion of our 2010 carbon footprint by a third-party verifier—First Environment Inc.

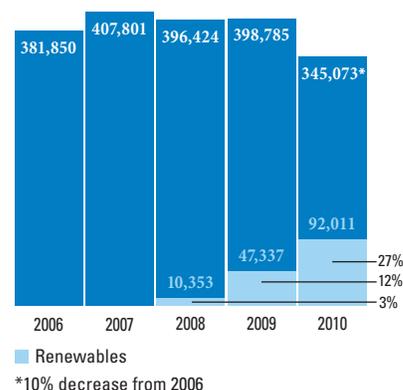
Thanks to the combination of our energy-optimization efforts and substantial purchases of renewable energy, at year-end 2010 we reduced our carbon footprint by approximately 34 percent since establishing our goal—17 percent pure reduction and 17 percent from renewables. This is certainly great progress. However, ongoing business changes continuously impact our energy consumption. Therefore we are not yet ready to

declare victory (see the CHALLENGES section for more details). While we are on track to exceed our stated goal for 2012, we are continuing our environmental efforts and plan to set a new greenhouse gas reduction goal in 2012.

ENERGY EFFICIENCY

We are working to improve the energy efficiency of our office equipment, building equipment and lighting systems. Our high-efficiency energy conservation program works to optimize lighting, equipment scheduling and HVAC controls based on occupancy patterns. As a result of these and other energy-efficiency measures, we have decreased electricity use across all of our global facilities, including data centers, by 10 percent since 2006.

ELECTRICITY USE, GLOBAL
(INCLUDING DATA CENTERS)
(MWh)



[†]The original carbon footprint 2006 baseline, calculated in 2007, was 302,735 metric tons. Significant changes to our real estate portfolio prompted a baseline refresh in 2010, resulting in the revised 2006 carbon footprint baseline of 312,651 metric tons.

RENEWABLE ENERGY

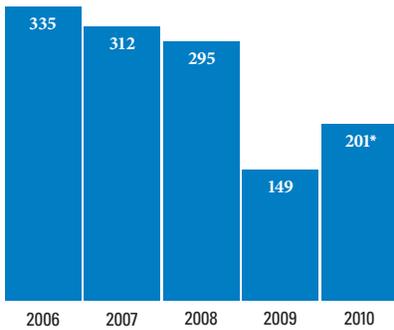
American Express facilities in Phoenix and Minneapolis, as well as facilities in Rome and Frankfurt, use electricity generated through renewable resources such as wind, biogas, biomass and solar.

We estimate that in 2010, roughly 27 percent of the electricity used to power managed facilities and data centers was nearly carbon-free.

BUSINESS TRAVEL

A combination of improved telecommunication technologies, travel management and cost-containment efforts resulted in a 40 percent decrease in business travel in 2010 compared with the 2006 baseline. To gather and track data related to business travel, we have piloted the use of an internally developed tool called Carbon Savings Account Manager (SAM) (see case

BUSINESS TRAVEL
Air mileage (million miles)



*40% decrease from 2006 levels

study). In addition, by year-end 2010, facilities in 29 locations in 15 different countries were outfitted with a total of 39 TelePresence units. These communication centers enable business collaboration across time zones and geographies, reducing the need for travel and contributing positively to our carbon-reduction target.

PAPER USE

We use paper to communicate with customers and to run our business on a day-to-day basis.

While paper is still an important communications channel for us, we are working to source responsibly from certified sustainable sources and reduce paper use. In our direct-marketing channels, we ask our suppliers to provide “visibility to the stump,” in order to ensure that we are not buying paper that originates from endangered forests. By year-end 2010, 94.4 percent of the paper used in our U.S. direct-marketing area was certified—79.5 percent by the Forest Stewardship Council (FSC). Installing networked printers and implementing default double-sided printing contributed significantly toward halving the volume of paper used in our U.S. offices between 2008 and 2010. Other ways that we work to cut down on paper use internally include encouraging paperless meetings and the digitization of processes.

Externally, we focus on increased use of digital marketing and online account servicing for customers. (See How We Serve Customers for more details.)

SOLID WASTE

We strive to divert as much solid waste from landfills as we can and have established company-wide guidelines for waste reduction.

Recycling programs are a key element of this effort. Year after year, the scope of our recycling programs has steadily increased. We will continue recycling programs for paper, cardboard, bottles and cans, as well as continue to collaborate with vendors to recycle hazardous wastes such as lamps, batteries, toner cartridges and fryer oil. At a limited number of facilities, we are experimenting with composting.

We engage with various stakeholders in our spheres of influence including: our customers, our employees, our suppliers and the communities we operate in.

HOW WE SERVE CUSTOMERS

In the same way that we aim to reduce our own environmental impact, we actively work to support customers who are pursuing their own environmental goals.

Cardmembers can redeem Membership Rewards® points for eco-friendly merchandise, and some cardmembers enjoy special rewards for certain environmental purchases.* They are also able to support environmental causes that are important to them through MembersGive, a program that facilitates and rewards tax-deductible charitable giving. In addition, through 2010 numerous environmental charities received support through the Members Project, an online program that allowed the public to vote on which charities would receive financial support from American Express.

When serving customers, we aim to reduce waste and have adjusted existing products to address environmental needs. Since 2004, we have provided the ability for customers to turn off paper billing statements. Online account servicing for U.S. corporate, consumer and small business customers saved 8.2 million pounds of paper in 2010 alone. Environmentally-focused marketing messaging for paperless statements is helping drive up enrollment rates.

We have also incorporated recycled plastic into our prepaid-card products, in addition to minimizing packaging weight and bulk to further reduce the environmental impact of these products.

Small business customers have ongoing coverage of green business topics on the OPEN Forum and have access to the OPEN Insight Guide to Building a Sustainable Business. Through regular coverage, Travel + Leisure readers can keep abreast of responsible and eco-friendly travel options, as well as learn about the trailblazing people and organizations who are transforming the industry.

CASE STUDY HELPING COMMERCIAL CARD CUSTOMERS TRACK EMISSIONS

In response to growing demand from the business community for a more accurate way of capturing business-air-travel emissions data, Carbon Savings Account Manager (SAM) was introduced in 2010 in European markets. The Carbon SAM reporting tool is free to American Express Commercial Card customers in Europe and integrates with a range of American Express reporting tools that support customers by providing advice on purchasing and process management.

The tool provides retrospective, detailed emissions data for business air travel completed within the last month to twelve months. Carbon SAM also provides information about alternate airlines, schedules, routes and modes of transportation with a lower carbon profile compared with existing travel patterns. Corporate Travel Managers can use this information to inform their decisions about sustainable travel options and to design a travel program with lower emissions.

Carbon SAM uses data from established sources, such as the International Civil Aviation Organisation (ICAO) Emissions Calculator and DEFRA emissions data (for trains), as well as information regarding the routes and airlines that a customer uses as part of a travel program.

EMPLOYEE INVOLVEMENT

We engage employees in the company's environmental responsibility programs through regular communications, progress reports on the company's environmental goals, events, training, volunteering and involvement in small and large projects that conserve energy and resources in the workplace.

Eco-fairs, often timed with Earth Day or other major environmental events, help educate our people about green lifestyle choices and ecology. Training

*ZYNC cardmembers in the U.S. who have added the ECO Pack receive 2X Membership Rewards® points when they shop at over 5,000 select green merchants. Visit greenopia.com/amex for the current list of eligible merchants and details on how Greenopia identifies and rates merchants listed on its website.

sessions are given to various business units on a variety of relevant topics such as: paper reduction strategies; waste reduction for meetings; supplier considerations; and adherence to our green marketing guidelines, which are adapted from the U.S. Federal Trade Commission Green Guides.

Through the Environmental Champions Network—a group of employee representatives from business units and staff groups that meets monthly—information and best practices are shared throughout the company.

UNDERSTANDING OUR SUPPLY CHAIN

We are engaging with suppliers to understand their environmental practices and to identify suppliers who are advancing environmental best practices.

To establish a database containing a baseline of American Express supplier environmental practices, our Supplier Responsibility Team formulated and distributed an Environmental Responsibility Questionnaire to members of our strategic supplier base beginning in 2008. The team will continue to identify opportunities for further evaluation of the environmental impacts of our supply chain.

COMMUNITY

We have incorporated sustainability more deeply into the culture at American Express by weaving it into our three major philanthropic areas: Historic Preservation & Conservation, Leadership, and Community Service & Engagement.

We support of the National Academy Foundation (Academy of Hospitality and Tourism) Sustainable Tourism curriculum. Through this program, our employees learn to develop sustainable economic growth opportunities in local communities that are otherwise at risk of depleting natural and cultural resources.

Another way American Express supports conservation is by strengthening environmental organizations, including supporting the NatureServe network. NatureServe is an international network of natural heritage programs that operates in the U.S., Canada and in 12 Latin American and Caribbean countries. It helps numerous stakeholders make informed decisions about managing natural resources by providing local, scientific information about rare and endangered species and threatened ecosystems.

American Express encourages volunteerism and provides employees with environmentally-focused

volunteer opportunities, such as community gardening and tree-planting events. In 2010, American Express supported efforts resulting in 13,100 new trees planted in collaboration with New York Restoration project and Greensboro Beautiful. Through gift matching, we amplify the support of U.S. and certain international employees who give to a broad range of environmental organizations.

OTHER EXTERNAL STAKEHOLDERS

We engage with various stakeholders to establish sustainable business strategies, standards and best practices.

For example, in 2008 we partnered with the U.S. Travel Association to create TravelGreen.org, an online clearinghouse of sustainable travel information for businesses and consumers.

In 2010 we participated in a benchmarking initiative with the U.S. Environmental Protection Agency (EPA) and the users of 100 data centers to create an efficiency rating system for these centers, as well as to create best practices for effective energy usage and incorporation of green building principles at data centers.

ENVIRONMENTAL FACTS

- 40 American Express offices turned off their lights in support of climate change action during Earth Hour 2010
- Cardmembers can support nearly 20,000 different green charities through our MembersGive portal
- Renewable energy powers 75 percent of American Express Phoenix-area buildings

As we look forward, and as our business continues to expand, we are presented with both challenges, and opportunities for our environmental responsibility efforts.

CHALLENGES

Business growth has implications for our carbon footprint. Although business travel has declined and we embraced teleconferencing during the recession, business travel is expected to remain active in the years to come. Learning to travel on a carbon budget and increasing utilization of TelePresence facilities are challenges facing us in the future.

In the past six years we have seen an increase in electricity use at our data centers due to business growth. This electricity use powers the state-of-the-art technology we use to run our business as well as provides the heating

and cooling systems for the air and the water used throughout these facilities.

As a result, we have focused on a number of initiatives aimed at reducing our energy and water consumption at these sites. These initiatives include:

- Deploying state-of-the-art, energy-efficient UPS (uninterruptible power supplies) and Static Transfer systems that improve overall power reliability and protect against disruptions
- Expanding our capabilities to maximize free cooling programs
- Improving utilization of mainframe hardware
- Expanding our use of virtual servers
- Using power management and optimization software to reduce server and workstation energy consumption

While we expect these efforts to yield long-term benefits, use of electricity in our data centers will likely continue to increase in the short term.

As efforts to meet our GHG reduction goal continue, we see renewable energy as an increasingly important part of the solution. Identifying cost-effective ways to continue our investments in renewable energy are therefore a key long-term focus area for us.

OPPORTUNITIES

We are working on many fronts to apply established best practices to reduce our overall environmental impact. Green building principles are being applied at many of our locations around the world. For example, our Sydney, Australia sites were awarded 4.5-star and 4.0-star Nabers Energy Ratings in 2008, out of a maximum 5-star rating. At our Florida location, we have installed a green roof that uses native plants to naturally insulate our building and minimize storm water runoff. Native and low-water-use vegetation are used for landscaping in several other locations as well. Throughout our facilities, water-use-reduction measures include installing low-flow toilets and aerators to reduce water flow.

Company cafeterias are increasing offerings of organic and locally produced food, and have increased the use of sustainably harvested seafood. We have cut down significantly on our consumption of disposable cups by encouraging the use of reusable hot-beverage mugs. We also promote ride sharing, cycling to work and taking public transportation.

These efforts, and many others, are under way throughout American Express, although we do not yet have consistent tracking methods in

place for all of them. We are working to improve our processes for data gathering, goal setting, internal and external reporting, and performance reviews to enhance our Environmental Management System (EMS).

We will continue to incorporate environmental responsibility into our operations; act on opportunities to help our customers reduce their own environmental footprint; and respond to our customers' environmental interests through innovative products, services and materials use. Where we can, we will also aim to raise awareness of environmental responsibility through our spheres of influence.