

The Powerful Backing of American Express

April 2022

Sustainability Financing Framework



PART I

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PART I: INTRODUCTION TO AMERICAN EXPRESS

Company Overview

American Express is a globally integrated payments company that provides customers with access to products, insights, and experiences that enrich lives and build business success. We are a leader in providing credit and charge cards to consumers, small businesses, mid-sized companies and large corporations around the world. We principally engage in card-issuing, merchant-acquiring, and card network businesses, which together form our end-to-end integrated payments platform. Since 1850, we have worked to make a difference in our customers' lives.

Our Products and Services

- Credit cards, charge cards, and other payment and financing products
- Merchant acquisition and processing, servicing and settlement, and point-of-sale marketing and information products and services for merchants
- Network services
- Other fee services, including fraud prevention and the design and operation of customer loyalty programs
- Expense management products and services
- Travel and lifestyle services



ESG Strategy

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 partners.

In 2020 and 2021, we rolled out a new global ESG strategy with objectives in three critical areas for our company, stakeholders, and society: **Promote Diversity, Equity, and Inclusion (DE&I)**; **Build Financial Confidence**; and **Advance Climate Solutions**. To guide the strategy, we set initial goals including a \$1 billion DE&I Action Plan, a commitment to net-zero carbon emissions by 2035, and maintaining strong support for small businesses. The mission driving this strategy is to back people and businesses to thrive and create equitable, resilient, and sustainable communities globally. Learn more about our ESG strategy, objectives and goals in our most recent [ESG Report](#) and refer to Part III: Appendix for our ESG Strategy and Governance Framework.



ESG STRATEGY AND FRAMEWORK: PROMOTE DIVERSITY, EQUITY, AND INCLUSION

Support a diverse, equitable, and inclusive workforce, marketplace, and society

Objectives

- Enhance diverse representation, equal opportunity, and an inclusive culture at all levels of the company
- Meet the needs of underrepresented businesses and consumers and develop more inclusive marketing initiatives
- Advance racial equality and social justice in our communities

Goal Highlights

- **Maintain 100% pay equity across genders globally and across races and ethnicities in the US**
- **Double annual spend with diverse and minority-owned suppliers in the US from a 2019 baseline to \$750 million** by the end of 2024, including increasing spend with Black-owned suppliers to at least \$100 million annually
- **Provide access to capital and financial education to at least 250,000 Black- and minority-owned small- and medium-sized businesses** in the US from late 2020 through 2024
- **Develop more inclusive marketing initiatives**, as well as design and build product experiences and programs that better meet the needs of underrepresented consumer and business customers



ESG STRATEGY AND FRAMEWORK: BUILD FINANCIAL CONFIDENCE

Provide responsible, secure, and transparent products and services to help people and businesses build financial resilience

Objectives

- Empower individuals to build and maintain their financial well-being through products, services, tools, and education, while providing robust account security
- Strengthen the financial security and money management capacity of small businesses through products, services, campaigns, and initiatives
- Help build resilient communities through grants, programs, and initiatives that support economic empowerment and equity

Goal Highlights

- **Provide access to credit to at least 4 million individuals** from underserved or underrepresented populations from 2021 through 2025
- **Provide at least 5 million individuals with tools, resources, and educational content to improve financial well-being** from 2021 through 2025
- **Support small businesses, including by reaching \$100 billion in spending** by consumers at small, independently-owned retailers or restaurants on Small Business Saturday and during other Shop Small campaigns from 2021 through 2025¹
- **Invest \$500 million to build more resilient and equitable communities** from 2021 through 2025

1. Based on spend as reported by consumers in surveys commissioned by American Express (not actual receipts or sales).



ESG STRATEGY AND FRAMEWORK: ADVANCE CLIMATE SOLUTIONS

Enhance our operations and capabilities to meet customer and community needs in the transition to a low-carbon future

Objectives

- Minimize our climate impact and manage our climate-related risks and opportunities
- Enable our customers and partners to transition to a low-carbon economy through the development of new capabilities
- Support community programs and initiatives to help build more climate resilient and equitable communities

Goal Highlights

- **Commit to net-zero emissions by 2035** in alignment with the [Science Based Targets initiative \(SBTi\)](#)
- **Pilot low-carbon product innovations**, including carbon tracking and offset solutions
- **Provide at least \$10 million** to support initiatives, partnerships, and programs that address the adverse effects of climate change and pollution on communities from 2021 through 2025
- **Visit our [website](#)** for a full list of our environmental goals including additional operational goals related to energy and emissions, waste, water, sourcing, and green buildings

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are a call for action by all countries to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address pressing social needs while tackling climate change and environmental protection.

Given American Express' global footprint and role in empowering people and businesses to thrive, we believe our ESG actions will contribute positively to the achievement of the UN's 2030 Agenda for Sustainable Development.

After mapping the SDGs to our global ESG strategy and programs, we believe our work contributes most to the ten Global Goals shown below. Examples include giving underrepresented individuals and businesses access to financing, securing payments across a globally connected network of merchants and customers, supporting small business growth, going carbon neutral, investing in clean energy, and investing in communities around the world.

SUSTAINABLE DEVELOPMENT

GOALS



- 3 GOOD HEALTH AND WELL-BEING
- 5 GENDER EQUALITY
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS

Sustainability Governance

Our Board's Nominating, Governance, and Public Responsibility Committee reviews our ESG Strategy and Corporate Social Responsibility (CSR) program, monitors progress against our goals, and provides guidance on our efforts. Our Executive Committee also reviews and evaluates ESG performance and long-term goals with support from our ESG Steering Committee, launched in 2020. Led by senior executives from across the company, the ESG Steering Committee developed the objectives and goals for our ESG Strategy, drawing on the expertise of cross-functional ESG Working Groups. Day to day, our CSR team works with colleagues throughout the company to shape our ESG programs and investments and monitor progress on key issues. Additionally, our Office of Enterprise Inclusion, Diversity, and Business Engagement, established in 2020, mobilizes resources to support our DE&I goals.

Nominating, Governance, and Public Responsibility Committee	
EXECUTIVE COMMITTEE	
ESG STEERING COMMITTEE	
ESG WORKING GROUPS	

PART II

AMERICAN EXPRESS SUSTAINABLE FINANCING FRAMEWORK

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PART II: AMERICAN EXPRESS SUSTAINABLE FINANCING FRAMEWORK

Introduction

Aligned with our ESG strategy, American Express has developed this Sustainable Financing Framework (the Framework) under which we may undertake Green, Social, and Sustainability financing transactions over time. Transactions may include issuances of senior unsecured notes, securitizations, or other securities (each a Sustainable Financing).

The Framework has been developed in alignment with the International Capital Markets Association (ICMA) Green Bond Principles 2021, the ICMA Social Bond Principles 2021, and the ICMA Sustainability Bond Guidelines 2021 (together, the Principles), which together recommend transparency and disclosure and promote integrity with respect to “sustainable” financing.

In line with the Principles, our Framework covers the following key pillars:

Use of
Proceeds

Process for
Project Evaluation
and Selection

Management
of Proceeds

Reporting

Use of Proceeds

For each Sustainable Financing under this Framework, an amount equivalent to the net proceeds will be allocated to spend on new and/or existing projects that meet the eligibility criteria described below (Eligible Projects). Eligible Projects will include those for which expenditures or investments were originally made or committed within the 2 years prior to the applicable Sustainable Financing issuance date and through the maturity date of the applicable Sustainable Financing. We expect to fully allocate all net proceeds from any Sustainable Financing within 2 years of the relevant transaction.

Sustainable Financing allocations to Eligible Projects may include one or more of the following Eligible Project categories:



Green Projects

SUSTAINABILITY OR GREEN FINANCINGS

- Circular Economy
- Green Buildings
- Energy Efficiency & Renewable Energy










Social Projects






SUSTAINABILITY OR SOCIAL FINANCINGS

- Socioeconomic Advancement & Empowerment
- Access to Essential Services
- Affordable Housing

ELIGIBILITY CRITERIA

The following table describes the above Eligible Project Categories, including example Eligible Projects and alignment with the UN Sustainable Development Goals.

Eligible Project Category	Description & Example Projects
Circular Economy  	<ul style="list-style-type: none"> Investments and expenditures related to the procurement and fabrication of recycled material for our American Express consumer and business cards, such as the expenditures related to updating cards to reclaimed or recycled plastics Investments and expenditures related to the operations and infrastructure requirements for consumer and business card recycling initiatives, such as our Card Take Back program Investments and expenditures in waste and recycling initiatives across operations, including managed facilities
Green Buildings   	<ul style="list-style-type: none"> Investments and expenditures related to the acquisition and/or leasing of buildings, the development and construction of new building projects, and/or renovations/retrofits of existing buildings that have received a third party verified certification, or have reached substantial completion and are in progress of achieving relevant certification with a third party, of: <ul style="list-style-type: none"> LEED Gold or above BREEAM Excellent or above NABERS 5 Stars or above Effinergie HQE Other equivalent certification
Energy Efficiency & Renewable Energy  	<p>ENERGY EFFICIENCY IMPROVEMENTS</p> <ul style="list-style-type: none"> Investments and expenditures related to the design, construction, operation, and maintenance of energy-efficient facilities and infrastructure, detailed as: <ul style="list-style-type: none"> Operational improvement and capital projects with projected energy savings of at least 30% <p>RENEWABLE ENERGY</p> <ul style="list-style-type: none"> Capital expenditures and investments related to the construction, development, acquisition, maintenance, and operation of renewable energy projects via solar and wind power, such as: <ul style="list-style-type: none"> Long-term power purchase agreements On-site renewable energy projects and storage installations

Eligible Social Project Category	Description & Example Projects
<p>Socioeconomic Advancement & Empowerment</p>  	<p>SUPPLIER DIVERSITY PROGRAM</p> <ul style="list-style-type: none"> ■ Expenditures and program expenses related to driving economic growth among diverse groups through the procurement of products and services from diverse business suppliers and vendors at least 51% owned by members of diverse populations, independently certified through a qualified agency ■ Investments in programs that empower diverse and/or small businesses through technical assistance, capacity building and mentoring programs ■ <i>Target Populations:</i> Diverse business suppliers and vendors include Minority-, Women-, LGBTQ+, Disadvantaged or Disability-, and Veteran-Owned Business Enterprises, and 8(a)/HUBZone-certified firms <p>MERCHANT SUPPORT PROGRAMS²</p> <ul style="list-style-type: none"> ■ Expenditures and program investments related to driving consumer spending at small and medium-sized independent businesses, such as: <ul style="list-style-type: none"> ■ Shop Small campaign ■ Other Card Member offers for targeted businesses and related marketing efforts ■ <i>Target Populations:</i> Small and medium-sized independent businesses located in census tracts categorized by the United States Bureau of the Census as Low- or Moderate-Income geographies <p>FINANCIAL EMPOWERMENT PROGRAMS</p> <ul style="list-style-type: none"> ■ Expenditures and program investments in targeted initiatives providing financial support & education for small businesses and entrepreneurs from historically underrepresented groups, including: <ul style="list-style-type: none"> ■ The “100 for 100” program, which provides Black women entrepreneurs with grants and business resources ■ Support of the ByBlack platform to verify businesses as majority-owned by Black individuals ■ <i>Target Populations:</i> Entrepreneurs and small and medium-sized businesses with underrepresented owners and operators, including Minority-, Women-, LGBTQ+, Disadvantaged or Disability-, and Veteran-Owned Business Enterprises, 8(a)/HUBZone-certified firms, and those located in census tracts categorized by the United States Census Bureau as Low-or Moderate-Income geographies <p>COMMUNITY DEVELOPMENT</p> <ul style="list-style-type: none"> ■ Investments in funds and securities that aim to provide economic development to low- and middle-income communities through our American Express Center for Community Development ■ <i>Target Populations:</i> Low- and moderate-income communities and individuals, or Distressed or Underserved nonmetropolitan middle-income geographies³
<p>Access to Essential Services</p>  	<p>CREDIT ACCESS FOR UNDERREPRESENTED GROUPS</p> <ul style="list-style-type: none"> ■ Expanding access to financing products and advancing economic opportunity and equity by supporting the businesses of underserved populations. This includes extending credit and Card Member offers and related marketing efforts to diverse business suppliers and vendors at least 51% owned by members of diverse populations, independently certified through a qualified agency ■ <i>Target Populations:</i> Diverse business includes Minority-, Women-, LGBTQ+, Disadvantaged or Disability-, and Veteran-Owned Business Enterprises, and 8(a)/HUBZone-certified firms located in LIHTC-qualified census tracts
<p>Affordable Housing</p> 	<p>COMMUNITY DEVELOPMENT</p> <ul style="list-style-type: none"> ■ Investments in funds and securities that aim to provide affordable housing to low- and middle-income communities through our American Express Center for Community Development ■ <i>Target Populations:</i> Low- and moderate-income communities and individuals, or Distressed or Underserved nonmetropolitan middle-income geographies³

2. We will not allocate net proceeds to businesses known to us to be dedicated to weapons and munitions, alcoholic beverages (excluding beer and wine), tobacco or gambling.

3. As designated in accordance with Community Reinvestment Act regulations.

Process for Project Evaluation and Selection

In support of this Framework, the American Express ESG Steering Committee and its relevant working groups (collectively the Committee) will oversee the project evaluation and selection process and evaluate whether selected projects comply with the eligibility criteria defined in the Use of Proceeds section of the Framework and are aligned with our global corporate ESG strategy.

The Committee is made up of senior leadership and other representatives from Treasury, Corporate Social Responsibility, Controllershship, Investor Relations, and the General Counsel's Organization, and will meet at least twice per year. The Committee will be responsible for:

- Approving the Framework and any subsequent amendments
- Evaluating and approving the selection of Eligible Projects based on the eligibility criteria defined in the Use of Proceeds section of the Framework
- Monitoring Eligible Projects throughout the life of the Sustainable Financing(s)
- Replacing any projects that no longer meet the eligibility criteria with new projects in a timely manner
- Reviewing and validating the Sustainable Financing Report (as defined below) for investors and ensuring the robustness of the external review process

American Express has established processes to monitor and mitigate environmental and/or social risks within our operations. In addition, the Committee will seek to ensure alignment of all Eligible Projects that receive allocations with these risk-management protocols.

Management of Proceeds

An amount equivalent to the net proceeds of any Sustainable Financing will be allocated to new or existing Eligible Projects under the review of the Committee, which include expenditures and investments by us and our subsidiaries. We expect to fully allocate any Sustainable Financing within 2 years of the relevant transaction date.

Eligible Projects will be tracked internally in a register comprising Eligible Projects for each Sustainable Financing. So long as a Sustainable Financing remains outstanding, our internal records will show the amount of the net proceeds from the issuance of such Sustainable Financing allocated to Eligible Projects, as well as the amount of net proceeds pending allocation.

Pending allocation, net proceeds will be managed in accordance with our general liquidity management practices, such as investing in cash, cash equivalents and/or US government or agency securities and/or paying maturities (provided that all net proceeds will not knowingly be used to invest in any activities determined by our management to be high-emitting or controversial).

With respect to any allocations made towards credit extended to Target Populations (via the "Credit Access for Underrepresented Groups" Eligible Projects category) and/or towards the "Community Development" Eligible Projects category, in the event that such credit or investment balances fall below their respective allocated amount prior to the maturity of the specific Sustainable Financing, the difference will be re-allocated to other Eligible Projects as needed.

Reporting

We intend to publish a Sustainable Financing Report on an annual basis until full allocation of net proceeds is complete (or on a timely basis in case of material developments after full allocation) on our website that will include:

- The amount of any Sustainable Financings outstanding, including the amount of net proceeds for each Sustainable Financing
 - The outstanding amount of net proceeds from any Sustainable Financing yet to be allocated to Eligible Projects at the end of the reporting period
 - Actual or estimated impact metrics, where feasible
- The amount that has been allocated to the relevant Eligible Projects by category for each Sustainable Financing
 - The amount that has been allocated to investments and expenditures incurred prior to the issuance of each Sustainable Financing
 - Case studies of specific Eligible Projects receiving allocations

SAMPLE IMPACT METRICS

Indicators of benefits may include any of the following:

Green Projects	
CIRCULAR ECONOMY	<ul style="list-style-type: none">■ Volume of recycled plastic used in cards and/or plastic recycled via take-back programs■ Estimated reduction in emissions from avoidance of virgin plastic production■ Percentage of waste diverted from the landfill in operations
GREEN BUILDINGS	<ul style="list-style-type: none">■ Square feet of Green Buildings certified office space■ Estimated annual reduction in emissions and/or energy savings from certified Green Buildings
ENERGY EFFICIENCY & RENEWABLE ENERGY	<ul style="list-style-type: none">■ Estimated annual energy savings from energy efficiency projects■ Annual renewable energy generated and purchased in MWh

Social Projects	
SOCIOECONOMIC ADVANCEMENT & EMPOWERMENT	<ul style="list-style-type: none">■ Number of businesses and individuals supported via American Express-supported programs■ Amount of funding provided to businesses and individuals via American Express-supported programs■ Total spend with diverse business suppliers and vendors■ Number of jobs created
ACCESS TO ESSENTIAL SERVICES	<ul style="list-style-type: none">■ Number of businesses and individuals supported via American Express-supported programs■ Amount of funding provided to businesses and individuals via American Express-supported programs■ Number of businesses from underserved or underrepresented populations with access to credit
AFFORDABLE HOUSING	<ul style="list-style-type: none">■ Units of affordable housing created

EXTERNAL REVIEW

Second Party Opinion We will obtain a Second Party Opinion (SPO) from a firm with recognized environmental and social expertise on the environmental and social benefits of this Framework as well as the alignment to the Principles. The SPO will be made publicly available on the SPO provider’s website.

Verification We expect that the Sustainable Financing Report will be accompanied by (i) assertions by American Express’ management that, with respect to an amount equal to the net proceeds of any Sustainable Financing, the amount that has been allocated to Eligible Projects and the amount pending allocation and (ii) a report from an independent third party who will examine management’s assertion over the use of the net proceeds.

PART III

APPENDIX

PART III: APPENDIX

ESG Strategy and Governance Framework



PART IV

DISCLAIMERS

PART IV: DISCLAIMERS

The information and opinions contained in this Framework are provided as of the date of this Framework and are subject to change without notice. We reserve the right to update this Framework at any time in our sole discretion. None of American Express, its subsidiaries or any of its affiliates assume any responsibility or obligation to update or revise the statements contained in this Framework, regardless of whether those statements are affected by the results of new information, future events or otherwise. This Framework represents current American Express policy and intent and is not intended to, nor can it be relied on, to create legal relations, rights or obligations.

This Framework is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by American Express and, accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by American Express as to the fairness, accuracy, reasonableness or completeness of such information.

We have made various statements in this Framework that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks and uncertainties, including those identified in our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings with the Securities and Exchange Commission (the SEC), which could cause actual results to differ materially from such statements. In particular, future events or circumstances may change American Express’ approach to possible Sustainable Financings and use of related net proceeds or result in changes to this Framework or to American Express’ ESG strategy. Thus, there can be no assurance that the financing for any Eligible Projects will be implemented in the manner set forth in this Framework or achieve the results or outcome (environmental, social or otherwise) originally expected or anticipated by American Express or as contemplated by this Framework. The words “believe,” “expect,” “anticipate,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could,” “would,” “likely,” “estimate,” “predict,” “potential,” “continue” and similar expressions are intended to identify forward-looking statements. We caution you that any risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings with the SEC are not exclusive. None of the future projections, expectations, estimates or prospects in this document should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework. There may also be other risks that we are unable to predict at this time that may cause actual results to differ materially from those in forward-looking statements. Readers 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.

Information concerning important factors that could cause actual events or results to be materially different from the forward-looking statements can be found in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2021 and in our other filings with the SEC. Although we believe the expectations reflected in the applicable forward-looking statements are based upon reasonable assumptions, it is not possible to foresee or identify all factors that could have a material and negative impact on our future performance. The forward-looking statements contained in this Framework are made on the basis of management’s assumptions and analyses, as of the time the statements are made, in light of their experience and perception of historical conditions, expected future developments and other factors believed to be appropriate under the circumstances.

No representation is made as to the suitability of any green, social or sustainability bonds to fulfill environmental and sustainability criteria required by potential investors. Each potential investor should determine for itself the relevance of information contained or referred to in this Framework or the relevant bond documentation regarding the use of proceeds and its purchase should be based on investigation as it deems necessary. Each potential investor should be aware that eligible projects may not satisfy the investor’s expectations concerning environmental or sustainability benefits, and may result in adverse impacts.

This Framework is provided for information purposes only and does not constitute a recommendation regarding the purchase, sale, subscription or other acquisition or disposal of any debt or other securities of American Express or any of its subsidiaries (securities). This Framework is not and is not intended to be, and does not form part of or contain an offer to sell or an invitation to buy, or a solicitation of any offer or invitation to buy, any securities issued by American Express or any of its subsidiaries. If any such offer or invitation is made, it will be done so pursuant to separate and distinct documentation in the form of a prospectus supplement, an accompanying prospectus or other equivalent document and a related pricing term sheet (including the information incorporated by reference therein, the Offering Documents) and any decision to purchase or subscribe for any securities pursuant to such offer or invitation should be made solely on the basis of such Offering Documents and not these materials. In particular, investors should pay special attention to any sections of the Offering Documents describing any risk factors. The merits or suitability of any securities or any transaction described in such materials to a particular person’s situation should be independently determined by such person. Any such determination should involve, inter alia, an assessment of the legal, tax, accounting, regulatory, financial, credit or other related aspects of the securities or such transaction and prospective investors are required to make their own independent investment decisions.

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