



ESG STAKEHOLDER METRICS

The disclosures included in this index use the core-metrics reporting framework developed by the World Economic Forum (WEF), as well as the United Nations Sustainable Development Goals reporting framework. The AAA-ICDR evaluates and selects metrics it believes are most relevant to sustainability, stakeholders, and its impact on society. Reported data is for year-end December 31, 2021.

ENVIRONMENT

THEME	METRIC	DISCLOSURE
Climate Change	<u>Greenhouse gas (GHG) emissions</u> For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO ₂ e) GHG Protocol Scope 1 and Scope 2 emissions. Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	<u>(AAA HQ 120 Broadway, NY)</u> Scope 2: 94 MTCO ₂ e based on Purchased and Consumed Electricity at AAA HQ Scope 3: 88 MTCO ₂ e based on Employee Business Travel and Commuting at AAA HQ
Nature Loss	<u>Land use and ecological sensitivity</u> Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).	The AAA does not own, lease or manage any sites in areas for protected biodiversity based on the U.S. Geological Survey's Protected Areas Database (PADUS)
Fresh Water Availability	<u>Water consumption and withdrawal in water stressed areas</u> Report for operations where material, mega litres of water withdrawn, mega litres of water consumed and the percentage of each in regions with high or extremely high baseline water stress according to WRI Aqueduct water risk atlas tool.	The AAA leases six offices comprising 30,606 square feet in extremely high water stressed regions based on the World Resources Institute's Aqueduct resource database: Los Angeles, San Diego, and Fresno CA, Phoenix, AR, Denver CO, and Dallas TX. The AAA has yet to assess upstream and downstream water impacts but will consider doing so in the future.

SOCIAL

THEME	METRIC	DISCLOSURE
Dignity and Equality	<u>Diversity and Inclusion %</u> Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	<u>Administrative and Case Staff:</u> 78% Female 46% Ethnic/Racial Diversity Average Age = 40 years <u>Managers and Other Exempt Staff:</u> 74% Female 45% Ethnic/Racial Diversity Average Age = 42 years <u>Vice Presidents and Executives:</u> 45% Female 32% Racial/Ethnic Diversity Average Age = 52 years
	<u>Pay equality %</u> Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	<u>Administrative and Case Staff:</u> Pay ratio of women to men: 1.01 to 1.0 Pay ratio of diverse to white: 1.01 to 1.0 <u>Managers and Other Exempt Staff:</u> Pay ratio of women to men: 1.01 to 1.0 Pay ratio of diverse to white: 1.0 to 1.0 <u>Vice Presidents and Executives:</u> Pay ratio of women to men: 1.01 to 1.0 Pay ratio of diverse to white: 1.0 to 1.0

	<p>Wage level % Ratios of standard entry level wage by gender compared to local minimum wage.</p> <p>Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.</p>	<p>Starting wage rates across all locations for female and male employees are, on average, 187% of the minimum wage.</p> <p>CEO pay ratio = 11.71 to 1</p>
	<p>Risk for incidents of child, forced or compulsory labor An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labor.</p>	<p>The AAA provides alternative dispute resolution services, and its operations consist of professional, technical, and administrative employees only. The AAA does not employ children, and there is no risk related to the use of child or forced labor.</p>
Health and Well-Being	<p>Health and safety % The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.</p> <p>An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</p>	<p>Work-related Fatalities: 0 Work-related injuries: 0 Total hours worked: 1,002,316 Hours of work missed due to work injury: 0</p> <p>The company provides regular full-time employees and their eligible dependents the opportunity to enroll in comprehensive health and medical benefits. The company covers up to 90% of enrollment costs, and employee costs are based on salary level (higher earners pay more). Percentage of employees enrolled: 80%</p>
Skills for the Future	<p>Training provided #, \$ Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).</p> <p>Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</p>	<p>The AAA provides extensive training and professional development opportunities to all staff, with additional focus in the areas of safety, cybersecurity, business literacy, financial wellness, and DE&I.</p> <p>Average Training Hours (all staff): 37.52 hours Female: 39.07 hours</p> <p>Average expenditure per employee: \$657</p>
Employment and Wealth Generation	<p>Absolute number and rate of employment # % Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</p> <p>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region</p>	<p>Number of New Hires: 102</p> <p>Administrative and Case Staff: 45 Female, 19 Male 38 White, 26 Diverse Average Age = 34 years</p> <p>Managers and Other Exempt Staff: 7 Female, 4 Male 4 White, 7 Diverse Average Age = 42 years</p> <p>Vice Presidents and Executives: 1 Male 1 White Average Age = 56 years</p> <p>Companywide turnover rate: 13.6% Turnover rate (Female): 6.5% Turnover rate (Diverse): 9.7%</p>
	<p>Economic Contribution \$ 1) <u>Direct economic value generated and distributed</u> (EVG&D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by:</p> <ul style="list-style-type: none"> a. Revenues b. Operating costs c. Employee wages and benefits d. Payments to providers of capital e. Payments to government, including taxes, remittance of employee withholdings, escheated funds, property taxes paid via rent payments 	<p>129,085,000 116,339,000 78,595,000 0 19,736,000</p>

2) Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period. 24,000

Wealth Creation	Financial investment contribution disclosure \$	
	1) Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.	
	Gross capital expenditure:	4,167,000
	Net of depreciation/amortization:	-146,000
	2) Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. N/A	

Community/Social Vitality	Total Tax Paid \$	
	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes. 4,708,000	

Innovation of better products and services	Total R&D Expenses \$	
	Total costs related to research and development. 549,000	

GOVERNANCE

THEME	METRIC	DISCLOSURE
Governing Purpose	<p>Setting Purpose</p> <p>The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental, and social issues. Corporate purpose should create value for all stakeholders, including shareholders.</p>	The AAA works to provide fair, effective, efficient and economical methods for dispute resolution and education about dispute resolution.
Quality of Governing Body	<p>Governance Body Composition</p> <p>Composition of the highest governance body and its committees by: competencies relating to economic, environmental, and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation</p>	<p>AAA-ICDR Council consists of over 80 individuals from various areas of business, law, academia, private and public sector backgrounds. The Board of Directors is made up of Council members elected to the Board. Two of our 17 Directors have ESG expertise. Our Audit Committee has an ESG Subcommittee with reporting to the Board. A majority of our Directors are Independent: 10 out of 17. Only one AAA executive is on the Board of Directors. Average tenure of Directors on the Board is 3.3 years. 7 directors are women, 3 members are racially/ethnically diverse. Voting Members of the Council and Board who are women and/or racially/ethnically diverse: 2021 Council: 61%, Board: 46%. 2022 Council: 71%, Board: 52%. Both business and law stakeholder groups, for-profit and nonprofit experts are represented on the board. No Director has more than 5 other significant positions/commitments.</p>
Stakeholder Engagement	<p>Material issues impacting stakeholders</p> <p>A list of the topics that are material to key stakeholders and the company, how the topics were identified, and how the stakeholders were engaged</p>	<p>Our Stakeholders are Parties and Advocates on Cases or in Elections, the Public, AAA Roster members, our Employees, Courts and other branches of Government and our Vendor/partners. Our stakeholders are surveyed and interviewed regularly in writing and on the telephone, including by outside consultants. Issues of concern to Stakeholders are: impartiality and fairness, quality panel members, diversity, quality administrative staff, value and efficiency, cybersecurity and data privacy., confidentiality and technology.</p> <p>The AAA-ICDR Council of 80+ individuals from law and business serve on committees related to alternative dispute resolution and to AAA governance and operations.</p>

Ethical Behavior

Anti-Corruption

- 1.Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region
- 2.(a) Total number and nature of incidents of corruption confirmed during the current year but related to previous years
(b) Total number and nature of incidents of corruption confirmed during the current year, related to this year
- 3.Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption

AAA provides ethics training and communications to employees and Directors regarding AAA's expectation for ethical and lawful conduct in compliance with applicable laws, rules and regulations. Employees are required to abide by AAA's Employee Code of Conduct, No Gifts Policy, and the conflict of interest guidelines set forth in the AAA Employee Handbook. Employees have several avenues to report actions that they believe may be unethical or violate AAA policies, including reporting to the SVP for HR. Employees also have access to a third party confidential reporting service, called Ethics Point, which allows employees to report ethical complaints anonymously.

Members of the Board of Directors are bound by a Statement of Ethical Principles, and are required to complete a Conflicts of Interest Form on an annual basis. AAA-ICDR also has a Whistleblower policy, which establishes procedures for the reporting and handling of concerns regarding action or suspected action taken by or within the AAA that is or may be illegal, fraudulent or in violation of any AAA policy, as well as any other matter that could cause serious damage to the AAA's reputation.

Arbitrators who are on the AAA's Roster are required to adhere to a Code of Ethics. AAA Arbitrators also receive ethics training and are required to make disclosures to parties regarding any circumstance likely to give rise to justifiable doubt as to their impartiality or independence.

Protected Ethics Advice/Reporting

- A description of internal and external mechanisms for
1. Seeking advice about ethical and lawful behaviour and organizational integrity;
 2. Reporting concerns about unethical or lawful behaviour and organizational integrity.

The AAA provides a third-party confidential employee reporting service called EthicsPoint that enables staff to report online or by telephone any ethical concerns. Regular reporting of these EthicsPoint reports are made to the Audit Committee; the internal Officers and the Chair of the Audit Committee receive these reports when and if filed. Employees are bound by an Employee Code of Ethics and conflict of interest guidelines for employees are set forth in the AAA Employee Handbook. In addition to EthicsPoint reporting, employees are also encouraged to contact their manager and/or HR when seeking advice about ethical behavior. AAA's policy against retaliation helps ensure that those who raise concerns or participate in investigations in good faith are protected.

The AAA Board of Directors can access external advisors as may be needed, including lawyers, accounting experts and compensation consultants. The Board of Directors Statement of Ethical Principles applies to all AAA Board members. Directors who have concerns regarding compliance with those Ethical Principles are encouraged to raise those concerns with the Chair of the Nominating and Governance Committee or the General Counsel of the AAA. AAA Directors are required to complete an annual conflict of interest disclosure statement. AAA also has a Whistleblower Policy, and the Board of Directors conducts a self-assessment annually.

Risk and Opportunity Oversight

Integrating Risk and Opportunity Into Business Process

Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.

The AAA's General Counsel and the AAA's Chief Financial Officer are responsible for our framework of risk and opportunity oversight and make regular reports to the Audit Committee. The Board and the Audit Committee of the Board review our enterprise risk management (ERM) program. The Audit Committee has a subcommittee on ESG to oversee our ESG program on an annual basis. Risks include cybersecurity and data privacy, legal environments for ADR, talent recruitment and retention and reputational risk.

AAA-ICDR maintains a formal Information Security Program with senior management level governance. The AAA-ICDR's Information Security Committee, comprised of senior staff from IS, HR, Legal and the business, provides comprehensive oversight of the systems and processes employed to protect the AAA-ICDR's information assets and electronic systems. To ensure the effectiveness of the AAA-ICDR's Information Security Program, the AAA-ICDR undertakes several information security related assessments, audits and security tests annually.

Following the National Institute of Standards and Technology (NIST) Cybersecurity Framework, the AAA-ICDR employs several layers of advanced and best-practice protections against both external and internal cyber threats. This includes highly advanced firewalls to prevent access from unauthorized internet users; extensive use of encryption and security patches; and a Payment Card Industry Data Security Standard (PCD DSS) process for secure credit card payments. AAA-ICDR has in place both a formal Cyber Security Incident Response Plan as well as a Disaster Recovery Plan to address both the management and potential recovery from a cyber attack. In addition to the IS team's monitoring of AAA-ICDR's technology systems, all AAA-ICDR employees and authorized users of the AAA-ICDR's information assets have been trained and are required to report any violations of the Acceptable Use Policy and/or any potential Incident to the IS team.

The AAA-ICDR requires ongoing organization-wide computer-based training in cybersecurity awareness and provides cybersecurity-training to panelists. Annually, all staff members are required to acknowledge the Acceptable Use Policy, which outlines the appropriate and secure use of the AAA-ICDR's resources and data. The AAA-ICDR's Code of Ethics for Employees provides that staff must protect confidential and proprietary information and materials and not disclose such information to unauthorized individuals. AAA-ICDR's Confidentiality and Case Records Policy sets forth specific obligations that employees have to maintain the confidentiality of case records and other information, and sensitive data is regularly purged per a formal data retention schedule. To ensure that employees understand the importance of their duty to maintain confidential information, the AAA-ICDR distributes and internally posts a copy of this policy and guidelines for maintaining confidentiality to all staff, and also requires each employee to confirm their receipt and understanding by annually signing an Acknowledgement Form.
