



American Express Corporate Social Responsibility

While American Express (NYSE: AXP) ranked below industry average in corporate social responsibility scores (CSR), the Undergraduate Student Managed Fund will continue with the purchase of the company for the following reasons:

Business Pros

- American Express uses a closed-loop and spend-centric model to gain an edge over their competition
- American Express was awarded J.D. Power and Associates best customer service award for six straight years
- American Express has the highest spending per card, which translates to having the highest net income among their competitors
- American Express continues to create value for their shareholders by increasing their dividends by 15% while buying back 150 million shares

Environmental Sustainability

- American Express recognizes its responsibility to protect the environment. They have made progress to conserve energy, reduce waste and promote sustainable use of natural resources. They strive to achieve this goal by setting a five-year carbon footprint reduction goal.
 - Their goal was set in 2007 to reduce its carbon footprint by 10% by 2012.
 - They exceeded their goal by reducing their carbon footprint by 27.5%.
- They also made a commitment to make their operations more “green”.
 - In 2010 they changed the light bulbs in their office buildings to low-energy.
 - They also installed solar panels on the rooftops to reduce the carbon intensity of the electricity used.
 - Today 29% of their electricity comes from green power, compared to 0% five years ago.
- In 2005 they started a program that would save paper.
 - Reduced the weight of the paper used for mailings by 17%. This saved 1,500 million pounds of paper a year.
 - They started to use the Forest Stewardship Council (FSC) logo on mailing material that said “American Express will recycle this envelope” it saved 250,000 pounds of paper.

Community Giving

- American Express provided assistance for over 50 natural disasters in 35 countries in the last decade. They made several donations to organizations such as American Red Cross, International Red Cross, Doctors Without Borders, International Rescue Committee, Save the Children and the United Nations World Food Program.
- American Express has a gift matching program where they will match a donation that any of their employees makes. They spent \$5.8 million in funds to match \$5.8 million in employee donations.
- American Express established multiple programs that offer grants, food, and help to people in need. Some of their programs are Association for Persons with Special Needs, Brighton Dome and Festival, Feeding America, Junior Achievement, and BoardServeNYC.

Though the CSR ratings of American Express depict the firm in a negative manner, this firm is forward looking and heavily concerned about community giving and environmental sustainability. Though the company is below industry average in terms of corporate responsibility, American Express is working to better society in several ways.

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Source: American Express Investor Relations

