



Diversity at AIG

A Culture that Embraces Differences





di·ver·si·ty \də-ˈvər-sə-tē, dī-, *noun*

1. the highest standards of inclusiveness. 2. a culture that embraces differences. 3. respect for and value of differences.



Diversity at AIG

At AIG, diversity means the highest standards of inclusiveness and a culture that embraces differences. Diversity is about respecting and valuing these differences. AIG is committed to creating an environment where all employees can realize their fullest potential and where AIG will continue to flourish with the opportunity that diversity offers.

Letter from Martin J. Sullivan



President and CEO
American International
Group, Inc. (AIG)

Corporate diversity programs are now an important consideration in almost every facet of business in America.

To be a true ambassador of diversity, mandatory training exercises and corporate declarations of inclusiveness are not enough. Diversity must become a business imperative, a bedrock principle, a critical measure for excellence in customer satisfaction, and a tool for employees to realize their full potential.

At AIG, diversity is not something new. Since our founding in Shanghai in 1919, AIG has meticulously worked at weaving the multiple strands of diverse cultures and ethnicities into the fabric of our company. It has been a guiding principle for our business and an important reason behind our success worldwide.

Still, when I assumed responsibility as AIG President and Chief Executive Officer in 2005, I felt we needed to do more to deeply and deliberately imprint diversity practices throughout our corporate culture.

Not long into my tenure, we established a three-tier structure for developing and advancing diversity initiatives throughout all AIG businesses, with clearly defined, multifaceted goals and concrete measures to achieve them. We furthered our commitment to diversity with the appointment of Terri D. Austin as AIG's global Chief Diversity Officer in January 2007.

Although we are more diverse today than ever before, AIG still has work to do. We cannot afford to be complacent. The needs of our customer are constantly changing, as are the expectations of our employees. I am confident these efforts will pay dividends for all our stakeholders—shareholders, employees, customers, business partners and communities—far into the future.

In the following pages, you will be reading more about AIG's diversity initiatives. As you do so, I would urge you to consider AIG, first and foremost, as a preferred business partner; as an employer of choice that respects people for the diverse talents they bring; as a responsible corporate citizen that is committed to the communities worldwide where we do business; and as a company that investors can trust to deliver superior results by making diversity a business principle.

Thank you for your support.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'MS' or similar initials, written over a light blue circular graphic element.

Martin J. Sullivan
President and Chief Executive Officer
American International Group, Inc.



Letter from Terri D. Austin



Chief Diversity Officer
American International
Group, Inc. (AIG)

This past year has been an exciting time for diversity initiatives at AIG. Not only have we established a series of councils to develop key strategies, but we also implemented several important initiatives designed to increase the diversity of our employees, products and services, clients and suppliers.

- **Employees:** Investing in a diverse talent base and cultivating an inclusive environment for all people—regardless of race, gender, sexual orientation or physical ability—is the best way to recruit and retain a premier global workforce.
- **Clients:** Since our founding 89 years ago, AIG has continued to recognize, value and respect the cultures and customs of our diverse customer base that spans more than 130 countries and jurisdictions.
- **Products and Services:** AIG has a product development architecture that encourages ideas through broker interaction, employee incentives and an entire month dedicated specifically to developing products for diverse customers. One product we have developed is a travel insurance product for people with disabilities that replaces mobile devices (wheelchairs and scooters) damaged en route to their destination.

- **Suppliers:** We believe that our supplier base should be as diverse as our product mix, client base and the communities in which we operate. We seek to cultivate relationships with those companies that can provide the highest quality products and services at reasonable costs.

Since AIG established a formal diversity program, we have received numerous awards that have been recognized by several organizations, both national and local, including the “Financial Institution of the Year” award in April 2008 from the Urban Financial Services Coalition of New York; the “National Business & Disability Commitment to Excellence Award” in December 2007; and being named one of the Top 100 Companies for Diversity in Corporate America by Black Professionals Magazine in June 2007.

We are at the start of our journey to make diversity an integral part of AIG’s business operations and growth strategy. As we continue to enter new markets and provide new services worldwide, we will stay focused on opportunities to enrich our program with the varied talents and capabilities that employees from diverse backgrounds and cultures have to offer. We are committed to advancing diversity initiatives throughout AIG and I urge you to accompany us on this exciting journey.

Sincerely,

A handwritten signature in black ink that reads "Terri D. Austin".

Terri D. Austin
Chief Diversity Officer
American International Group, Inc.



Structure



Headquartered in New York, American International Group, Inc. (AIG) has a deep appreciation for the diverse cultures and communities in which we do business—an appreciation that began with our founder and our corporate origins.

With a passion for enterprise, AIG's founder, C.V. Starr, arrived in Shanghai in 1919 and opened an insurance company he called American Asiatic Underwriters (AAU). Nearly 90 years later, AAU has grown into AIG, a world leader in insurance and financial services, with operations in more than 130 countries and jurisdictions.

While inclusion and diversity have been guiding business principles and vital reasons for AIG's success, Martin J. Sullivan, AIG's current President and Chief Executive Officer (CEO), recognized the need to "deeply and deliberately imprint diversity practices throughout our corporate culture."

AIG began by establishing an Executive Steering Committee (ESC) in 2006 to coordinate AIG's diversity strategies. One of the ESC's first areas of business was to appoint a Chief Diversity Officer to provide executive oversight to AIG's global diversity strategies. On January 12, 2007, CEO Martin Sullivan announced the appointment of Terri D. Austin to the position.

During the first quarter of 2007, a three-tier committee system was developed. Each ESC member selected a representative to the Corporate Diversity Council (CDC), who would develop and lead a Business Unit Council (BUC). The CDC focuses on developing initiatives to support the ESC's corporate diversity strategies. The BUC helps facilitate achievement of those clearly defined, multifaceted goals. Both the ESC and the CDC meet on a monthly basis.

To further promote diversity as a global business imperative, the AIG Global Talent Management & Organization Development Council recently established a Diversity Task Force, made up of AIG Human Resource representatives from around the globe.

To further develop AIG's diversity initiatives and strategies, we have also hired a Disability Coordinator to oversee AIG's disability initiatives, a Diversity Program Administrator to coordinate all program, sponsorship and membership oversight, and a Management Associate to focus on AIG's education programs.



Employees

AIG'S DIVERSITY CULTURE AT WORK

Our employees are our greatest asset—and we are committed to maintaining and advancing an environment where we encourage diversity and the employment of people with diverse backgrounds, including women and minorities. Our various workforce development initiatives include: identifying and promoting talented executives; providing diversity training; establishing mentoring programs; and focusing on work life issues.

Executive Development

- **AIG's Executive Development Council (EDC)**

The EDC meets annually to review all key staff positions to ensure that AIG gives adequate attention to succession management and that diversity initiatives are included in every stage of staff development and mentoring.

- **Executive Leadership Council (ELC)**

An integral part of our dedication to developing diverse talent within AIG is our support of the ELC, an independent non-profit organization dedicated to providing African-American executives of Fortune 500 companies with a network and leadership forum. AIG served as the lead sponsor of the ELC's 2006 Leadership/Legacy 20 event. In 2007, AIG participated in this same ELC event, where senior leaders from the participating companies pledged to join together with ELC to share diversity best practices.

Terri D. Austin,
AIG's Chief Diversity
Officer, with New York
Mayor, Michael R.
Bloomberg at Disability
Mentoring Day in
October 2007.



Diversity Training

Diversity training raises awareness and enhances our ability to implement diversity objectives. In an effort to provide our management team with appropriate tools needed to better communicate diversity strategies to the employees they manage, we have developed live training sessions. Additionally, all employees are requested to complete an online diversity awareness program to sensitize us regarding diversity and inclusion issues.

Disability Mentoring Day

As part of our nationwide support for Disability Mentoring Day, AIG sponsored a kickoff breakfast with the New York City Mayor's Office for People with Disabilities in October of 2007. In addition, approximately 16 individuals with disabilities spent the day at several AIG locations nationwide job shadowing AIG employees.





“As a first-time, working mom, I was anxious about returning to work after a three-month maternity leave. The daycare facility we had enrolled our daughter in, like most others in New York City, does not accept infants younger than six months old, making it difficult for us to arrange for interim childcare.

My managers understood my situation and worked with me on a plan that allowed me to do my job and serve my clients. Their flexibility made me feel like a valued member of the team and helped ease the stress I felt about providing good care for Clara.”

Myra Bartalos
Director, Marketing Services, Communications
American International Group, Inc.
& Corporate Diversity Council Member

Work Life Issues

In order to attract and retain a talented diverse workforce, AIG is focusing on developing policies which will support an inclusive environment. One of the policies which has been researched and expanded is AIG's Maternity Leave Policy which now provides eight weeks full pay, and a two week bonding period, also full pay, for new mothers, fathers and adoptive parents.

St. Vincent's Mentorship Program

AIG is working with St. Vincent's Services (SVS), a non-profit organization that is one of the oldest and most respected childcare agencies in New York City. Their mission is to serve needy children and their families with services that support the healing, nurturing and development of relationships ideally found in family life. AIG has developed a mentorship program where AIG employees have the opportunity to serve as mentors to the children of St. Vincent's Services.



RECRUITMENT STRATEGIES

Attracting and retaining talent are critical to AIG's continuing business success. We realize that in order to foster the next generation of entrepreneurial leaders we need to provide early and sustained educational support to promising students. In an ongoing effort to support those students, we work closely with the talent pool from the high school through the undergraduate and post-graduate levels through participation in various programs.

High School Programs

▪ Academy of Finance

The Academy of Finance is a New York State Department of Education program that partners with the public and private sectors to provide career-themed lessons and hands-on experience to high school students. In New York State, there are 36 Academies that are essentially schools within schools. Students of the academies are offered paid internships that connect them with local business leaders and organizations. AIG holds a seat on the Board of Directors of the New York City Chapter of the Academy of Finance and places interns each summer.

▪ Brandeis High School

AIG sponsors an internship program for Brandeis students in New York during the academic school year and summer. These internships give students an opportunity to gain valuable hands-on experience with a leading financial organization.

"All of the AIG volunteers were prepared, thoughtful and engaging! It was really a pleasure to be part of the entire event. You have certainly set the bar high for future high school JA in a Day events."

Junior Achievement of New York Staff



▪ Junior Achievement of New York (JANY)

Junior Achievement of New York aims to inspire and prepare young men and women to succeed in today's global economy, by connecting volunteers with students in grades K–12. AIG is a sponsor of the JANY Hispanic Initiative, a three-year pilot program designed to enrich the educational opportunities of the Hispanic community in New York City. We are combining this effort with an extensive financial literacy joint venture project with JANY, where volunteers from AIG go into New York City high schools to teach financial literacy programs for a day.

▪ Prep for Prep

Prep for Prep is a leadership training program that identifies and nurtures minority students in New York City with the education, skills, and commitment to transform their own lives and become leaders within their communities and society at large. Prep students are prepared for placement in independent schools, and provided with a sense of community, peer support, critical post-placement services, and a range of leadership development opportunities. AIG hires interns each summer from Prep for Prep.



Undergraduate Programs

▪ Campus Recruiting

We interview at various campuses, including four historically black colleges for the Investment Analyst, Accounting Analyst, Actuarial and Underwriting Programs. We also target diverse student organizations on campuses in order to recruit and generate interest in our programs.

▪ Emerging Leaders Program of the National Business and Disability Council (NBDC)

The National Business and Disability Council is the leading resource for employers seeking to integrate people with disabilities into the workplace. AIG partnered with this organization to assist us in identifying summer associates and AIG ultimately hired three individuals from this program for the summer of 2007.

▪ INROADS

INROADS's mission is to develop and place talented young minorities in the business industry and prepare them for corporate and community leadership. AIG hired 21 summer associates through our partnership with INROADS.

▪ Wall Street Diversity Group

The Wall Street Business and Disability Group is a special interest group of the National Business and Disability Council (NBDC) and has been meeting over the past several years to exchange information on disability issues. AIG has joined with leading financial service institutions to educate minority students about careers in financial services. The group holds informational sessions each fall at Morehouse and Spelman Colleges and at Howard University, and hosts an outreach event for Hispanic students during the summer.



Master's Programs

- **National Black MBA Association (NBMBA)**

The National Black MBA Association is an organization dedicated to developing partnerships that create intellectual and economic wealth within the black community. Comprised of black entrepreneurs and graduates with MBAs and advanced degrees, this organization is committed to providing innovative programs that stimulate their growth as well as help increase awareness of career opportunities. AIG is an active participant in the NBMBA's national annual conference and career fair, as well as a sponsor of the local New York City chapter.

- **National Society for Hispanic MBAs (NSHMBA)**

The National Society of Hispanic MBAs aims to support and promote Hispanic leadership through graduate education and professional development. The NSHMBA serves as a professional business network for economic and philanthropic advancement within the Hispanic community. AIG participates in the NSHMBA's national annual conference and career fair.

- **Robert Toigo Foundation**

The Robert Toigo Foundation focuses on recruiting the brightest minority business graduate students to become Toigo Fellows. Toigo Fellows are encouraged to enter into various areas of finance—not only as a career, but as an opportunity to be future leaders of the economy. This organization supports the Toigo Fellows throughout their careers by providing continued educational and leadership guidance. The alumni then have the opportunity to give back to the organization by supporting and mentoring the newly recruited talent. AIG works extensively with this foundation to hire talented individuals from diverse backgrounds in the financial industry.



Products, Services & Clients

The AIG Companies® offer a variety of insurance, loans and retirement products and services to meet a broad array of customer needs. Our clients include companies and individuals from different countries and jurisdictions. In an effort to support their different needs, several of AIG's business groups are teaming with AIG Product Development, General Insurance, to create products which focus on diverse populations.

- AIG Companies offer an identity theft product targeted specifically to African-American and Hispanic sororities to address a growing identity theft concern was released to the market.
- AIG Travel is currently developing a full service travel insurance product for people with disabilities.
- AIG Life & AIG Commercial Insurance Group are pursuing a cost-effective life insurance product for individuals with disabilities.
- AIG Life is researching the development of an AIG Special Needs Trust, a product which offers financial security for parents with disabled children in the event that the parents are no longer able to provide support.

In support of the aigdirect.com business plan, AIG's Personal Lines division recruited over 100 bilingual Sales and Service Representatives in September 2007. This strategy supports an expansion of marketing to the Hispanic population from 15 to 48 states. Marketing plans geared toward the Hispanic community include direct mail and television advertising on Spanish language channels.

Help us bring greater diversity to AIG's products and services.

Diversity is Everywhere.

February is
Diversity Product Month.

Do you have an idea for a new AIG product or a way to customize an existing AIG product for diverse market segments? Submit your idea online at www.aigpd.com.

During the month of February, all employees who submit a diversity product idea will be entered in a random prize drawing for one of three iPod® Nanos. If your idea is suitable for development, you could earn up to \$10,000.*

*New product ideas submitted immediately become the exclusive property of AIG Product Development, General Insurance, and are subject to all the rules regarding eligibility listed on our website at www.aigpd.com.

AIG Product Development

In conjunction with AIG Product Development, AIG's Diversity Office hosts an annual "Diversity Product Month", where employees are encouraged to submit ideas for products and services for diverse audiences. Our first such event brought in more than 100 new ideas within the first 48 hours of the announcement. Eventually, 90 out of nearly 220 submissions were deemed to be diversity-focused.



Initiatives

AIG Scholarship for Success Program

The AIG Scholarship for Success Program was created in 2007 to provide scholarships and internship opportunities to talented students with diverse backgrounds. The purpose of this program is to provide financial assistance to promising students while providing them with an opportunity to gain professional experience with a leading, multinational organization through internships within our business units. By providing these opportunities to students, we also hope to attract and retain talent in the long term.

The 2007 program provided ten two-year scholarships for students attending Baruch College and John Jay College of Criminal Justice. The scholarships were awarded to students in their junior and senior years. It was designed as a four-year pilot program, which will include the possibility of an internship the summer between their junior and senior years.

Internship opportunities allow students to gain valuable work experience in their areas of interest, and at the same time present AIG business units with the chance to discover and nurture promising talent. Interns will also participate in activities including lunches, community service and attendance at sporting events. Each intern will be assigned a mentor from the respective business unit who will meet with the student to discuss progress and challenges. Interns will also receive at least two training sessions through the AIG Corporate Training Center.

The 2007 program attracted an exceptionally talented pool of candidates and has been a great success.



Building on this success, we are expanding the 2008 AIG Scholarship for Success Program. The program will include up to 10 participating colleges and universities across the U.S., and will grant scholarships and provide an opportunity for internships to dozens of students nationwide.

Communication

Communication of AIG's diversity initiatives to employees, clients, suppliers, and shareholders is imperative to our success. To keep stakeholders up-to-date as well as provide a resource where they can learn more about AIG's diversity initiatives, we have created a corporate diversity website. Please visit us at:

www.aig.com/diversity

In addition, the Diversity Office utilizes the AIG Today Intranet site and distributes email updates to highlight significant diversity accomplishments to all employees. Additionally, we created an internal diversity calendar program on StarCite where employees can register diversity sponsorships and events, as well as view the calendar of past events.

AIG has developed an advertising strategy targeting diverse audiences that includes print advertising campaigns in Diversity Inc., Oprah, Diversity Careers Magazine, Black Enterprise, Working Women Magazine, Best Review, Black Professionals Magazine and The Network Journal. We have also created several commercials that include diverse actors and a print advertisement focused on women.





(L-R) Janice Cook Roberts, Kohlberg Kravis Roberts & Co.; Liz Flynn, AIG; Sharon Bowen, Latham & Watkins; and Terri D. Austin, AIG.



Women's Initiatives

In March 2008, AIG's Diversity Office hosted its inaugural Women's History Month Panel Discussion, which included both internal and external panelists who provided insight into professional and personal challenges, spoke of their individual role models and offered key tips for success. The panel was attended by more than 60 AIG employees at AIG headquarters in New York City.

Community Outreach

AIG is supporting a pilot program called "Healthy Steps to Albany," initiated by the Metro-Manhattan Chapter of The Links. Healthy Steps to Albany encourages physical activity and nutritional eating habits among the middle school children in Harlem, New York. AIG has donated 4,000 pedometers to program.

Disabled Sports USA, the Wounded Warrior Disabled Sports Project and AIG hosted a 30-minute President's Challenge Fitness Walk and kicked off the "President's Council on Physical Fitness Challenge." The President's Challenge is a national six-week physical activity challenge designed to encourage Americans to lead more active and healthy lifestyles.



Partnerships

To strengthen our commitment to diversity, AIG has aligned with organizations that support and promote diverse populations and whose missions are linked to AIG's business objectives.

- Abilities
- Academy of Finance
- American Association of People with Disabilities
- Asian American Legal Defense & Education Fund
- Association of Diversity Councils
- Baruch College
- Brandeis High School
- Career Opportunities for Students with Disabilities
- Catalyst
- Council of Urban Professionals
- CPCU Society
- Disabled Peoples International
- Disabled Sports USA
- Diversity Best Practices
- EmployME!
- Executive Leadership Council
- Fedcap
- Financial Women's Association
- Girls Inc.
- Girl Scout Council of Greater New York
- Harvard Business School African American Alumni Association
- Human Rights Campaign
- INROADS
- Junior Achievement
- Just One Break
- Justice Resource Center
- Lambda Legal
- Management Leadership for Tomorrow
- New York Mayor's Office for People with Disabilities
- NAACP
- National Black MBA Association
- National Business & Disability Council
- National Center for Learning Disabilities
- National Council for Research on Women
- National Council of La Raza
- National Organization on Disability
- National Society for Hispanic MBAs
- National Urban League
- National Women's Law Center
- New York Women's Foundation
- Police Athletic League
- Prep for Prep
- Robert Toigo Foundation
- Thurgood Marshall College Fund
- Thurgood Marshall Scholarship Fund
- United Spinal Association
- United States Business Leadership Network
- Visions
- Wall Street Diversity Group
- Women Executive Leadership
- Wounded Warrior Project



Suppliers

The AIG Supplier Diversity Program was established as a corporate plan to provide maximum opportunity for certified diverse businesses to participate as suppliers to AIG and its subsidiaries. AIG also recognizes those non-diverse companies who demonstrate a strong commitment to supplier diversity and who provide employment and career growth opportunities to minorities and women.

An effective supplier diversity program requires a structured process that serves as the framework for ensuring consistency throughout the firm. Various sourcing and vendor management groups throughout AIG secure goods and services for their individual business units in a decentralized manner. In order to ensure that diverse suppliers are being considered, AIG has created a set of standards, listed below, to which each sourcing group should adhere.

- Supplier Diversity Policy
- Sourcing Procedures
- Supplier Diversity Questionnaire
- Evaluation Form
- Contract Provisions

Through the creation of the Supplier Diversity Program, we hope to promote and demonstrate the importance that AIG places on diversity in the market-place.

Tracking and Reporting Results

The AIG Supplier Diversity Program will track and monitor the program's progress and effectiveness, by accurately capturing all spend to diverse suppliers—directly and indirectly. To do this effectively, we will enhance the current Dunn & Bradstreet (D&B) diversity reporting by purchasing additional spend management solutions, specifically geared towards supplier diversity reporting. Through our "Second Tier" program, we also aim to create an automated process for our primary suppliers to report second-tier spend in support of AIG's supplier diversity strategy.

External Outreach

AIG actively participates at the national and local level in key supplier diversity advocacy organizations and activities. We provide informational seminars and program materials to diverse business owners regarding company requirements and opportunities.

The AIG Commercial Insurance Group Diversity Producer Advisory Board was created to gain a better understanding of the unique perspective of minority brokers and their clients' needs.

AIG's Chief Financial Officer (CFO) Group has reviewed existing vendor relationships and met with a number of minority and women-owned firms to participate in a retail hybrid issuance led by UBS.



"The objective of our supplier diversity program is to ensure that Minority and Women Business Enterprises (MWBEs) have sufficient opportunities to provide AIG and its subsidiaries with goods and services. We believe that our supplier base should be as diverse as our product mix, client base and the communities in which we operate and serve. We are developing a database of MWBEs which will facilitate the successful execution of our strategy and programs."

**Keith Duckett, Vice President of Administration
American International Group, Inc.**



Recognition

AIG has been the recipient of a number of awards acknowledging our diversity initiatives. The recognition has come from organizations and publications that support diversity and inclusion.


- **April 2008:** AIG was named the 2008 Financial Institution of the Year by the Urban Financial Services Coalition for our excellent management, outstanding commitment to local communities and our positive diversity practices.
- **December 2007:** AIG received the National Business & Disability Commitment to Excellence Award.
- **July 2007:** AIG was the recipient of the Career Opportunities for Students with Disabilities (COSD) Employer Recognition Award.
- **June 2007:** AIG was named one of the Top 100 Companies for Diversity in Corporate America by *Black Professionals Magazine*.
- **April 2007:** AIG was named one of the country's top 50 companies offering the most generous fertility and/or adoption benefits to employees by *conceive magazine*.
- **December 2006:** AIG received the Commitment to Excellence Award from Abilities Inc. and National Business and Disability Council for its ongoing commitment to employing individuals with disabilities.
- **2006:** AIG received the Bringing Leadership to Life Award from the Robert Toigo Foundation for setting new standards in its progressive and creative approach to understanding diversity and its commitment to promoting a work environment reflective of society.

August 2007: AIG was given the Title I Americans with Disabilities Act Employment Award from New York Mayor Michael R. Bloomberg.



"AIG's disability initiatives focus on cultivating people with disabilities into every aspect of what we do as a company. This includes hiring, marketing and developing new products and services. In addition, AIG is committed to working with organizations in order to provide new innovative programs for individuals with disabilities, such as the UCLA Leadership Institute for Managers with Disabilities and Disability Mentoring Day."

Brett Eisenberg
Disability Coordinator
American International Group, Inc.



As we continue to embrace the differences in the society in which we live and do business, AIG will remain focused on the importance of diversity in the workplace. We will continue to put an emphasis on educating our staff regarding diversity and promote respecting the differences diversity brings.

Diversity is not just a concept that we must grasp and understand one time, but a concept we must understand and embrace for a lifetime—to ensure the success of our business in a growing and changing society.

For more information about diversity at AIG, please visit www.aig.com/diversity.

American International Group, Inc. (AIG), a world leader in insurance and financial services, is the leading international insurance organization with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed on the New York Stock Exchange, as well as the stock exchanges in Ireland and Tokyo.



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