



# 2020 Environmental, Social and Governance Report

June 2021



# Contents

A MESSAGE FROM OUR PRESIDENT & CHIEF EXECUTIVE OFFICER	3	PART 3   SOCIAL	40	ABOUT THIS REPORT	72
A MESSAGE FROM OUR CHIEF SUSTAINABILITY OFFICER	5	TALENT ATTRACTION	40	APPENDIX A: SASB INDICES	74
ABOUT AIG	7	TALENT DEVELOPMENT	42	APPENDIX B: TCFD INDEX	78
ENVIRONMENTAL, SOCIAL, AND GOVERNANCE	8	DIVERSITY, EQUITY, AND INCLUSION	44	APPENDIX C: GRI INDEX	80
IMPACT AT A GLANCE	9	HEALTH AND WELLNESS	48		
		AIG'S RESPONSE TO COVID-19	51		
		HUMAN RIGHTS	53		
OUR SUSTAINABILITY STRATEGY	10	RESPONSIBLE SUPPLY CHAIN	53		
MATERIALITY ASSESSMENT	11	PHILANTHROPY AND VOLUNTEERISM	55		
ALIGNMENT WITH UN SUSTAINABLE DEVELOPMENT GOALS	13				
PARTNERSHIPS	17	PART 4   GOVERNANCE	60		
		GOVERNANCE STRUCTURE	60		
PART 1   OUR BUSINESS	18	BOARD COMPOSITION AND REFRESHMENT	64		
GENERAL INSURANCE	18	DIRECTOR INDEPENDENCE	65		
LIFE & RETIREMENT	21	EXECUTIVE COMPENSATION	65		
INVESTMENTS	24	SHAREHOLDER RIGHTS, OWNERSHIP STRUCTURE, AND DIRECTOR ELECTIONS	66		
		BUSINESS ETHICS	66		
PART 2   ENVIRONMENTAL	26	LOBBYING AND PUBLIC POLICY	68		
CLIMATE ACTION	26	CYBERSECURITY AND DATA PRIVACY	70		
TYPES OF CLIMATE RISK	28				
MANAGEMENT OF CLIMATE-RELATED RISKS	33				
METRICS AND TARGETS	35				
ENVIRONMENTAL STEWARDSHIP	39				

# Introduction

## A Message From Our President & Chief Executive Officer

I am pleased to share with you AIG's first-ever Environmental, Social, and Governance (ESG) Report. AIG is publishing this ESG Report because we are committed to transparency with our stakeholders about issues that involve and impact all of us.

AIG strives to be a top performing and results-oriented company – in everything we do.

We pursue excellence in our financial and operating performance, in how our colleagues serve our clients and distribution partners, in our performance as evaluators and underwriters of risk, and in our performance as an agent of change in helping the world navigate climate and other similar challenges.

We believe this report is another important step forward for AIG.

### Exceptional Global Corporate Citizenship

Our commitment to transparent ESG leadership is a central part of our global corporate citizenship agenda. Documenting our progress through this ESG Report creates a mechanism to share our perspectives and a way to measure our progress.

With more than 40,000 colleagues conducting business in approximately 80 countries, being an agent of change is an important responsibility in a complex and dynamically changing world.

Our global communities are in various stages of recovering from a pandemic that drastically altered economies and everyday ways of life. Racial and social injustices continue to plague our societies as we strive for safety, fairness, advancement, and equity. And, climate instability looms as an ever-present danger for future generations.

A safer, cleaner, healthier, more equitable, and prosperous future requires a commitment to exceptional global corporate citizenship from AIG and the entire business community.

### A Company of Action

Leading change in a changing world requires being a company of action.

For example, we believe that insurance companies, like AIG, can be a catalyst for positive change as it relates to sustainability advancements, renewable energy expansion, improved equity for all people, and more. We plan to continue to invest in education and guidance toward logical and sensible paths forward for the clients and industries we serve.



**Peter Zaffino**  
President & Chief Executive Officer  
American International Group, Inc.

---

We have these conversations with our clients and distribution partners every day to solve complex risk issues.

Our objective is to provide our clients with confidence and the assurances they require to press into their unique futures knowing they have protection from the unknown, unwanted, and unexpected in this rapidly changing world. We leverage our knowledge and expertise of risk and risk mitigation to assist our clients, distribution partners, and other stakeholders as they develop transition plans to operate more sustainably in the future.

### **Making Steady Progress**

Overall, I am pleased with the actions AIG has taken and the transparent, steady progress we are making in our ESG efforts; however, our work is far from complete.

At the company level, we have taken deliberate steps to study climate change and the role AIG can play in alleviating the pressure being put on our planet. We recently committed to reducing our operational carbon emissions to net zero by 2050 and we are undertaking a thorough carbon exposure assessment of our investment and underwriting portfolios to guide our climate strategy and ambitions going forward.

With regard to Diversity, Equity, and Inclusion, AIG submitted its EEO-1 report to the Equal Employment Opportunity Commission and voluntarily posted the report to our website. We also voluntarily disclosed gender, racial, and other characteristics of members of our Board of Directors in this year's proxy statement – one of a few public companies to do so.

These steps are examples of us fulfilling our commitment to lead the insurance industry in transparency with respect to our Sustainability and Diversity, Equity, and Inclusion efforts. I am more confident than ever that we are moving in the right direction on this important journey – generating results that will create value for our stakeholders.

I hope you enjoy reading our first ESG Report and learning more about the actions we've taken to generate positive and meaningful outcomes – with much more yet to come.



**Peter Zaffino**

President & Chief Executive Officer  
American International Group, Inc.

---

## A Message From Our Chief Sustainability Officer

The global challenges over the last year – from COVID-19 to the call for social justice to widespread economic turmoil – have made AIG’s sustainability mission of “future-proofing communities” more relevant than ever.

As a global insurer, AIG is in the business of helping clients manage complex risk, which puts us in a prime position to promote sustainable actions, including how we support our employees, the protection and peace of mind we offer our clients and how we give back to the communities where we operate.

We have focused on aligning our sustainability efforts with our core business strategy. To ensure consistency and impact across our endeavors, we are also working in tandem with the AIG Foundation. To build upon our commitment, this year we joined the UN Global Compact and pledged to adhere to its 10 principles in the areas of human rights, labor, environment and anti-corruption, and to advance the UN Sustainable Development Goals.

AIG’s inaugural Environmental, Social and Governance (ESG) Report represents a truly holistic effort to tell our company’s sustainability narrative – a narrative that is getting better and stronger every year. As AIG’s first Chief Sustainability Officer, I find this report to be especially meaningful, because it also reflects the hard work done by so many teams and colleagues across AIG to collaborate and align their ESG goals and initiatives.

Our Report is the compilation of the work that has been done over the last few years building and establishing various ESG efforts across AIG. It showcases how our company sees these efforts as strategically important building blocks for AIG’s meaningful contributions to support a cleaner and healthier environment, to uphold our commitment to corporate social responsibility and to make these efforts accountable, scalable and repeatable.

We have aligned our report to global reporting standards and frameworks, including the Sustainability Accounting Standards Board (SASB), the Global Reporting Initiative (GRI) and the Taskforce for Climate-related Financial Disclosures (TCFD).

Sustainability is about bringing teams together – nothing can be done by a single person alone. In my role, I work to convene our various business areas and many different geographic regions on the topic of sustainability and why it matters to AIG. I am encouraged by the passion and expertise of my colleagues who are focused on these issues and working diligently to institute real and lasting change.



**Jennifer Waldner Grant**  
Chief Sustainability Officer  
American International Group, Inc.

---

Insuring against climate risk creates a more resilient world for our clients and the communities in which we live and work. Aiding our clients as they transition from fossil fuels to sustainable energy helps to reduce the risk and potential economic disruptions that such a transition could bring. And investing in sustainability-driven projects and technology leads to lower operating costs, new business opportunities and healthier communities.

Each day, I encounter new examples of teamwork and enthusiasm, which makes me proud of the impact we are having to build a more sustainable company and the positive impact that creates for our stakeholders.

As we set our sights on the future, we know the road ahead presents many challenges. We recognize as our world evolves, our sustainability agenda and the way we conduct our business must keep pace. We know there is more work to be done and we are committed to further integrating ESG considerations into our business and having a voice in dialogues that shape standards for our industry.

I hope you enjoy reading AIG's first ESG Report. We will continue to build upon our transparency as we make progress on our sustainability journey.

Sincerely,



**Jennifer Waldner Grant**  
Chief Sustainability Officer  
American International Group, Inc.

---

## About AIG

AIG is a leading global insurance organization. We provide a wide range of property-casualty insurance, life insurance, retirement solutions, and other financial services to customers in approximately 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks, and provide for retirement security. On October 26, 2020, AIG announced its intention to separate its Life & Retirement business from AIG.

Across our businesses, we share a deep commitment to helping individuals, businesses, and communities prepare for and respond to times of uncertainty. Whether serving those facing natural disasters or millions of clients striving for a financially secure retirement, we have the specialist expertise to help clients better manage risk and shape a brighter future.

We are also committed to doing the right thing for our people and the communities where we work and live. That is why we seek to offer what matters to our ever-diversifying team, like flexible and creative work environments, professional growth opportunities, and forums to advocate for one another and incite meaningful change. We encourage our employees to give back to the causes they care most about, supporting these efforts through our Volunteer Time Off and Matching Grants programs.

To read AIG's 2020 Annual Report and Annual Report on Form 10-K for the year ended December 31, 2020 (2020 Form 10-K), please visit [www.aig.com/investor-relations/annual-report-and-proxy-statements](http://www.aig.com/investor-relations/annual-report-and-proxy-statements).

Additional information about AIG can be found at [www.aig.com](http://www.aig.com), and at our [LinkedIn](#), [Twitter](#), and [YouTube](#) accounts.



Environmental, Social, and Governance (ESG) are the three primary aspects determining an enterprise's overall sustainability and societal impact. The term ESG is often used interchangeably with the terms *sustainability* and *corporate responsibility*.

### Environmental



As a global company, we know the importance of serving as a steward of nature, and the impact and influence we have within our own company and also among our partners. This includes:

- Climate action.
- Climate risk management.
- Emissions reduction and energy efficiency.
- Environmental stewardship.

### Social



Fostering and protecting the relationships we have within our workforce, supply chain and the societies in which we operate is a business imperative. This includes:

- Talent attraction and development.
- Diversity, equity, and inclusion.
- Responsible supply chain.
- Health and wellness.
- Human rights.
- Philanthropy and volunteerism.

## Governance



AIG is committed to a robust set of governance policies and practices and regularly review those practices against corporate governance developments and stakeholder feedback to ensure continued effectiveness. This includes:

- Corporate governance structure.
- Effective board composition and refreshment.
- Director independence.
- Balanced and aligned executive compensation.
- Shareholder rights.
- Business ethics.
- Oversight of lobbying and public policy.
- Cybersecurity and data privacy.

The AIG 2020 ESG Report—and indeed, our sustainability strategy itself—has been organized along ESG principles. It will discuss how we identify, measure and manage environmental impact and risk; how we set and live by our standards of corporate citizenship, and how our leadership framework empowers our sustainability agenda.

AIG considers abiding by and upholding ESG principles as a part of our corporate strategy to become a top performing company and promote value creation; to help protect businesses, families, and individuals against the impacts of unexpected losses; to advance the craft and discipline of reducing uncertainty in the world, and to further establish our leadership in insurance, investments, and business.

## Impact at a Glance



Became member of  
**UN Global Compact\***.

Committed to net zero  
operational carbon emissions  
**by 2050\***.



**49% total reduction**  
in GHG emissions.



**42% reduction** in paper use.



Established an  
**Executive Diversity  
Council**.



Reinstated the **AIG Foundation**.



**Made more than  
\$22 million**  
in charitable contributions  
and matching grants.



**More than one-third**  
of employees participated  
in racial education and  
allyship program.

\*Commitments made in early 2021

# Our Sustainability Strategy

AIG's commitment to sustainability helps future-proof communities by addressing societal and environmental factors while enabling economic progress. AIG's sustainability strategy is built upon four foundational pillars that align with this commitment and focus on AIG's core business strategy: *community resilience, financial security, sustainable operations, and sustainable investing*.

Below are some of the commitments we have made that align with these four pillars, as well as examples of work that we have done in 2020 to support them.

## Community Resilience

*Supporting a community's ability to respond to, withstand, and recover from adverse situations.*

- We are committed to providing services to help our clients be proactive against the risks associated with climate change and insurance products to protect them financially in the event of a loss arising from certain climate-related events.
- In partnership with John Wood Group plc, offer a resilience framework that helps our clients and communities arrive at more resilient solutions for urban development projects to United Nations Industrial Development Organization (UNIDO) member cities and communities.

## Financial Security

*Helping individuals and organizations navigate their financial objectives and plan for the future by managing their risks.*

- Our products and solutions, through our network of financial advisors, help individuals and institutions pursue financial security—from life insurance solutions that help provide financial stability in the event of a loss in the family, to retirement solutions that provide guaranteed income for life.
- In 2020, more than 1,200 AIG volunteers helped 14,000 students across 22 Junior Achievement chapters to build a solid foundation of financial literacy, entrepreneurship, and work readiness skills.

## Sustainable Operations

*Using resources responsibly with respect to the impact on stakeholders and the environment, with a focus on mitigating risk exposure while building a safer, more equitable, and sustainable future.*

- More than one million of the square footage AIG occupies is in Leadership in Energy and Environmental Design (LEED) certified office space.
- AIG has committed to achieving net zero emissions for its operations by 2050 and has established a Net-Zero working group to develop an operations roadmap to achieve this goal.



## Sustainable Investing

*Integrating environmental, social, and governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact.*

- \$95 million investment in a portfolio of 172 distributed-generation and community solar assets across the U.S.
- \$31 million investment in Landsvirkjun, the largest power generating company in Iceland that derives 100% of its capacity from renewable power generation sources and powers Iceland's energy-intensive industries.



## Materiality Assessment

In 2020, AIG conducted its first materiality assessment to identify and prioritize its most significant ESG issues and topics. A materiality assessment is an important process to identify ESG topics that are critical to AIG's ability to generate long-term value and affects how stakeholders make decisions.

To identify the universe of topics, we ran an extensive benchmarking exercise of external resources from several AIG stakeholder groups, including peers, investors, clients, ESG standards and frameworks, ESG raters and rankers, media, brokers, and private equity firms. Through this process, AIG identified 31 ESG topics that are relevant to our industry and global business to be assessed by key internal stakeholders. We engaged more than 100 employees throughout AIG representing various business units, functions, and countries across our operations. Employees were asked to rank the ESG topics on two criteria: the significance of the topic on AIG's success and the importance of the issue to its stakeholders.

The results of the assessment were reviewed and validated by cross-functional teams and executive leaders within AIG and have been used to further advance our overall sustainability strategy and enhance our ESG disclosures. As a result of this assessment, we prioritized 10 ESG themes that serve as the foundation for this report.

AIG will continue to monitor the relevancy and importance of these topics to our business and stakeholders and will evaluate conducting future assessments, since what our stakeholders consider to be material ESG issues may change over time. As we identify emerging ESG topics, trends, risks, and opportunities, AIG will continue to engage with its key stakeholders to ensure we address the most strategic and impactful topics to our business and the communities in which we operate.

#### 10 ESG themes emerged from the materiality assessment

##### ENVIRONMENTAL



Climate change risks & opportunities



##### SOCIAL



Diversity, equity, and inclusion



Human capital management



Emerging health risks and demographic shifts



Sustainable products, services, and solutions



##### GOVERNANCE



Systemic risk management



Corporate governance



Cybersecurity & data privacy

Note: not ranked by order



## Alignment With UN Sustainable Development Goals

The United Nations (UN) Sustainable Development Goals (SDGs) were developed in 2015 to achieve a better, more sustainable future by protecting the planet and improving the lives of everyone globally. The 17 goals are a call for action to address major global issues, including climate; poverty and hunger; inequality; health and well-being; and education.

While AIG supports the advancement of all of the UN SDGs, we've selected a few AIG initiatives to highlight below. As we progress in our sustainability journey, AIG will continue to identify initiatives, objectives, or targets and partnerships that align with and support the UN SDGs.

### Goal 3: Good Health and Well-Being

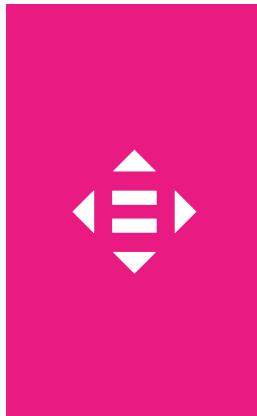
- Providing enhanced wellness programs to support employees during the COVID-19 pandemic, encouraging prioritizing health and wellness and supporting the adjustment to working from home.
- Offering innovative life insurance products to help customers address concerns related to health and longevity (see the [Life & Retirement](#) section of this report to learn more).
- Launching the Compassionate Colleagues Fund, enabling employees to make donations into a pool fund to help fellow AIG colleagues overcome serious financial hardships.
- Supporting the healthcare needs of more than half a million members in Ireland, AIG's Laya Healthcare group provides healthcare insurance, life insurance, and travel insurance.





#### **Goal 8: Decent Work and Economic Growth**

- Supporting partnerships with a number of organizations to help connect diverse students with opportunities across AIG offices.
- Offering opportunities to improve our employees' financial well-being and build personal wealth, including robust retirement benefits and savings plans.
- Offering Tata AIG microinsurance products dedicated to increasing financial and socio-economic resilience of India's rural and semi-urban areas.



#### **Goal 10: Reduced Inequalities**

- Established Executive Diversity Council tasked with monitoring Diversity, Equity, and Inclusion (DEI) initiatives as an integral part of AIG's business strategies.
- Promoted internal talent to Chief Diversity Officer to coordinate the Company's efforts in creating meaningful strides as it relates to DEI.
- Focusing efforts of our 130+ Employee Resource Groups, which reflect 13 dimensions of diversity, focused on creating awareness about allyship and addressing bias, among other efforts.



### Goal 11: Sustainable Cities and Communities

- Providing services to help our clients be proactive against the risks associated with climate change and insurance products to protect them financially in the event of a loss arising from a climate-related event.
- In partnership with John Wood Group plc, offering a resilience framework that helps our clients and communities arrive at more resilient solutions for urban development projects to UNIDO member cities and communities.
- Supporting Enactus, a non-profit organization that sparks community change through student-led entrepreneurialism (e.g., AIG sponsored an idea generation challenge with a focus on mitigating, and responding to, flood peril).



### Goal 13: Climate Action

- Serving as an insurer of renewable energy, lower-carbon, and more efficient projects to support the overall market transition to a lower-carbon, more sustainable and resilient economy.
- As of year-end 2020, AIG has a total of \$3.2 billion invested in private wind; solar; geothermal and hydroelectric generation and transmission projects; solar power purchase agreements (PPAs); and commercial and residential PACE (Property Assessed Clean Energy Program) loans.
- Developing Energy Transition project to bring together AIG's multiple resources to service our Energy Clients in their transition to a low-carbon economy.



### Goal 16: Peace, Justice and Strong Institutions

- In 2020, AIG's Legal Pro Bono Program added criminal and social justice reform to its key pillars and launched a five-year partnership with the Legal Aid Society.
- Reinstated the AIG Foundation as our primary vehicle for strategic giving with an inaugural \$5 million contribution, of which \$4.5 million was directed toward organizations leading vital COVID-19 relief effort: International Medical Corps, Feeding America, and the Coalition to Back Black Businesses.



### Goal 17: Partnerships for the Goals

- Member of the UN Global Compact, supporting its 10 principles addressing human rights, labor, environment, and anti-corruption.
- Member of the Insurance Development Forum focused on building greater resilience and protection for climate-vulnerable people, communities, businesses, and public institutions.
- Member of Geneva Association, a global insurance think tank that works with policymakers, regulators, academics, and other key constituents to promote the importance of insurance in economies and societies.



## Partnerships

Due to the scale and complexity of AIG's ESG strategy, AIG partners with various private sector peers, academic institutions, NGOs, international organizations, and other groups to achieve our ESG goals and to affect change.

Our external partnerships are valuable resources and drivers of our sustainability progress, as well as outlets for AIG to contribute to broader resiliency efforts and dialogue on appropriate standards for insurers. Examples of these partnerships include:

- The **Insurance Development Forum** (IDF), which has partnered with public institutions on an open-source modeling initiative to improve risk analytics capabilities for natural catastrophes associated with climate change.
- The **Geneva Association** (GA), which is producing a series of research papers outlining the role of the insurance industry in managing climate change risks and contributing to climate-related mitigation and resiliency efforts.
- The **Institute for International Finance** (IIF), which is actively discussing sustainability issues with key stakeholders via letters, submissions, seminars, and roundtables.
- By joining the **UN Global Compact** in 2021, AIG has committed to align with the UN Global Compact's ten principles and advance the UN Sustainable Development Goals.
- After publishing our second **Taskforce on Climate-related Financial Disclosures** (TCFD) report, AIG became an official TCFD supporter.
- AIG became a **Carbon Disclosure Project** (CDP) investor signatory and has reported on CDP's Climate Investor Questionnaire for 11 consecutive years.
- AIG is also an active stakeholder in climate and sustainability-focused discussions taking place within the insurance regulatory community at the **National Association of Insurance Commissioners** (NAIC), the **International Association of Insurance Supervisors** (IAIS), and the **Sustainable Insurance Forum** (SIF).

In addition, in January 2021 AIG announced that it had suspended its limited Political Action Committee (PAC) activity for the foreseeable future. AIG also intends to review AIG's key relationships with trade associations to ensure their respective policies are aligned with AIG's values.

## Part 1: Our Business

As AIG seeks to support, build, and expand a more sustainable future for our company, our clients, our many stakeholders, and society itself, delivering new ways of managing risk and building value are central to that effort. From creating new insurance policies that help clients manage their climate risk, to retirement products that help families build greater financial security, to strategic investment opportunities that support clean energy and climate resilience, how we innovate closely aligns with our sustainability strategy.

As we do this, we maintain open lines of communication with our clients, broker partners and distribution partners to adapt to evolving customer needs and to respond to emerging technologies. As AIG collects relevant data and available metrics on unaddressed risks, we use that data to develop new products and underwriting approaches.



**General Insurance**

AIG, through its General Insurance business segment, is a leading provider of insurance products and services for commercial and personal insurance customers. It includes one of the world's most far-reaching property-casualty networks. General Insurance offers a broad range of products to customers through a diversified, multichannel distribution network. Customers value our strong capital position, extensive risk management, and claims experience, which position us as a market leader in critical lines of the insurance business.

Many of our General Insurance clients face risks directly tied to sustainability issues, such as climate risk and natural disaster. With our history of technical underwriting expertise and risk analysis, General Insurance provides a range of innovative, sustainability-related risk solutions for our business clients. Examples of this include:



## Supporting Renewable Energy and Energy Transition

AIG is in the process of developing an Energy Transition initiative to centralize our various energy transition efforts so we may respond more effectively to help with the increasing energy transition needs of our clients.

AIG recognizes that without insurance, the appetite for taking risks in a new or unproven field of opportunity would be dramatically reduced. Our role as an insurer of renewable energy and lower-carbon industries (particularly wind farms and solar plants) helps support the overall market transition to a lower-carbon economy. In 2020, AIG wrote more than \$361 million of business with renewables associated with North American Industry Classification System (NAICS) codes, representing a 20% increase since 2018.

## Green Endorsements

AIG offers **Upgrade to Green®** coverage through member insurance companies. This product provides upgrade benefits that allow for green building upgrades to be included in the recovery from partial and total losses to homes and commercial buildings, and during the construction phases of building.

Additionally, AIG offers optional **Green Rebuild Cost** endorsements, which attach to a homeowner's policy and provide an additional 20% coverage payment to replace damaged property with "green" building materials, as defined in the policy.

## Parametric Insurance

AIG is also a provider of parametric insurance, which protects against economic loss caused by certain environmental conditions, weather events, or catastrophic perils that are not typically covered by more traditional insurance products. Coverage is triggered by an event such as excessive rainfall, heat, or cold, within a designated geographic area and reaching specified parameters. Parametric insurance links the amount of the loss payment to occurrence of the triggering event—providing a predetermined dollar payout upon its

occurrence. Such coverage is often sought by businesses that are particularly vulnerable to certain kinds of environmental conditions, such as agriculture.

## Microinsurance

Tata AIG is an Indian general insurance company and a joint venture between the Tata Group and AIG. Tata Group holds a 74% stake in the company, with AIG holding 26%. The company provides a wide range of personal and business insurance products to clients across India and is dedicated to increasing the financial and socio-economic resilience of India's rural and semi-urban areas.

In 2020, Tata AIG entered a special partnership with reinsurer Swiss Re and InsuResilience Solution Fund (ISF) to provide a specially designed insurance policy for the Government of Nagaland—a small, hilly region in northeastern India that is particularly vulnerable to natural disaster such as seasonal flooding. This policy covers the entire state's population of two million people. InsuResilience Solution Fund is co-funding the development costs of the insurance program, while Tata AIG and Swiss Re developed a parametric insurance product triggered by excess levels of rainfall in the region, which could lead to disastrous flooding and landslides leading to loss of assets, properties and infrastructure. Funds going from the insurance program as claims will be used by the Government of Nagaland for disaster relief to economically vulnerable people and recovery efforts.

Currently, there is a growing need for India's rural population to be informed on insurance solutions that will help mitigate automobile, health, property, and livestock risks. The microInsurance policies of Tata AIG are designed to boost the financial and socioeconomic resilience of small and marginal farmers involved with agriculture; horticulture and milch cattle rearing; rural and semi-urban dwellers having small businesses or working in unorganized sectors with irregular incomes; female members of self-help groups; and individuals living in the most underdeveloped and disaster risk prone regions of the country.

Tata AIG has also taken part in the Transformation of Aspirational Districts program developed by the Government of India, which aims to raise the

---

socio-economic status and financial growth of all citizens across 117 of India's most underdeveloped districts. To facilitate availability of insurance in these selected districts, Tata AIG is developing insurance distribution channels to provide coverage to the most economically vulnerable households in these regions. The program also strives to educate them about the role of insurance.

## Providing Risk Expertise and Solutions to Clients

AIG delivers technical expertise and tailored, solutions-based approaches to assist clients in proactively identifying their exposures, including those stemming from climate change risk, with the aim of helping them lower their cost of risk and build stronger business resiliency. To this end, we deploy our catastrophe models, consultants, and risk engineers to partner with clients to assess risks and build business resiliency against the perils most closely associated with climate risk.

AIG's **Risk Engineering Team** maintains a staff of over 200 risk engineers and consultants who advise clients on ways they can make their own property more resilient against preventable losses, such as making recommendations regarding defensive barriers against floodwater, or strengthening exterior paneling and windows against windstorm.

AIG's **Wildfire Protection Unit** is a special risk management resource comprised of trained wildland firefighting professionals who meet with as many as 2,600 clients each year who have homes in wildfire-prone areas of California, Colorado, and Texas. Clients are educated on removing combustible material close to their home (such as piles of firewood or debris under decks), replacing highly flammable landscaping, and installing ember-resistant vents. The Wildfire Protection Unit is *not* a private fire-fighting service, but it does monitor wildfire activity across the United States and, when possible, visits clients whose homes are directly threatened by an approaching fire to help with last-minute protections, such as blowing out pine needles from the yard or, in extreme cases, applying fire retardant to the exterior of the structure.

## AIG and John Wood Group plc

In 2015, AIG and John Wood Group plc—a leading global engineering firm that has a longstanding client relationship with AIG—formed the Resilience Solutions Initiative to reduce carbon usage and increase resiliency against climate-related risks. This evolved partnership brings together two global leaders in insurance, finance, science, and engineering to provide an end-to-end framework for our clients, which include businesses and cities, to identify, prioritize, and implement low-carbon energy solutions and resilient infrastructure projects.

The AIG-Wood Resilience Solutions Initiative has broken down the larger topic of climate change into two addressable and intertwined workstreams: reducing carbon emissions (which contribute to climate change) and building resilience against the greater frequency and severity of natural disasters we already face as a result of climate change.

As this initiative continues to develop its climate response plan, the AIG-Wood team is working closely with the Global Specialty team to align strategic goals with the development of new product and service offerings. The Initiative is using AIG's capabilities to deliver innovative solutions for our clients—as well as advance sustainable urban development practices worldwide.



## Life & Retirement

AIG Life & Retirement<sup>1</sup> is organized into four core businesses, each of which seeks to help our clients envision and attain their financial planning goals:

- **Individual Retirement:** AIG's Individual Retirement division helps Americans achieve retirement security, through our annuity products which provide a means for accumulating savings for retirement and options for lifetime income. Individual Retirement's products include Fixed Annuities, Variable Annuities, and Index Annuities.
- **Group Retirement:** AIG Group Retirement provides pension plans for K-12 educators, higher education, healthcare, government, and religious, charitable, and other not-for-profit organizations.
- **Life Insurance:** AIG's Life Insurance business helps our clients guard their financial future against unforeseen events, such as the death of a family member. Our Life Insurance products can also support asset accumulation, income management, and wealth transfer planning. Our Life Insurance business additionally includes our LAYA group in Ireland, which provides healthcare insurance, life insurance, and travel insurance.
- **Institutional Markets:** AIG's Institutional Markets business provides products such as pension risk transfer group annuities and structured settlement annuities, which provide long-term financial security to plaintiffs in civil lawsuits (who have often suffered injuries or other damages) by converting lump-sum legal settlements into an annuity product that provides a periodic stream of tax-free payments.

<sup>1</sup>Life & Retirement is the branding name for AIG's insurance and retirement planning business. In regulatory filings, the business is listed as AIG Life and Retirement.

## Risk Management for Business Sustainability

As a life insurance and annuity provider, long-term business sustainability is critical to our ability to meet customers' needs, particularly in light of demographic trends driving the need for longer-term financial wellness.

The backbone of sustainability for Life & Retirement is a diversified, well-managed product line with a balanced and diverse approach to product distribution. Our multi-layered approach also relies on

---

responsible governance, capital management with a view toward our long-term commitments, dynamic pricing, our risk-managed investment portfolio, and hedging of market risks where applicable and economically prudent. AIG also cooperates with the various regulators overseeing the life and retirement industry to help ensure long-term sustainability.

## Helping People Achieve Financial Wellness and Sustainability

Enabling financial wellness is a key goal for AIG's Group Retirement business and the clients we serve. We offer various products, resources, and information to assist our clients with their own financial planning. These include:

- Financial professionals who meet with retirement plan participants to provide guidance on financial wellness, longevity planning, and retirement readiness.
- A financial literacy and education curriculum, such as live and on-demand webinars and in-person workshops.
- FutureFIT University – an interactive resource powered by EVERFI that enables customers to build tailored financial literacy content.
- Financial planning calculators.
- Our partnership with the Foundation for Financial Planning to increase pro bono financial planning for at-risk Americans (e.g., cancer patients, military veterans, victims of natural disasters, domestic violence survivors, financially vulnerable seniors, and frontline healthcare workers).

## Financial Security through Lifetime Income

With fewer people covered by traditional pension plans, annuities can fill a gap in retirement portfolios by providing a monthly check for as long as a person lives, no matter how the markets perform. That makes annuities a source of protected lifetime income. AIG offers annuity products and solutions for our clients. We support our diversified network of distribution partners with innovative tools and resources, including Client Connections, our one-stop digital resource for enhancing their connections with clients.

AIG is a founding member of the Alliance for Lifetime Income, a non-profit educational organization that creates awareness and educates Americans about the value and importance of having protected lifetime income in retirement.

## Managing Longevity Risk

By 2030, one in every five U.S. residents will be retirement age. With an aging population comes an increasing need for managing longevity risk – the healthcare, long-term care, and lifetime financial planning challenges that come with advanced age. In the United States, AIG offers life insurance products with accelerated death benefits that can be used to cover financial needs during one's later retirement years. AIG also offers chronic, critical, and terminal illness benefits which allow policyholders to tap into their death benefits to pay for certain covered medical costs or long-term care expenses.

## Protecting Senior Citizens from Elder Financial Abuse

To help prevent elder financial abuse, AIG formed the Elder and Vulnerable Client Care Unit, which raises awareness around elder financial exploitation and trains our employees to identify suspected cases of financial abuse.

## Providing Telehealth Support in the UK

As the COVID-19 pandemic caused a significant increase in demand upon the National Health Service (NHS) for its services, AIG Life UK, our UK-based life insurance arm, partnered with telehealth firm Teladoc Health to provide clients and their families access to 24/7 unlimited virtual health and well-being support, including mental health consultations.

## Alleviating the Financial Stress of Student Loan Debt

In 2020, AIG engaged Savi, a social impact technology firm, to provide nonprofit and public service employees with an online tool to help navigate

---

the Public Service Loan Forgiveness Program to help reduce the long-term impact that student loan debt can have on financial wellness.

### **Announcement of Planned Life & Retirement Separation**

In October 2020, AIG announced its intention to separate its Life & Retirement business from AIG. Any separation transaction will be subject to the satisfaction of various conditions and approvals, including approval by the AIG Board of Directors, receipt of insurance and other required regulatory approvals, and satisfaction of any applicable requirements of the SEC. While we currently believe an initial public offering represents an optimal path, no assurance can be given regarding the form that a separation transaction may take or the specific terms or timing thereof, or that a separation will in fact occur.



## Investments

AIG's Investments team provides investment advisory and asset management services for AIG and its businesses, with approximately \$340 billion in assets under management. Our expertise spans the most complex segments of the market, including public and private credit, real estate, and multi-asset strategies. As long-term investors, AIG Investments seeks out investment opportunities that achieve client objectives through market cycles.

Our investment approach focuses on identifying and evaluating risk at all levels, as we believe good relative value decisions are driven by a comprehensive understanding of risk. In our view, sustainable investing includes evaluation of ESG risk factors as an integral component of our risk assessment and investment decision-making process. Given our scale, we also recognize our responsibility to contribute to a resilient financial market system that reflects the values of our clients and their communities.

Identifying and appropriately responding to ESG challenges and opportunities are critical drivers of AIG Investments' competitive advantage and our ability to achieve client objectives. We take a diagnostic approach to understand our client's challenges and meet their unique needs. AIG Investments monitors changes in consumer behavior and industry trends related to ESG demands and deploys its management teams to respond appropriately to these changes. We're committed to integrating ESG factors both in our investment process and the operations underpinning those investments.

## Sustainable Investing Roots

As a value-add to our clients' portfolios, AIG Investments has integrated sustainability considerations into the management of our diversified investment portfolio for years. AIG Investments observes that risk premiums associated with green and non-green assets are emerging over time as investors form views that sustainability strengthens the financial strength of companies in their portfolio. To enhance the knowledge and acumen of our investment professionals and with the emergence of sustainable technology and heightened regulatory disclosures, AIG Investments has committed resources and training to further our sustainable investment capabilities. AIG Investments embeds ESG factors into how we manage our diversified investment portfolio, and we have established an AIG ESG Working Group

to further develop an ESG Investment framework that addresses our client, consultant, and regulatory needs.

Thematically, AIG Investments' municipal bond team has for several decades been investing in bonds that finance improvements to public drinking water and water treatment infrastructure; the maintenance, expansion, and energy efficiency of public transportation; access to affordable housing; access to public education and public healthcare; and projects that improve energy efficiency and grid connectivity and increase the use of renewable energy.

Additionally, AIG Investments' private infrastructure debt team has been a leading investor in renewable and green energy projects for more than 35 years, having developed an expertise in analyzing these types of projects and recognizing the long-term value benefits and societal preferences for renewable and green energy alternatives. As of year-end 2020, AIG has a total of \$3.2 billion invested in private wind; solar; geothermal and hydroelectric generation and transmission projects; solar power purchase agreements (PPAs); and commercial and residential PACE (Property Assessed Clean Energy Program) loans.

In 2020, AIG committed to investments in a number of solar and alternative energy projects including:

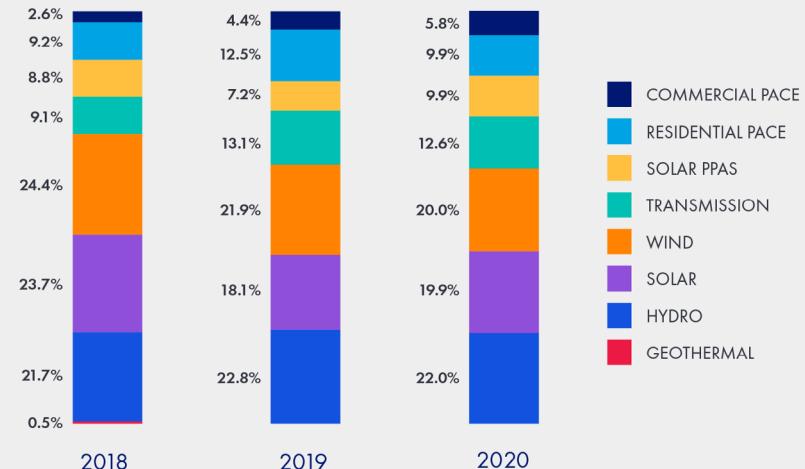
- \$95 million—Investment in a portfolio of 172 distributed-generation and community solar assets predominately located in California, Colorado, Massachusetts, Minnesota, and New York, which generate 386 MW, or enough electricity to power over 155,000 homes. Community Solar is a form of distributed generation in which energy is generated from a local solar power plant and is subsequently shared by multiple members of its community.
- \$31 million—Investment in Landsvirkjun, the largest power generating company in Iceland, operating 2,146 MW at 18 power generating stations. Landsvirkjun derives 100% of its capacity from renewable power generation sources (92% hydropower and 8% geothermal) and powers Iceland's energy-intensive industries, mostly aluminum, representing 36% of Iceland's exported goods. Landsvirkjun has a target to be carbon neutral by 2025, and carbon negative by 2030.

According to the U.S. Office of Energy Efficiency and Renewable Energy, markets for solar energy are maturing rapidly around the country, and solar electricity is now economically competitive with conventional energy sources in several states, including California, Hawaii, and Texas. In the United States alone, jobs in the solar industry have increased 167% since 2010, to nearly 250,000 solar workers.

Wind and solar resources are expected to continue to grow, as developers respond to the combination of the persistent cost decline of these technologies, positive public sentiment towards renewable generation, and increasingly stringent environmental standards.

Other sustainability-driven investment highlights for 2020 include a \$1.2 billion purchase of "green bonds" earmarked for climate-related or environmental projects, and a \$200 million investment in Solum Partners (a new independent management firm that spun off from Harvard University's natural resources portfolio) that invests in the global agriculture and food industries.

#### Sustainable Investing (2018-2020)



## Part 2: Environmental

As a global company, AIG acknowledges the importance of helping to protect and preserve our natural world, to mitigating or minimizing the environmental impact of our own operations, and to using the influence we have within our own company and among our partners to encourage green, sustainable business practices. Our discussion of our Environmental activities in this report will include *climate action; climate risk management; emissions reduction and energy efficiency; and environmental stewardship.*

### Climate Action

AIG supports the [scientific consensus that climate change is a reality of increasing global concern](#).

As one of the first U.S. insurance companies to recognize the importance of climate change, AIG employs its expertise in underwriting, risk management, and investing to help address the impacts of climate change on our stakeholders.

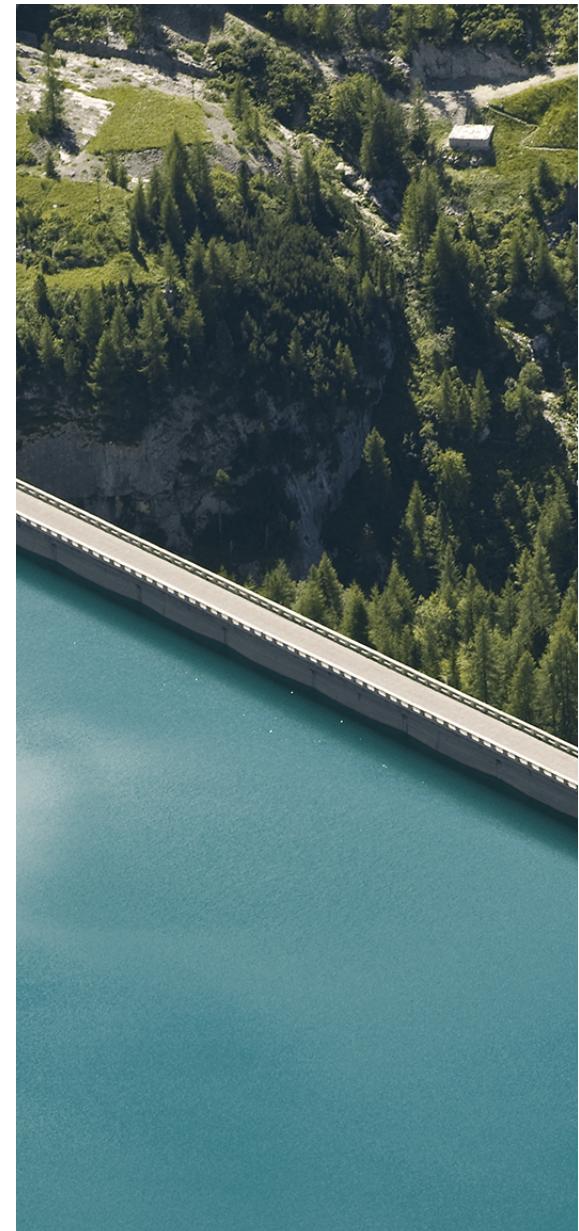
We are committed to providing services to help our clients be proactive against the risks associated with climate change and insurance products to protect them financially in the event of a loss arising from a climate-related event.

AIG deploys our catastrophe models, consultants and risk engineers to partner with clients to assess risks and build business resiliency to the perils most closely associated with climate risk.

We are committed to being an agent of change in helping the world navigate climate challenges by using our risk expertise to support an orderly transition to a low-carbon economy, and by offering new products and services that can mitigate climate-related risks.

AIG recognizes that without insurance, the appetite for taking risks in a new or unproven field of opportunity would be dramatically reduced. Our role as an insurer of renewable energy, lower-carbon, and energy-efficient projects helps support the overall market transition to a more sustainable and resilient economy.

AIG is a market leader in the insurance of offshore wind farms, as well as a sizeable number of solar plants and other renewable energy operations. AIG views solar, wind (onshore and offshore), nuclear, and battery storage as key growth areas. AIG offers products that protect certain U.S. tax credits related to wind and solar projects and the capture and sequestration of carbon oxide and products that incentivize green rebuilding upgrades for businesses and homeowners.



---

AIG integrates Environmental, Social, and Governance (ESG) considerations into its investment analyses. We continue to pursue ESG investment opportunities for ourselves as well as our clients. For decades, AIG has financially supported the world's shift to renewable and lower-carbon energy industries and more efficient and resilient infrastructure.

As of year-end 2020, AIG has a total of \$3.2 billion invested in private wind, solar, geothermal, and hydroelectric generation and transmission projects, solar power purchase agreements (PPAs) and commercial and residential PACE (Property Assessed Clean Energy Program) loans.

In terms of our own operations, AIG is not an energy-intensive business, nor do we consume large amounts of natural resources for the operation of our business relative to many of the businesses we insure. That said, AIG has committed to reducing our own operational carbon emissions to net zero by 2050.

## AIG and Energy Transition

Climate change is a complex issue and the world cannot currently meet its energy needs through purely green technologies.

We believe in promoting preparedness through diverse energy portfolios around the world. This includes the disciplined underwriting of and investment in renewable, lower-carbon, as well as fossil fuel energy producers and users.

We do not feel it would be in the best interest of our stakeholders and the general public which expects reliable access to energy to abruptly reduce or stop insurance access to clients that are heavy users or producers of fossil fuels, or to cut all investments in companies that have not yet completed their sustainability transition.

We believe any commitment to limits or timelines with respect to fossil fuels first requires a deep understanding of how to get there, which is why AIG is undertaking an ongoing carbon exposure assessment of our investment and underwriting portfolios to guide our climate strategy and ambitions going forward.

Our efforts also include the expansion of AIG's capacity and capabilities in the Renewable Energy market to provide risk solutions for our clients as they reposition their asset portfolios. AIG is developing an Energy Transition project to bring together AIG's multiple resources to service our Energy Clients in their transition to a low-carbon economy.

In the meantime, AIG carefully assesses, selects, and prices the risks that it underwrites and investments that it makes. AIG's Risk Appetite Framework establishes and maintains appropriate limits on the material risks identified for our core businesses. We believe the culture of discipline that we have instilled—in which every decision matters—naturally leads to low levels of business with outsized levels of environmental risk from AIG's portfolios, either through our selection criteria or rate requirements.

For descriptions of sustainability-related products and services offered by our General Insurance, Life & Retirement, and Investments business units, please refer to the [Our Business](#) section of this report.



## Types of Climate Risk

AIG considers the potential impact from climate-related issues on our business, strategy and financial planning over short-, medium-, and long-term time horizons.

- **Short- to-medium-term** climate risks include physical risks which can be event-driven or result from shifts in climate patterns, such as *natural catastrophe risk, operational risk, and business continuity risk*. We view these risks as manageable in light of AIG's modeling work, our broadly diversified business, and through regular reviews of our risk appetite and reinsurance strategy. Many of our general insurance policies are renewed on an annual basis, enabling us the opportunity to re-underwrite and re-price such risk regularly.
- **Medium- and-long-term** climate risks include *regulatory risk, investment and credit risk, litigation and legal risk, reputational risk, and technology risk*. AIG's Emerging Risk Forum (as discussed in the Management of Climate-Related Risks section below) identifies emerging, longer-term risks and opportunities—including climate change—that could affect our businesses, and uses that data to guide strategy-setting, asset liability management, risk management, and/or new product development.

## Natural Catastrophe Risk

The nature of our business exposes our company to various kinds of natural disaster—such as hurricanes, windstorms, hailstorms, flooding, earthquakes, wildfires, solar storms, and other catastrophes—in which multiple losses can occur and affect multiple lines of business in any given calendar year.

AIG engages in a broad diversity in business lines, and makes use of reinsurance, which helps us limit the relative economic impact of any single insured event, even one as large as a major hurricane.

AIG's Risk Appetite Framework establishes and maintains appropriate limits on the material risks identified for our core businesses. Following an extensive review, we have substantially reduced our gross and net limits, particularly in property-casualty insurance, which has subsequently lowered our risk of exposure to natural disasters. In addition, a significant proportion of the natural catastrophe-related risks

that we underwrite are renewed on an annual basis. This provides us the opportunity to regularly re-underwrite and re-price the risk.

AIG uses a blend of proprietary and third-party risk models to help us understand the frequency and severity of natural catastrophe risk, which we view by six distinct perils: 1) cyclones, typhoons, and hurricanes, 2) storm surge, 3) flooding, 4) wildfires, 5) severe convective storms, and 6) extratropical storms.

Our Research and Development team analyzes each of these perils by using data such as the most recent [Intergovernmental Panel on Climate Change](#) (IPCC) climate change assessment report, as well as peer-reviewed scientific literature that supports the IPCC's view. This shapes the degree to which AIG modifies its overall view of the risk due to climate change.

For an overview of annual aggregate modeled losses for all perils worldwide and exposures arising from our largest primarily modeled perils (U.S. hurricanes, U.S. earthquakes, Japanese Typhoon and Japanese Earthquake), refer to our [2020 Form 10-K](#).

## Operational Risk and Business Continuity Risk

AIG has business continuity plans to respond to climate change-related incidents that may disrupt business operations, including extreme weather events. AIG regularly reviews its existing business continuity and disaster recovery practices.

AIG has successfully implemented business continuity plans in response to times of crisis. For example, significant events such as Superstorm Sandy and Hurricane Harvey—which impacted our New York and Houston offices respectively—provided us with opportunities to enhance and improve our operational resiliency. AIG maintains a role of Global Head of Resiliency to address our overall resiliency in the face of potential disruptions.

AIG acknowledges the possibility of increased pandemic risk due to climate change, such as from vector-borne diseases. In December 2019, as AIG began tracking the emergence of what would become the COVID-19 pandemic, we

successfully implemented business continuity plans, transitioning over 90% of our workforce to work from home, thereby maintaining operations and continuing to serve our clients and stakeholders.

AIG mitigates financial loss from catastrophic events by insuring its own business through non-affiliated companies and by requiring our service providers and business partners to maintain appropriate insurance coverage. To determine the sufficiency of catastrophe limits, we evaluate AIG's aggregate replacement cost values in high hazard flood, wind and earthquake areas, as well as rely on modeling for probable maximum loss/average annual loss expectancies in order to determine appropriate insurance limits of purchase. AIG evaluates past property losses annually.

## Regulatory Risk

AIG constantly monitors and assesses the potential future impacts that political and regulatory developments may have on the company. Insurance regulatory bodies continue to show interest in how the financial services industry, including insurance companies, are managing climate risk within both their business operations and investment portfolios. Actions by foreign governments, regulators and international standard setters could result in substantial additional regulation to which we may be subject.

We cannot predict the impact laws and regulations adopted in the U.S. or in foreign jurisdictions may have on the financial markets generally or on our businesses, results of operations or cash flows. Such laws and regulations may also limit our ability to engage in capital or liability management, require us to raise additional capital, and impose burdensome requirements and additional costs. It is also possible that the laws and regulations adopted in foreign jurisdictions will differ from one another, and that they could be inconsistent with the laws and regulations of other jurisdictions in which we operate, including the U.S. Some examples of the current and changing regulatory landscape are included below.

- The **Insurance Commissioners of six U.S. states** (California, Connecticut, Minnesota, New Mexico, New York, and Washington) require insurance companies to respond to a Climate Risk Disclosure Survey on how they

manage risks related to climate change. In addition, on September 22, 2020, the New York Department of Financial Services (DFS) issued Circular Letter No. 15 to all New York-regulated domestic and foreign insurance companies outlining its expectations related to addressing the financial risks from climate change and on March 25, 2021, the DFS issued more detailed proposed guidance on its expectations related to addressing the financial risks from climate change, generally consistent with Circular No. 15.

- **The UK's Financial Regulators**, led by the Bank of England, have increasingly focused their attention on climate change, articulating expectations of regulated financial services companies. On July 1, 2020, the Bank of England's Prudential Regulation Authority (PRA) issued a "Dear CEO" letter setting the requirement that by the end of 2021, firms should be able to demonstrate that the expectations set out in "[Supervisory Statement 3/19: Enhancing banks' and insurers' approaches to managing the financial risks from climate change](#)" have been implemented and embedded throughout their organization as fully as possible. To help meet these new expectations, AIG UK has appointed a Senior Management Function (SMF) role responsible for the identification and management of financial risks from climate change fulfilled by the AIG UK CRO. A climate risk plan was approved by the AIG UK Board Risk Committee in December 2020, which sets out how climate risk management will be integrated into our business processes. The PRA has also advised that a climate-related stress test exercise will be carried out in 2021 for all large UK Financial Institutions. AIG UK is working with the regulator and have provided feedback on the initial specification released to participants. Key features of the proposed 2021 test include multiple climate change scenarios, a modelling horizon of 30 years, and a detailed analysis of counterparties' business models to accurately capture their exposure to climate-related risks.
- In March 2019, the **Australian Prudential Regulation Authority** (APRA) announced that it will increase its scrutiny of how banks, insurers and superannuation trustees are managing the financial risks of climate change to their business.
- Insurance regulators in Asia including **Malaysia and Singapore** have recently released guidance setting out how insurers and other regulated financial institutions should manage their physical, transition and liability risks through enhanced governance, risk management and disclosures practices as well as climate change scenario analysis.

## Investment and Credit Risk

AIG's investment strategies are tailored to specific business needs with the primary objectives of investment income, preservation of capital, liquidity management, and growth of surplus. Our fundamental strategy across the portfolios is to seek investments with similar characteristics to our associated insurance liabilities.

AIG embeds ESG considerations in its fundamental investment analysis of the companies or projects we invest in to ensure that they have sustainable earnings over the full term of our investment. AIG also considers internal and external factors and evaluates changes in consumer behavior, industry trends related to ESG factors as well as the ability of the management of companies to respond appropriately to these changes in order to maintain their competitive advantage.

AIG is a diversified company that takes on both short- and long-term liabilities from policyholders. To the fullest extent practicable, AIG seeks to duration-match its assets to its liabilities. As such, for our long-term liabilities that can stretch 30, 40 or even 50 years into the future, we necessarily seek out long-term investments. This involves taking a long-term view including the return profile and sustainability of the investment(s).

Our portfolio broadly consists of fixed income, asset-backed, and securitized products and alternatives, including listed and private equity. Some of these investments are either secured by, or heavily dependent on, physical assets. Although our credit and investment processes consider protections that are in place such as property and business interruption insurance, increased risk from climate change may affect the value of these assets in the future.

Over the longer-term, as efforts to move away from a carbon-intensive economy gather pace, we recognize that financial market participants may fundamentally reassess the value of carbon-intensive assets and the businesses that rely on them. Shifts in consumer behavior may affect the long-term viability of these businesses with a consequential impact on value of the liabilities that they issue. From AIG's perspective, this revaluation may lead to impairments to the value of these assets. Accordingly, we attempt to consider the relevant and material factors as part of our initial investment

---

underwriting process (including ESG factors), and regularly seek to challenge our investment thesis on an on-going basis.

## Litigation and Legal Risk

Litigation related to climate change has increased in recent years. Many lawsuits center on enforcement or interpretation of environmental laws and regulations, often seeking to use litigation as a tool to influence governmental and corporate climate policies. Other cases seek damages for contribution to climate change or for insufficient disclosure around material financial risks. Still other effects on litigation are indirect, climate change may not be the subject of the lawsuit, but creating circumstances giving rise to the litigation or substantially impacting its magnitude.

Litigation pursuing damages from companies for alleged contribution to climate change include the lawsuits brought by municipalities around the U.S. against fossil fuel companies seeking to hold the companies accountable for past, present, and future costs arising from climate change. While such cases have been unsuccessful thus far, AIG closely tracks the underlying cases and factors that can change their risk profile. Such factors include scientific developments in attribution and contribution science apportioning climate change responsibility to individual companies and legal developments such as giving personhood and legal rights to natural objects or ecosystems.

Securities actions are another form of direct litigation over climate change. These include shareholder securities suits against companies and their directors and officers, as well as derivative actions brought against directors for various allegations of failing to disclose and/or manage climate change risks. While thus far securities litigation has not resulted in material losses, norms for disclosure and expectations for corporate action around climate change are evolving. With changing standards comes the potential for more climate change related corporate and securities litigation. AIG closely monitors both the underlying cases and trends that can affect the risks. AIG also proactively considers and closely monitors the indirect litigation effects of climate risk. While the impact of direct litigation to insurers is largely hypothetical, climate change has already resulted in litigation claims indirectly. Severe weather and other effects of climate change result in more

frequent and more severe damages, leading to lawsuits. Wildfires in the western U.S., resulting in significant litigation liability for utility companies are an example of this. Indirect climate change effects are also seen in litigation over flooding, mudslides and other severe weather that results in injury or damage, as well as in construction defect litigation, chemical release lawsuits, and workers compensation claims. The indirect effects of climate change on claim frequency and severity are regularly assessed in communication and discussion among business units to ensure that trends in a changing risk landscape are understood.

AIG considers direct climate related litigation risk low in the near term, but closely monitors cases and trends which could alter the risk landscape. Policy language, reinsurance agreements and a relatively limited list of potential insured defendants further mitigates direct litigation risks. Climate change is a factor in driving litigation frequency and severity indirectly with more severe weather causing injuries and damages and sometimes leading to lawsuits. AIG proactively monitors and assesses these indirect risks. By identifying and assessing the various effects of climate change on litigation we make sure we understand and manage the risks while also ensuring that the real climate change costs are not hidden.

## Reputational Risk

Climate change has been identified as a potential source of indirect reputational risk to AIG's corporate brand due to the prospect of changing customer or community perceptions of an organization's contribution to or detraction from the transition to a lower-carbon economy.

AIG's reputational risk strategy is founded on the acknowledgement that the company is willing to forgo business opportunities for the sake of protecting the AIG brand. Across all lines of business, underwriting decisions need to take into consideration the potential reputational implications of any unmitigated ESG concerns, in addition to standard product underwriting considerations.

Business opportunities that are linked to ESG-sensitive businesses may undergo further risk assessment and approval from relevant business unit leadership—including the Head of Political Risk Group, the Risk and Pricing

Committee (RPC) and the Trade Credit International Chief Underwriting Officer (CUO), depending on their degree of reputational risk. ESG-sensitive business areas include:

- Mining (including diamond due diligence)
- Oil and gas
- Nuclear energy
  - Nuclear power stations
  - Installations designed for the production or enrichment of nuclear fuel
  - Reprocessing, storage, or disposal of nuclear fuel or storage
  - Disposal or processing of nuclear waste
- Hydro-electric power
- Agriculture, fisheries, and forestry (including palm oil production)
- Animal welfare
- Infrastructure
- Clinical trials (medical)
- Animal testing
- Sex industry
- Betting and gambling
- Defense and military
- Fiscal/tax-related

The total in force gross premiums written for AIG's coal portfolio has decreased 14.1% since 2018, from \$100.1 million to \$85.9 million, in alignment with market forces that have impacted the coal industry in general. As of FY 2020, our portfolio of coal-related insurance businesses accounts for far less than 1% of our total \$29.4 billion general insurance in force portfolio.

In addition, AIG Trade Finance requires that all counterparties from the diamond industry are part of the effort to remove conflict diamonds from the global supply chain, and as such, are members of the [Responsible Jewellery Council](#) and fully participate in the [Kimberley Process](#) for certifying diamonds to be conflict-free. AIG has been an industry leader in requiring all clients and counterparties from the diamond industry to meet the highest standards around sustainability and avoiding so-called "blood diamonds."

## Technology Risk

Technological advancements that support the transition to a lower-carbon, energy-efficient economic system may have a significant impact on a wide range of companies and other organizations. This may affect the nature and financial impact of the risks our customers seek to insure. This economic transition may also materially affect the demand for insurance in specific sectors—most obviously in energy and transport. Although this may not necessarily reduce the overall demand for insurance products and services, it may alter the patterns of demand and the nature of insurance cover required, to which AIG will need to respond to remain competitive.



## Management of Climate-Related Risks

AIG's Enterprise Risk Management (ERM) integrates the risk management functions in each of our business units and provides senior management with a consolidated view of AIG's key risks. It supports our businesses and management in the embedding of risk management in our business processes and in identifying, assessing, quantifying, managing, monitoring, reporting and mitigating AIG's risk exposures. This includes risks related to changing climate conditions, and tracking societal changes that could impact operations and elevate reputational risks.

## Risk Appetite Framework

Our Risk Appetite Framework is the method by which AIG determines how much risk we wish to assume by integrating stakeholder interests, strategic business goals, and available financial resources. We seek to take measured risks that are expected to generate repeatable, sustainable earnings and create long-term value for our shareholders. The framework includes our risk appetite statement approved by the Board of Directors and a set of supporting tools, including risk tolerances, risk limits and policies, which we use to manage our risk profile and financial resources.

The Group Risk Committee (GRC)—the Senior Management group responsible for assessing significant risk issues on a global basis to protect AIG's financial strength and reputation—routinely reviews the level of risk taken by the consolidated organization in relation to the established risk tolerances. A consolidated risk report is also presented periodically to the Risk and Capital Committee of the AIG Board of Directors by our Chief Risk Officer.

Risk identification and measurement are key tools used to inform the Risk Appetite Framework. We conduct risk identification through a number of processes at the business unit and corporate level focused on capturing our material risks. A key initiative is our integrated bottom-up risk identification and assessment process which is conducted at the product-line level. In addition, we perform an annual top-down risk assessment to identify top risks and assign owners to ensure these risks are appropriately addressed and managed.

## Emerging Risk Forum

AIG also has an Emerging Risk Forum to monitor, assess and analyze climate-related risks, among other key emerging risks facing the company. The forum is comprised of AIG subject matter experts from across many global geographies and functions and conducts horizon scanning intended to facilitate cross-functional dialogue, improve information flow across the company, catalyze risk management action and spark product innovation. Within its mandate, the forum considers a range of risks to AIG associated with climate change, including climate-related insurance liabilities, transition risks and investments.

Stress testing is a useful tool to understand aggregate exposure to our most significant financial and insurance risks. AIG UK is participating in the 2021 PRA General Insurance Stress Test (GIST). The exercise includes an “exploratory scenario” which sought to identify the impact of climate change and we have committed to investigating the ability run such a test on the overall AIG portfolio.

## Reinsurance

AIG buys reinsurance (insurance against losses experienced within our own insurance portfolio) to manage our overall capital adequacy and mitigate insurance loss exposure related to certain events, such as natural or human-made catastrophes. AIG purchases catastrophe reinsurance and retrocessional cover through various channels, including traditional reinsurance markets and collateralized reinsurance transactions (e.g., catastrophe bonds, other insurance-linked securities transactions, and similar risk financing vehicles).

Our 2021 property catastrophe reinsurance program is a worldwide program providing both aggregate and per occurrence protection.

We have also purchased property per risk covers that provide protection against large losses globally, which include those emanating from non-critical catastrophe events (all events except for U.S. and Canada named windstorm and earthquake) globally as well as critical catastrophe events (named windstorm and earthquake) outside the U.S. and Canada.

Our Life & Retirement business is an active partner with large reinsurers in our Life and Individual Retirement business units as it relates to both our in force and new business.

## AIG Life & Retirement

The majority of the climate risk AIG faces and manages impacts our General Insurance business, since it primarily effects property damage and business disruption. Our Life & Retirement business faces climate risk as well, but since our business there is primarily insuring against mortality risk and preparing clients for retirement and financial security, the profile of climate risk against that business is much smaller.



## Metrics and Targets

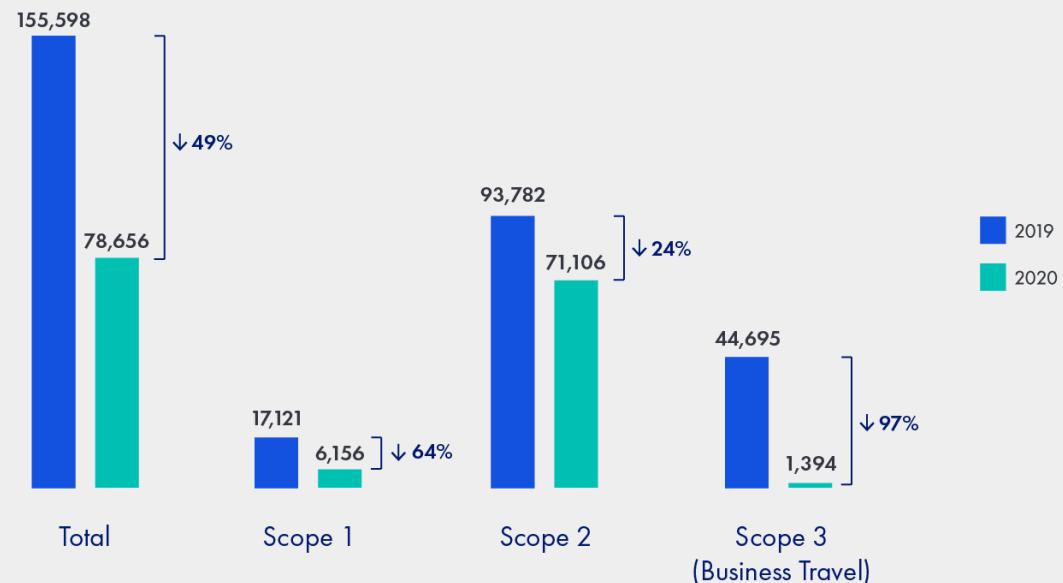
### AIG'S Carbon Footprint

AIG is committed to reducing its global carbon footprint and implementing practices that reduce the environmental impact of our business. AIG has demonstrated this commitment by increasing the efficiencies of internal company operations and physical assets under the company's control and reducing energy usage.

Since 2019, we have been able to collect additional information from various sources of emissions from AIG's operations and value chain activities globally, such as fuel usage for stationary (heating and back-up generators) and mobile (corporate air and ground fleet) combustion (scope 1), as well as resulting emissions from indirect downstream activities in our value chain such as business air travel (scope 3) for AIG employees globally.

Please note that AIG's reductions in carbon footprint for 2020 have been affected by the travel restrictions and shift to work-from-home prompted by COVID-19. Comparing our data from 2019 through 2021 should give a clearer picture of what kind of long-term progress AIG is making toward reducing its carbon footprint outside of severely disruptive events such as COVID-19.

### Year-Over-Year Change in Metric Tons of CO<sub>2</sub>e, 2019-2020



Scope 1 emissions reported include direct emissions from fuel usage from natural gas, diesel, kerosene, gasoline and jet fuel for stationary (heating and back-up generators) and/or mobile (aviation and ground fleet) combustion. Scope 2 emissions reported include indirect emissions from electricity consumption. Scope 3 emissions reported include exclusively emissions from business air travel and are calculated based on miles traveled as provided by travel agencies to AIG. Travel booked outside of our approved vendors are not included and have been determined to be immaterial to overall corporate business travel emissions.

The above table includes our scope 1, 2, and scope 3 (exclusively business travel) GHG emissions. In 2021, we will continue to improve the tracking and reporting infrastructure in place for more comprehensive emissions reporting across our value chain in order to define a baseline, perform trend analysis and set targets to reduce our emissions.

### AIG'S New Travel Policy

AIG's updated Travel Standard focuses on cost-saving initiatives as well as increasing efficiencies, including sustainability.

Use of AIG's preferred suppliers, through our designated online booking tool and Corporate Card Program enables our Travel team to drive volume to those suppliers who offer optimal total cost which includes quality, service, sustainability, and diversity.

Using demand management will play a significant role in reducing our scope 3 emissions. Requiring executive leadership pre-trip approval dissuades potential travelers from taking unnecessary trips, reducing travel volume, and associated emissions.

Several factors have led to a dramatic reduction in total emissions between 2019 and 2020 including:

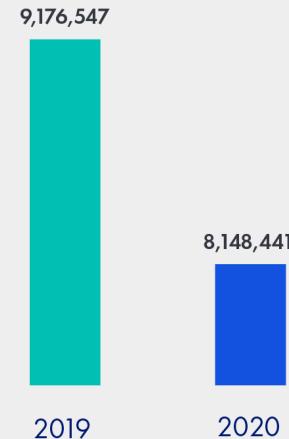
- Shifting to remote work spurred by COVID-19 gathering restrictions
- Reducing AIG's office footprint through consolidation and lease termination
- Ongoing initiatives such as LEED certifications for new office space

## Reducing Our Real Estate Footprint

As part of a Real Estate plan initiated in 2019, in 2020, AIG reduced its real estate footprint by 11%, contributing to a 24% reduction in electricity emissions.

AIG's reporting boundary is based on operational control, or where AIG has full authority to introduce and implement operating policies. Where available, GHG emissions are calculated on the basis of actual (e.g., metered) data received. In certain instances where actual data is not available AIG estimates fuel combustion based on estimation methodologies, standards, and intensity factors (e.g., kWh/sqf) published by third parties.

**Total Square Footage of Assets Included in Emissions Profile**



**Notable Real Estate Reductions**



### INDIA

100%  
4 facilities  
233,969 square feet



### PHILIPPINES

77%  
2 facilities  
117,840 square feet



### MALAYSIA

54%  
2 facilities  
103,158 square feet

### Emission Factor Sources

- Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Scope 2 Guidance
- US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
- US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
- US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources
- US EPA Mandatory Greenhouse Gas Reporting Rule
- US EPA Emissions & Generation Resource Integrated Database (eGRID)
- US EPA Emission Factors Hub, April 01, 2021
- US EIA Monthly Energy Review (June 2020)
- DEFRA (Conversion Factors 2020: Condensed Set (for most users) - Published 9 June 2020)
- 2020 Climate Transparency Country Profile Reports
- HK Electric
- Guidelines for estimating GHG emissions of ADB Project, Appendix C Grid Emission Factors
- Energy Policy and Planning Office, Ministry of Energy, Table 9.1-15: CO<sub>2</sub> Emission per kWh (Consumption)
- EMA—Electricity Grid Emissions Factors and Upstream Fugitive Methane Emission Factor
- European Investment Bank (EIB)
- Kenya: Innovation at the Service of Low-Carbon Electrification- 2016 figure
- Dubai Electricity & Water Authority (DEWA) 2018 Sustainability Report, Carbon Emission Intensity
- New Zealand, Ministry of Environment, Annual emission factors - Electricity, Column AE, Row

Non-financial information is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

### Emissions Reduction Targets

AIG has committed to achieving net-zero emissions for its own operations by 2050 and has formed a Net-Zero working group with representatives across operations to develop a comprehensive roadmap to achieve this target.

### Other Metrics

AIG manages catastrophe exposure with multiple approaches such as setting risk limits based on aggregate Probable Maximum Loss (PML) modeling. For an overview of annual aggregate modeled losses for all perils world-wide and exposures arising from our largest primarily modeled perils (U.S. hurricanes, U.S. earthquakes, Japan typhoons and Japan earthquakes), refer to our [2020 Form 10-K](#).



## Environmental Stewardship

AIG is committed to becoming a more sustainable company and has identified and implemented various operational measures to mitigate its environmental impact.

In 2020, AIG announced the consolidation of its New York-area office spaces from seven properties to three locations (Downtown NYC, Midtown NYC and Jersey City, NJ). The commercial office construction projects to fit-out these new office spaces will pursue LEED certification. In October 2020, our new Midtown NYC headquarters achieved LEED Gold certification.

## AIG 200

In 2019, AIG launched AIG 200, our global, multiyear effort to focus on the long-term strategic positioning of AIG. Initiatives within this effort support our contributions to reduce carbon emissions through digitization, new ways of working, targeted procurement strategies, and office space consolidation.

In 2020, AIG's US and UK operations reduced their paper consumption by 42% compared to 2019, saving roughly 5,000 trees, and 1.6 million gallons of water. While AIG has implemented paper reduction and digitalization initiatives, we also recognize this significant reduction is a result of the shift to a remote work environment.

We also achieved the following environmental impacts:

- 10.3% data center power reduction through energy efficient technology and approximately \$152K of savings.
- 51.94 miles (274K feet) of fiber and copper cables removed; 11% of cables were recycled.
-

## Part 3: Social

Our role as a good corporate citizen entails fostering and protecting the relationships we have within our workforce, supply chain, and the societies in which we operate. As we detail the corporate social responsibility aspects of our ESG agenda, we will be focusing on *talent attraction and development; diversity, equity, and inclusion; supply chain responsibility; health and wellness; human rights; and philanthropy and volunteerism.*

### Talent Attraction

AIG's people are our greatest strength. We place the highest importance on attracting, developing and retaining the best and brightest professionals to drive our enterprise.

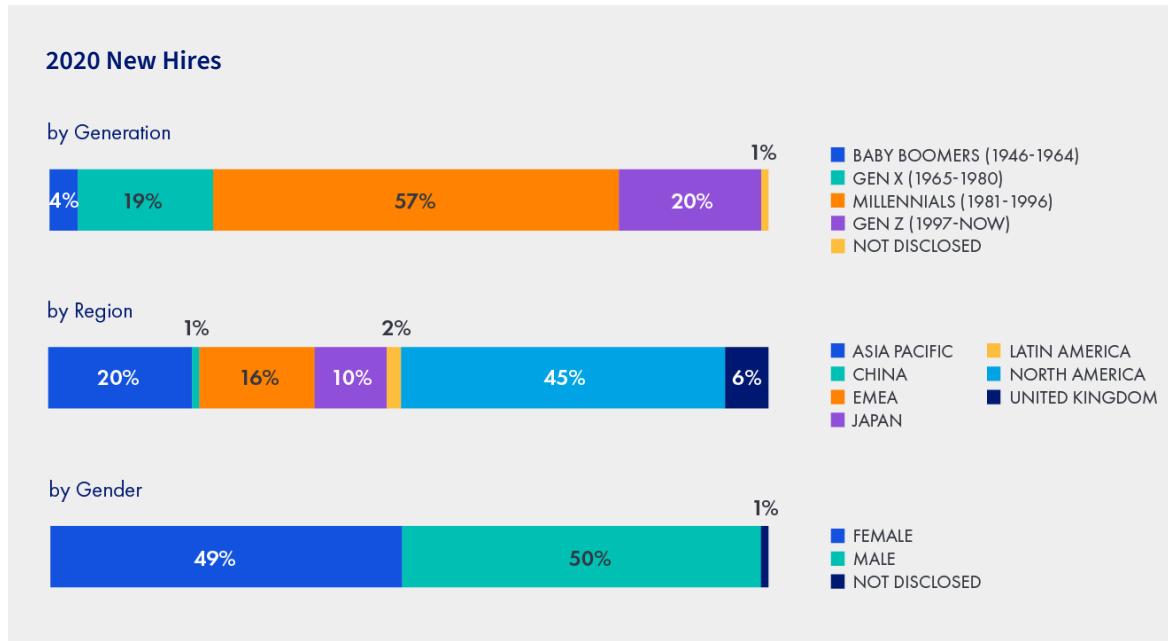
On average, AIG fills between 5,000-6,000 open positions globally, each year. Our Talent Acquisition efforts span early careers through executive placements. We partner with diverse professional affiliations and institutions to source talent that meet our business needs and continue to drive our culture forward.

In 2020, given labor market impact as a result of COVID-19, we filled 4,900 positions globally, selecting from 228,000 applications. Internal talent filled 27% of all our open positions.

We are committed to expanding our pipeline of future talent as well. To that end, in 2020, we hosted over 250 summer interns and hired roughly 220 full time analysts. In addition, we support a growing number of apprenticeships and are piloting an internship program for women re-entering the workforce.

Beginning in April 2020, we onboarded new hires into AIG through a new global "Welcome to AIG" digital onboarding experience, which includes eight hours of learning content. The new hire orientation portal was accessed in 41 countries, helping our new hires to learn about the company and feel connected with others on their first day.





## Early Careers

Through our Early Careers program, we have developed partnerships with a number of organizations—including [InternX](#), [INROADS](#), [Genesys Works](#), and the [Selective Corporate Internship Program](#)—to help connect diverse students with internship opportunities. AIG also partners with [Gamma Iota Sigma](#) (GIS), an international professional fraternity organized to promote and develop early careers in insurance, risk management and actuarial science. AIG also has representatives on Spencer Educational Foundation and The Actuarial Foundation’s boards. Additionally, AIG partners with a number of organizations focused on science, technology, engineering, and mathematics (STEM) talent. We have recruiting relationships with Temple University, Howard University, St. John’s University, and Texas A&M University, in an effort to develop a robust early career talent pipeline.

In 2020, as AIG pivoted to a fully remote work environment, the AIG Early Careers Program still committed to all offers extended, and developed an interactive and collaborative internship experience, as well as a fully remote analyst development experience.

## Strategic Partnerships

AIG invests in a number of strategic partnerships that can be leveraged across the organization to further diversify our talent pipelines through the educational, networking, recruiting, and team-building opportunities they present. These include the [Association of Latino Professionals for America](#) (ALPFA), [International Association of Black Actuaries](#) (IABA), [National African American Insurance Association](#) (NAAIA), as well as [Out & Equal Workplace Advocates](#), and Vercida, an organization based in the UK to help attract and maintain a diverse and inclusive workforce.

## Diverse Executive Search Policy

As we look to increase representation across our leadership roles, AIG established a Diverse Executive Search Policy in October 2020, which provides guidance to senior leaders hiring for Executive Level roles. Hiring managers are expected to interview at least one qualified Diverse Candidate as part of the final slate of candidates, based on local guidelines. In support of the implementation of this policy, AIG has established partnerships with two Diverse Executive Search Firms—[WB&B Executive Search](#) and [Diversified Search](#)—as we continue to expand our executive diverse talent pool.



At AIG, lifelong learning and career development is encouraged, rewarded, and celebrated. Our goal is to ensure that all employees have equal access to the tools and resources that will support their professional growth. We believe that professional development is a positive investment in our talent. Our goal is to build skills of our employees by providing ample opportunities to access learning and development that enhances their abilities to perform in their current or future roles.

## Skill Development and Learning Opportunities

AIG has developed numerous programs to foster leadership, growth and development opportunities for our employees. In 2020, our employees completed on average 11.65 hours of self-requested online learning. Every employee is given access to a LinkedIn Learning license, which provides a comprehensive suite of 15,000+ courses covering a broad range of topics to build business, creative and technology skills. We have never seen so much learning activity as in 2020 as seen by an increase in course completions. In 2020, we offered 71 webinars on a variety of topics around leadership and professional development skills.

Employees can access additional learning portals to increase their business awareness, build critical skills and earn CE credits which are hosted on our centralized learning landing page, *Your Learning Journey*. In addition, we offer tuition and certification training reimbursement programs to encourage employees to enhance their education, skills and knowledge for their continued growth.

Given the events of 2020, including a global pandemic and major social unrest, supporting the holistic well-being and productivity of our employees in a work-from-home environment was paramount. We launched a *How to Be Your Best* page, offering employees access to live webinars, learning videos, employee stories and tip sheets to help them shift to a full-time, work from home schedule and to support employee mental and social well-being. We found creative ways to engage employees and their families while they work and care for others at home and ran employee engagement competitions to create community spirit.

For employees returning to an AIG office environment, employee and manager training has been developed in-house and is available in 17 languages.

## Career Development and Succession Planning

Our management places significant focus and attention on promoting internal talent and dedicating time to succession planning. We provide easy access to job postings and have recently set up the ability for employees to set job alerts

based on their job search criteria. In 2020, 19% of our talent globally attained expanded roles or moved laterally within the organization.

We review talent development and succession plans for each of our functions and operating segments, to identify and develop a pipeline of talent to maintain business operations. In 2020, we added rigor and discipline into our talent review and succession planning process. This included comprehensive talent reviews to identify high performers and high potentials and developing a succession plan for all members of AIG's executive leadership team, identifying strengths developmental areas and key actions.

We appreciate the importance of sponsorship and building networks within an organization to build our employees careers. We offer training to managers to create a culture of career coaching and giving regular feedback. This is further supported through AIG's formal performance management processes (e.g., twice a year reviews, check-ins, goal-setting, and upward reviews). AIG also offers mentorship programs throughout the company where mentors are selected to serve as an experienced guide, providing insight, guidance, and advice by sharing their professional and personal experiences.

## Career Transition Assistance

For employees whose AIG career ends as a result from retirement or termination, AIG provides a number of transition assistance programs based on the employees' professional level. For entry- and mid-level terminated employees, AIG offers programs such as resume writing, career coaching, job lead assistance, and access to recruiters. For executive-level employees, AIG offers more advanced programs including dedicated executive support, high-caliber career coaching, executive brand support, and identifies targeted career opportunities.



## Diversity, Equity, and Inclusion (DEI)

AIG is committed to creating an inclusive workplace focused on attracting, retaining and developing diverse talent that fosters a culture of belonging for all employees. Through our colleagues, we learn how to better understand our clients, increase innovation, and reduce risk.

### Developing Diverse Talent

The diversity of our workforce is one of AIG's greatest assets and brings us great pride. Our colleagues show us how to better understand our clients and each other while increasing innovation. That's why, as a part of our effort to build the AIG of the future, we continue to focus on fostering a culture of inclusion to attract, develop and retain diverse talent.

In 2020, we launched a refreshed Diversity, Equity, and Inclusion learning page on the company's intranet, with access to courses and guidance materials to promote an inclusive culture at AIG.

We offer several programs that provide mentoring, networking opportunities, and training on skills such as executive presence to AIG's most promising females and under-represented talent. Our programs include the Women's Executive Leadership Initiative (or WELI, launched in 2013), the Executive Men's Development Initiative (or EMDI, launched in 2016), and the Accelerated Leadership Development Program (or ALD, launched in 2017). These programs provided development opportunities to almost 400 diverse employees globally in 2020, including 2 WELI cohorts, 2 EMDI cohorts, and 10 ALD cohorts, all managed virtually. Fifty-three senior leaders participated as one-on-one sponsors to participants.

Furthermore, we carry out external talent mapping to identify diverse talent for all critical positions and produce talent profiles on all insurance industry senior diverse talent. We support diverse sourcing and slating to encourage diverse hiring. In 2020, 36% of all new executive leadership positions were filled with diverse talent. In 2020, 51% of AIG job placements globally were female and 42% of U.S. placements were ethnically diverse. AIG's 2020 summer intern class was 44% female globally and 46% ethnically diverse in the U.S.

Our global diversity, equity and inclusion strategy encompasses three key areas:

**Workforce:** Attract, retain, and develop top diverse talent through our diversity development programs for women and diverse men, Early Careers program for new graduates, and diverse slating to recruit diverse talent.



**Workplace:** Foster and advance a culture of inclusion and belonging through our Employee Resource Groups, flexible work arrangements, DEI learning, and cultural awareness activities.



**Marketplace:** Partner with communities where we do business through our work with diverse organizations, corporate social responsibility efforts, supplier diversity, and engaging diverse markets and customers.



AIG's commitment to DEI is formalized in our [Diversity and Inclusion Policy](#), including manager and employee responsibilities, equal opportunity statement, discriminatory harassment, bullying, and sexual harassment policies, and accommodations.

## EEO-1 Reporting

AIG's current EEO-1 report can be found [here](#). We will also further increase transparency into the diversity of our U.S. workforce by making our consolidated EEO-1 report publicly available on aig.com beginning with the 2019 and 2020 reports.

## Leadership Commitment to DEI

In October 2020, AIG promoted an internal talent to Chief Diversity Officer to coordinate the Company's efforts in facilitating and advancing our DEI strategy.

Management periodically reports to the Compensation and Management Resources Committee of our Board of Directors on initiatives and progress on various human capital management initiatives and metrics, including DEI. AIG strives to maintain a diverse Board; 23% of our Board of Directors are female, and 15% are racially/ethnically diverse. Diversity continues to be an important consideration in AIG's approach to Board composition.

Each member of the executive leadership team has a DEI objective embedded in their individual performance goals tied to their annual short-term incentive awards.

In September 2020, AIG established an Executive Diversity Council tasked with monitoring DEI initiatives as an integral part of AIG's business strategies.

## Employee Resource Groups

More than 25% of AIG colleagues participate in 130+ Employee Resource Groups (ERGs) which are groups of employees who come together based on a shared interest in a specific dimension of diversity. Many of these ERGs have multiple chapters, and most are supported by an executive sponsor from within AIG's senior leadership. Our global ERG network reflects the following 13 dimensions of diversity and are open to all global employees:

- Asian Leadership Network
- Black Professionals & Allies
- disAbilities & Allies
- Generations
- Interfaith
- Latino Network
- LGBTQ+ & Allies
- Multicultural
- Middle Eastern
- Veterans Leadership Network
- Women & Allies
- Working Families
- Young Professionals



Our colleague-led ERGs are an important means for reinforcing a culture of inclusion and belonging at AIG. Our ERGs represent and support our diverse workforce, facilitate networking and connections with peers, and create a culture of inclusion and engagement within AIG. They focus on these four objective areas:

1. **Business Integration:** How ERGs can help the company.
2. **Career Development:** How ERGs can assist members with professional and career growth.
3. **Awareness Education:** How ERGs can educate others and foster a culture of inclusion and belonging at AIG.
4. **Community Enhancement:** How ERGs can address needs in the community and society at large.

---

Leaders and members of our ERGs volunteer their personal time to foster DEI. This is a true representation of our culture. Our colleagues care about one another and the success of AIG.

During the pandemic, all events hosted by the ERGs have gone virtual. All employees are welcome to remotely attend any session across any of the 35+ countries and more than 50 offices where we have ERGs.

In 2020, more than a third of AIG employees participated in Courageous Conversations programming following the murder of George Floyd, often led by our ERGs, to learn about unconscious bias, systemic racism, and allyship. Our ERGs also focused on the mental health of colleagues as part of Wellness at AIG, the mental and social wellness campaign.

## Pay Equity

AIG is committed to providing a fair and equal workplace for employees, without regard to gender, race, or ethnicity. All employees at AIG are placed into specific job grades based on duties and responsibilities to ensure that they are paid equitably. This structure creates consistency globally and helps employees better understand their compensation, performance management and career-development opportunities. AIG also periodically conducts internal reviews and external benchmarking studies of our grade and pay structure.

We also believe in reviewing our pay practices for any potential unexplained differences by gender, race or ethnicity. To this end, AIG has internal processes and monitoring in place to assist the company in identifying and addressing any gender, race, or ethnicity-related pay-gap issue. We are confident in our approach to help prevent any significant pay-gap issue. Our commitment to pay equity and fairness is one that is shared by our senior leadership and the AIG Board.

## External Partnerships

AIG works with and supports numerous third parties whose strategic goals align with our own diversity, equity and inclusion strategy. These include:

- [American Corporate Partners](#)
- [Ascend](#)
- [Association of Latino Professionals for America \(ALPFA\)](#)
- [Catalyst](#)
- [CEO Action for Diversity & Inclusion](#)
- [Coequal](#)
- [Development School for Youth](#)
- [Disability:IN](#)
- [Enactus](#)
- [Everywoman](#)
- [Executive Leadership Council \(ELC\)](#)
- [Hispanic Association on Corporate Responsibility \(HACR\)](#)
- [InternX](#)
- [International Association of Black Actuaries \(IABA\)](#)
- [Junior Achievement \(JA\)](#)
- [National African American Insurance Association \(NAAIA\)](#)
- [National Association of Black Accountants \(NABA\)](#)
- [New York Jobs CEO Council](#)
- [Organization of Latino Actuaries \(OLA\)](#)
- [Out & Equal](#)
- [Stonewall](#)
- [Thrive Scholars](#)

## Awards and Recognition

AIG seeks to be an industry leader in its support of DEI. In 2020, as in years past, AIG earned numerous awards and recognition for our work in this area. And while we are proud of our achievements, we regard them as honorable reminders that the work of creating and sustaining an environment where everyone feels they are welcome and belong is never truly done.





## Health and Wellness

AIG's objective is to provide a comprehensive competitive package of benefits to enable the company to attract and retain the best employees in the markets in which we operate without regard to age, gender, ethnicity, and background. Our benefits philosophy supports a holistic view of total benefits provided to employees that encompasses three broad categories:

- **Protection:** AIG intends to provide employees and their families with benefits coverage for everyday issues as well as unforeseen events. Where possible, these protection benefits should be integrated with social programs. Protection programs include the following: medical, dental and vision, life, disability, business travel accident benefits, and wellness programs.
- **Market:** These benefits may include commonly offered plans in local markets such as: retirement; car policies and parking benefits; commuter/transportation reimbursement; allowances; paid time off; paid holidays; leaves; meal vouchers; accidental death and disability; and dental and vision.
- **AIG Culture:** AIG strives to be a socially responsible employer and ensure the well-being of its employees around the world. To achieve these goals, AIG will support initiatives such as leaves (maternity, parental, and bereavement); return to work programs; wellness initiatives; child care; employee assistance program; same-sex partner benefits; employee volunteer programs; and gift matching, tuition reimbursement and unpaid personal leave.

### Preventative Care

AIG expanded our U.S. Preventive Care Program, enabling our colleagues to earn a \$120 credit toward their employee medical plan contribution in 2021. Beginning October 1, 2020, employees could earn the credit by getting a flu shot (retroactive to August 1), completing a health survey and providing proof of the flu shot by completing an attestation on the Rally website. We emphasized the importance of getting a flu shot during flu season, especially as a vaccine for COVID-19 was not yet available. Employees received their flu shots through their medical provider or a local pharmacy, and it was covered through the AIG Medical Plan (UHC and Kaiser) at no out-of-pocket cost.

## Medical Policies

AIG considers access to medical care to be a dimension of diversity, equity and inclusion, and we seek opportunities to ensure that all of our colleagues are not subjected to discriminatory medical practices.

- In 2013, we expanded our medical policies to provide transgender medical and surgical benefits for employees and their dependents in the U.S.
- In 2019, we increased our adoption reimbursement per child from \$7,500 to \$13,800. We also expanded our adoption program for U.S. employees eligible to participate in the AIG benefits plans to include reimbursing some of the costs associated with a surrogacy arrangement. The combined lifetime maximum reimbursement amount per employee under the new program is \$27,600, which represents a total maximum reimbursement for two adoptions, two surrogacy arrangements, or one adoption and one surrogacy arrangement.

## Parental Leave

AIG recognizes how important it is for a parent to bond with their child. Each country that AIG operates within has different regulations and requirements for requiring time off for employee parents and AIG follows each of those requirements.

In the U.S., some states also have individual regulations and requirements for requiring time off for employee parents of any gender and AIG follows each of those statutory requirements, as well. In the U.S., AIG also offers eight weeks of time off with full pay, for employee parents for the birth of a biological child, a newly adopted child or child born as of a surrogacy arrangement. This time off may be taken at any time within 12 months of the birth or adoption of the child.

## Work-Life Support for Working Families

U.S. employees have access to many discounted services from Bright Horizons, including help with childcare, eldercare, pet care, tutoring, and test preparation.

Employees have access to the Sittercity program to book babysitters for children and caregivers for the elderly. They can also contract a virtual sitter to help a child with homework assignments or play a game.

Our U.S. Emergency Child Care Program is aimed at helping employees who are working from home while caring for young children. As facilities reopen, Bright Horizons offers back-up childcare for up to 10 days per child per year, with the employee paying a \$25 daily co-pay per child or \$40 if two children are at the same center on the same day.

Effective October 1, 2020, we increased the days of care from 10 to 15 per family member per year. We also began offering in-home care for children, adults and the elderly, with the employee paying an \$8 per-hour co-pay effective October 1, 2020.

Outside of the U.S.: Bright Horizons for the UK and EMEA were engaged by DEI when they were called MyFamilyCare (Bright Horizons bought them last year) to provide a parental leave support portal for employees and managers as a way to help smooth the transition before, during and after leaves of absence (e.g., maternity/paternity).

## General Wellness Programs

Most countries that AIG operates in have locally coordinated wellness programs including nutrition education, wellness coaching, digital apps, physical activity opportunities, mental health education seminars, financial wellness seminars, and more.

During the COVID-19 pandemic, AIG's U.S.-based wellness programs and events were either converted to be offered in a virtual capacity or cancelled if they could not be offered virtually (e.g., presentations, health fairs, charity walks). We saw a 200% increase in U.S. wellness program event attendance in 2020 compared to 2019, as we were able to offer programs virtually on a national scale.

## Mental, Emotional, Behavioral Health Support

Nearly every country that AIG operates in has an Employee Assistance Program (EAP) that provides digital, telephonic, and in-person (when safe to do so) mental, emotional, and behavioral health support with licensed providers, at no cost to the employee or their household members.

In 2020, AIG provided a webinar series to offer employees guidance and best practices to help them navigate unique circumstances, stressors and challenges brought on by COVID-19. The webinar series covered topics such as handling pandemic anxiety, navigating the work from home transition, coping with fear and uncertainty, and more.

## Global Mental and Social Health Initiative

The global Wellness at AIG mental and social health initiative, spearheaded by Human Resources and supported by Lucy Fato, AIG's Executive Vice President, General Counsel & Global Head of Communications and Government Affairs was formally launched in October of 2020.

To observe World Mental Health Day on October 10, AIG granted all employees a mental health day off on Friday, October 9.

AIG's globally accessible internal forum, Yammer, was leveraged to share stories and encourage colleagues to participate in mental health events and to destigmatize mental health conversations in the workplace. AIG created the #RUOK hashtag to track conversations connected to the mental health initiative.

AIG also offered over 15 "Mental Health Awareness" global webinar events to reduce the stigma associated with mental illness and to promote ways of supporting employees in the workplace.

## Global Health, Safety, and Environmental Policy

At AIG, occupational safety and health is a shared responsibility between employees and corporate stakeholders. Heading this effort is AIG Global Health, Safety, and Environment (GHSE), which requires that appropriate measures are taken to prevent workplace injuries and illnesses, to provide a safe and healthy work environment, and to meet regulatory and duty of care responsibilities regarding the health, safety and welfare of employees engaging in AIG business activities.

### Awards and Recognition

AIG Global Corporate Citizenship partners with the American Heart Association to sponsor Heart Walks across the country, as well as participate in the national Workplace Health Achievement Index.

AIG received Bronze recognition for its national wellness programming and workplace environment in the New York office for the 2017-2018 submission year, and Silver recognition for 2018-2019 and 2019-2020 submission years.



AIG acted quickly in early 2020 to respond to the COVID-19 crisis, with a focus on supporting our colleagues and communities and on business resiliency.

## Supporting Our Employees

Since the start of the COVID-19 crisis, our top priority has been and will continue to be to protect AIG, the health and safety of our colleagues and our many partners, vendors and clients around the world.

To monitor the outbreak of the disease, AIG began daily briefings with local and regional AIG office managers, and health and safety experts, and drew upon the latest intelligence from bodies such as the World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC).

In early March 2020, shortly before COVID-19 officially gained pandemic status, AIG halted virtually all business travel. Several days later, the company transitioned more than 90% of its work force to fully remote status. On average, over 40,000 colleagues successfully accessed AIG systems on a remote basis daily with fully functional IT support call center and preventative measures to safeguard our systems. AIG employees were also furnished with a \$500 grant to offset any unexpected costs that arose from this sudden shift to a work-from-home model.

For those colleagues facing financial difficulty due to COVID-19's severe disruption to businesses, AIG established the Pandemic Financial Assistance Program, which provided financial aid to eligible colleagues. AIG also launched the Compassionate Colleagues Fund to enable employees to make donations into a pool of funds used to help fellow AIG colleagues. The fund received an initial contribution of \$2 million by AIG. Since then, voluntary employee contributions have grown the size of the fund.

In addition, AIG created a formal AIG Global Enterprise Resiliency team comprised of experienced leaders with expertise in technology, disaster recovery, enterprise risk and program leadership to ensure strong business resiliency during the pandemic. AIG also developed Emergency Access Plans for potential use of AIG offices to serve as limited recovery sites if work-from-home capacity is significantly disrupted by natural disaster or other incident.

## Improving AIG's Communities

AIG also recognized the severe impact that COVID-19 had on the communities in which we work and live and took action to support them.

AIG reinstated the AIG Foundation with an inaugural \$5 million contribution primarily, directed to COVID-19 relief and food security efforts in the communities that AIG serves.

We responded to calls from health workers for medical supplies by donating nearly 200,000 items of personal protective equipment (PPE) across the globe.

Nearly \$6.2 million was contributed to support non-profits with COVID-19 relief efforts through AIG's Matching Grants Program. AIG's One Thousand Acts of Kindness Campaign generated over 1,000 posts from global employees demonstrating employee commitment to issues such as health and safety of essential workers, food insecurity, and support for small businesses.

AIG also hosted a Virtual Food Drive—a month-long campaign through which AIG and its employees provided approximately 265,000 meals to food banks across the U.S.

## Wellness at AIG

AIG launched a COVID-19 page on its employee intranet that provided important policy and procedure updates, leadership messages, and links to external websites, such as the WHO and CDC, with the latest health and safety information (e.g., washing hands, wearing a mask, social distancing). The COVID-19 page was one of the top-viewed pages on the AIG intranet in 2020, with approximately 94,000 views. COVID-related documents received 26,000 views/downloads; only HR-related documentations received a higher rate of views/downloads for the year.

As the pandemic progressed, the COVID-19 page also featured content that addressed the unique mental, emotional and social pressures colleagues felt as they balanced work and home responsibilities. The site promoted virtual events for colleagues to address their feelings of isolation, as well as uplifting content to keep their spirits high.

AIG also provided colleagues with mental health resources and tips, including counseling sessions and COVID-19-specific mental health webinars through AIG's Employee Assistance Program. And, employees were provided additional paid holidays in April and October to look after their own mental wellness.

## Return to the Workplace

AIG's Return to the Workplace (RTW) Task Force, a cross-functional team consisting of colleagues from Corporate Real Estate & Business Services, Legal, Human Resources, IT and Communications, continues to monitor COVID-19 developments closely and take actions to promote the health and safety of AIG colleagues, based on guidance from health authorities and subject matter experts at the local, regional and global levels.

The RTW Task Force collaborates with business leaders across AIG to study issues that are relevant to the jurisdictions in which we operate, as well as speaking with counterparts at other companies to determine emerging best practices. For now, even if local governments make recommendations to ease restrictions, AIG offices will remain accessible only to those in on-site essential roles.

AIG's RTW Task Force has spent a significant amount of time consulting with experts, reviewing data, analyzing the results of our Return to the Workplace survey, and assessing local ground conditions around the world to inform our decision about a return date.

At this time, AIG continues to track ground conditions and the guidance of health authorities and subject matter experts at local, regional, and global levels.

AIG will implement a gradual and phased approach for returning to the office and will provide advance notice so that our colleagues can properly plan for your return. As always, the health and safety of our colleagues is our top priority. Returning to an office will be strictly voluntary. No one will be asked to return if they have a concern about their individual health, safety, or how returning may impact their families. Employees and visitors to AIG premises will be given a mask if they do not already have one themselves.



## Human Rights

AIG is committed to respecting and supporting human rights in the global communities we serve and conducting our business in accordance with internationally recognized human rights standards, including the United Nations' International Bill of Human Rights (i.e., the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the International Labor Organization's Declaration on the Fundamental Principles and Rights at Work. Please click [here](#) to read AIG's Human Rights Statement.



We recognize that our suppliers play an important role in our success. Accordingly, AIG strives to conduct business with suppliers who share our commitment to high ethical standards and who operate in a socially responsible manner. Our suppliers are expected to follow the basic principles outlined in our Supplier Code of Conduct in their dealings with AIG and to apply these or similar principles to the suppliers with whom they work in providing goods and services to AIG. We are committed to making a positive difference in the communities where we work, live, and serve our customers, and expect the same of our suppliers.

## Supplier Assessments

As outlined in our Supplier Code of Conduct, AIG expects its suppliers to establish and implement sustainability goals that minimize environmental impact, and to manage their social risks ethically and

responsibly. AIG incorporates ongoing compliance with the Supplier Code of Conduct into its business relationships and procurement decisions, and we will focus on broadening our supplier evaluation process to include quantitative assessment and reporting of key environmental, social, and human rights criteria and metrics. The consideration of environmental, social, and human rights issues will ensure that suppliers view these matters in a manner that is consistent with AIG's values. A supplier's violations of the Supplier Code of Conduct may affect such supplier's standing with AIG, may lead to disqualification from future opportunities with AIG, and may even result in the termination of the supplier's business relationship with AIG.

## Supplier Diversity

AIG embraces diversity and equal opportunity as fundamental principles and key components of our corporate strategy. The inclusion and utilization of diverse suppliers provides AIG access to the widest possible selection of qualified suppliers, innovative solutions, and is a driver of our cost reduction efforts. Engaging economically with diverse-owned businesses demonstrates our company's resolve to support the growth of the communities in which it conducts business.

AIG aims to broaden and expand its diverse supplier representation across the enterprise. It is our goal to actively match suppliers with new opportunities where we think they will be able to succeed and drive value for AIG.

Diverse-Owned businesses are defined as U.S.-based, for-profit enterprises that are at least 51% owned and operated by one of the following groups:

- Minority
  - African American
  - Asian (includes Asian Indian)
  - Latinx/Hispanic (origins from Mexico, Central and South America, or the Spanish-speaking countries of the Caribbean basin)
  - Native American (includes Native Pacific Islander, Eskimo)
  - Native Pacific Islander, Eskimo
  - Women
- LGBT (Lesbian, Gay, Bisexual, Transgender)
- Military Veteran

AIG requires that all diverse-owned businesses provide certification of their diverse-ownership status through a third-party agency. AIG recognizes certifications from the following organizations/entities:

- Association for Service-Disabled Veterans (or form DD-214)
- Minority Supplier Development Council UK (MSDUK)
- National Gay and Lesbian Chamber of Commerce (NGLCC)
- National Minority Supplier Development Council (NMSDC)
- US Pan Asian American Chamber of Commerce (USPACC)
- WEConnect International
- Women's Business Enterprise National Council (WBENC)
- Women Presidents Educational Organization (WPEO)
- State, Federal and Municipal governments



## Philanthropy and Volunteerism

AIG recognizes that operating as a responsible corporate citizen is central to our success as a business. We are committed to making a positive difference in the communities where we work, live and serve our customers by investing in programs and partnerships that leverage the skills, experience, knowledge and enthusiasm of our employees' volunteerism. And, we align our charitable giving around building resilience and financial security for individuals, families and communities.

AIG works with nonprofit and nongovernmental organizations to identify local areas of shared value and develop programs to assist those in need. AIG focuses on the connections between societal and economic progress and operating practices that enhance our competitiveness of the company while simultaneously advancing the economic and social conditions in the communities in which we operate.

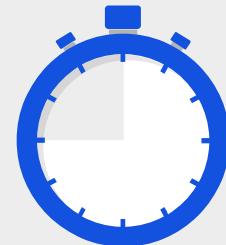
The Global Corporate Citizenship team oversees philanthropy and volunteerism at AIG, through Global Corporate Citizenship and the AIG Foundation<sup>SM</sup>. This team reports to AIG's Chief Human Resources Officer. A Director of Corporate Social Responsibility also sits within our Life and Retirement business.

All Charitable Contributions Requests are subject to review and approval by AIG Global Corporate Citizenship. The Nominating and Corporate Governance Committee (NCGC) of AIG's Board of Directors reviews charitable giving by AIG and its subsidiaries and matters relating to Citizenship.

Interested AIG employees are encouraged to take an active role in volunteerism by joining our Community Leaders Network, which oversees the strategic direction of community involvement and corporate responsibility in each office, with leadership and guidance from Global Corporate Citizenship. The Community Leaders Network is provided resources to carry out local volunteer engagements.

### Key Metrics

**34,133**  
volunteer hours  
in 2020



Over  
**\$22 million**  
in charitable contributions,  
including matching grants,  
foundation, corporate,  
business and function  
donations.

## Philanthropy

AIG has a long history of generosity, and in 2020, its giving efforts included more than \$22 million in charitable contributions and matching grants.



### AIG Foundation<sup>SM</sup> Grants

In 2020, the AIG Foundation was reinstated to support signature initiatives and make a meaningful impact. The Foundation directed \$4.5 million to the COVID-19 relief efforts of the International Medical Corps, Feeding America, and the U.S. Chamber of Commerce Foundation's Coalition to Back Black Businesses. It also donated \$500,000 to the NAACP Legal Defense and Educational Fund, Inc. and Equal Justice Initiative.

### In-Kind Donations Related to COVID-19 Relief

AIG donated nearly 200,000 units of PPE to healthcare workers around the world to aid them in the effort to contain COVID-19. AIG also donated food to Rescuing Leftover Cuisine, a nonprofit organization serving the New York City area.

### Arts and Culture

AIG supports artistic, cultural, and educational institutions through our Corporate Museum Membership Program. AIG honored long-standing commitments to those institutions as they navigated through the difficulties presented by COVID-19.

### Matching Grants Program

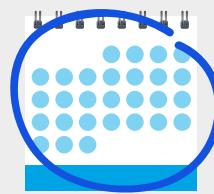
AIG supports employees' generosity through the Matching Grants Program, which matches employee charitable contributions 2:1 up to \$10,000 per year to eligible Canada, UK and U.S.-based charitable organizations. For 2020 only, AIG's charitable donation match was increased to \$12,000 per employee to further support individual philanthropy during a year of extraordinary need.

### Compassionate Colleagues Fund

Launched in 2020, the Compassionate Colleagues Fund supports corporate contributions and voluntary employee donations that aid fellow colleagues facing serious financial hardships, with an initial commitment of \$2 million by AIG.

## Volunteerism

AIG also encourages and empowers its colleagues who wish to share their time, talent and passion to help others. This includes:



### Volunteer Time Off (VTO)

AIG employees may take up to 16 hours per calendar year (outside of their PTO) to volunteer with nonprofit organizations, including schools. In 2020, AIG granted employees an additional eight hours of VTO to volunteer in support of diversity, equity, and inclusion; criminal justice reform; human and civil rights; and otherwise underrepresented and at-risk groups. The extra VTO could also be used to learn more about historical episodes of social injustice and to observe important cultural milestones, such as Juneteenth.

### Global Volunteer Month (GVM)

AIG also hosts Global Volunteer Month each April. In person events were canceled in 2020 due to COVID-19, but employees continued to volunteer virtually from the safety of their own homes, connecting to each other while contributing their time and skills to their communities.

### Virtual Volunteering

All AIG volunteer events were held virtually, such as our Virtual Food Drive, which raised enough food and funds to provide approximately 265,000 meals to banks across the United States. Employees also quickly completed the “One Thousand Acts of Kindness” campaign, during which they demonstrated personal acts of support for essential workers, small businesses, and neighbors in need.

### #GivingTuesday

On December 1, nearly 1,000 AIG colleagues and their families from 14 countries participated in various virtual volunteering and charity events.



*Right: AIG's Tina McCrea displays the piece she created during the Art for Social Justice virtual workshop on #GivingTuesday. Tina's painting "represents Black and Brown lives working together to grab hold of hope and power." Left: AIG's Sahar Ali puts the finishing touches on her painting during AIG's #GivingTuesday virtual Art for Social Justice event.*

## AIG Legal Pro Bono Program

In 2012, AIG created the Legal Pro Bono Program, through which AIG lawyers and other professionals provide legal services to nonprofit organizations and people of limited means. AIG lawyers and other professionals provided over 4,000 hours of pro bono work volunteered in 2020. Since its inception, the AIG Legal Pro Bono Program has provided over 24,000 hours of counsel and mentorship to more than 350 different projects, which include helping refugees, asylum-seekers and domestic violence survivors. In response to global calls for social justice, AIG added criminal and social justice reform to the Pro Bono Program's key pillars. This includes a five-year financial support partnership with the Legal Aid Society.

## Life & Retirement Community Spirit Awards

AIG Life & Retirement hosts the Community Spirit Awards annually, honoring colleagues who go above and beyond in serving their community. The “Pinnacle Winner” receives a \$10,000 contribution to their affiliated charity, while other winners’ charities received \$7,500. In 2020, L&R expanded the number of colleagues recognized, in response to the extreme difficulties nonprofits faced during the pandemic.

## Awards and Recognition

- [Bronze U.S. President's Volunteer Service Award from Junior Achievement](#)
- [Diversity Inc #18 on the Top Companies for Philanthropy list](#)
- [2020 AmCham CARES Award: Large Companies Distinction Award Recipient, AIG Asia Pacific \(Singapore\)](#)
- City of New York Mayoral Service Recognition Certificate
- [Excellence Award for Best Community Engagement Program – Insurer; Insurance Business Awards Australia](#)
- 



## Charitable Partnerships

AIG also partners with non-profit and nongovernmental organizations (NGOs) to offer direct financial support and/or access to employee volunteers and to extend our charitable and philanthropic reach. This includes:



Junior Achievement, which provides financial education to young students. In 2020 alone, nearly 300 AIG employees helped more than 14,000 students across 20 cities.

The American Heart Association, which AIG has supported since 2009 to raise awareness around heart disease and stroke through AHA Heart Walk events. In 2020, more than 400 AIG employees took part in Virtual Heart Walks in 43 cities.

Humanitarian OpenStreetMaps, for which AIG employees volunteer their time to help produce crowdsourced, virtual maps of unexplored or disaster-prone areas to aid the delivery of humanitarian aid. Since the inception of our partnership in 2019, 760 AIG contributors have made more than 114,000 total mapping edits and mapped more than 181 km of roads.

Rise Against Hunger, an international hunger relief NGO that AIG has supported since 2014. Through Rise Against Hunger, AIG employees have packed nearly 1.5 million meals for the world's most vulnerable populations. (In 2020, AIG could not hold an in-person meal-packing event, and instead sponsored Rise Against Hunger's Hope for South Sudan sustainable agriculture program.)

Charitable contributions to the Houston Independent School District Foundation and Detroit Public Schools Foundation to provide technology to support students in a virtual learning environment, along with the sponsorship of financial literacy and nutrition and fitness courses from EVERFI to supplement the schools' educational programs during COVID-19.

## Part 4: Governance

AIG is committed to a robust set of governance policies and practices and regularly review those practices against corporate governance developments and stakeholder feedback to ensure continued effectiveness. Our discussion of these practices in this report will include our *corporate governance structure; effective board composition and refreshment; director independence; balanced and aligned executive compensation; shareholder rights; business ethics; oversight of lobbying and public policy; and cybersecurity and data privacy.*

### Governance Structure

It is important that all parts of our company feel invested in and accountable for AIG's sustainability agenda.

The AIG Board of Directors has delegated overall responsibility for sustainability matters, including climate-related issues facing the company, to the Nominating and Corporate Governance Committee (NCGC). The Risk and Capital Committee (RCC) may be informed of sustainability and climate-related risks insofar as the RCC's role and responsibility is to oversee and review AIG's strategy and approach to managing those risks. Both committees meet at least four times per year and report, as necessary, to AIG's Board of Directors with respect to matters they oversee. The AIG Board of Directors may also receive direct reports on sustainability matters—including climate-related issues facing the company—as needed.

A key success factor for our governance structure is the ability to remain nimble and adaptable. We will continue to re-assess our governance model periodically as our sustainability strategy evolves.

### Nominating and Corporate Governance Committee

The NCGC regularly reviews and assesses AIG's position, policies, practices, and reporting with respect to sustainability and climate-related issues. The NCGC is also responsible for how AIG engages in public policy issues, and AIG's corporate social responsibility efforts. The NCGC receives periodic reports on sustainability-related matters and reports, as necessary, to the Board with respect to these matters.



## Risk and Capital Committee

The RCC oversees and reviews all aspects of AIG's Enterprise Risk Management (ERM) framework. The RCC also assists the Board in its oversight of AIG's investment policies. The RCC's responsibilities include reviewing policies, procedures and practices employed to manage all of AIG's key risks (e.g., liquidity, credit, market, operational, and insurance), which may be impacted by sustainability-related issues.

## Enterprise Risk Management

AIG's Enterprise Risk Management (ERM) function integrates the risk management functions in each of our business units and provides senior management with a consolidated view of AIG's key risks. It embeds and oversees the risk management of our business processes, which includes identifying, assessing, quantifying, managing, monitoring, reporting, and mitigating AIG's risk exposures.

Accountability for the implementation and oversight of AIG risk policies is aligned with the senior leaders and executives within each business or corporate unit, who are responsible for the implementation and oversight of AIG risk policies, aligning risk-taking policies, risk tolerances and risk prioritization within the framework provided by ERM.

Corporate and business unit risk committees receive regular reports regarding compliance with AIG risk policies. When monitoring and quantifying Insurance Risk aggregation potentials for AIG, sustainability issues are factored into assessments of sources of claim exposure, claim frequency, and claim severity.

## Sustainability Office

AIG believes that a continued commitment to sustainability can deliver long-term value to our company, our stakeholders and our global community. Our Chief Sustainability Officer (CSO), Jennifer Waldner Grant, is responsible for leading the development and implementation of a company-wide sustainability strategy, including our climate strategy.

The Sustainability Office is part of AIG's Global Legal, Compliance & Regulatory Group led by AIG's Executive Vice President, General Counsel & Global Head of Communications and Government Affairs, Lucy Fato, a member of AIG's executive leadership team who reports to AIG's President and CEO, Peter Zaffino. The CSO provides periodic reports directly to the NCGC (and, the Board, when appropriate) on sustainability matters including climate-related issues.

To drive integration and advancement of sustainability initiatives across the company, cross-functional teams and working groups have been established, consisting of representatives from the Sustainability Office and every major business unit and functional area. The Sustainability Office is responsible for driving cooperation and alignment among these working groups.

## Working Groups

### Sustainability Integration Team

Drives sustainability initiatives within the various businesses and corporate functions, as well as influence and mobilize the execution of AIG's sustainability strategy across the organization.

### ERM Sustainability Working Group

Aligns ERM and AIG's sustainability efforts by identifying and assessing ESG risks within AIG's enterprise risk management framework.

### ESG Investments Working Group

Aligns efforts across all investment functions by sharing education, research, and data, as well as creating working principles and assessing ESG factors.

### Employee Sustainability Network

Provides an opportunity for employees to get involved in sustainability initiatives on a more local, grassroots level, while also helping advance AIG's sustainability agenda.

### International Sustainability Working Group

Supports regions outside the U.S. to advance sustainability initiatives and address sustainability requirements.

### Net-Zero Working Group

Aligns efforts across global operations to develop a net-zero emissions roadmap.

## Governance Structure

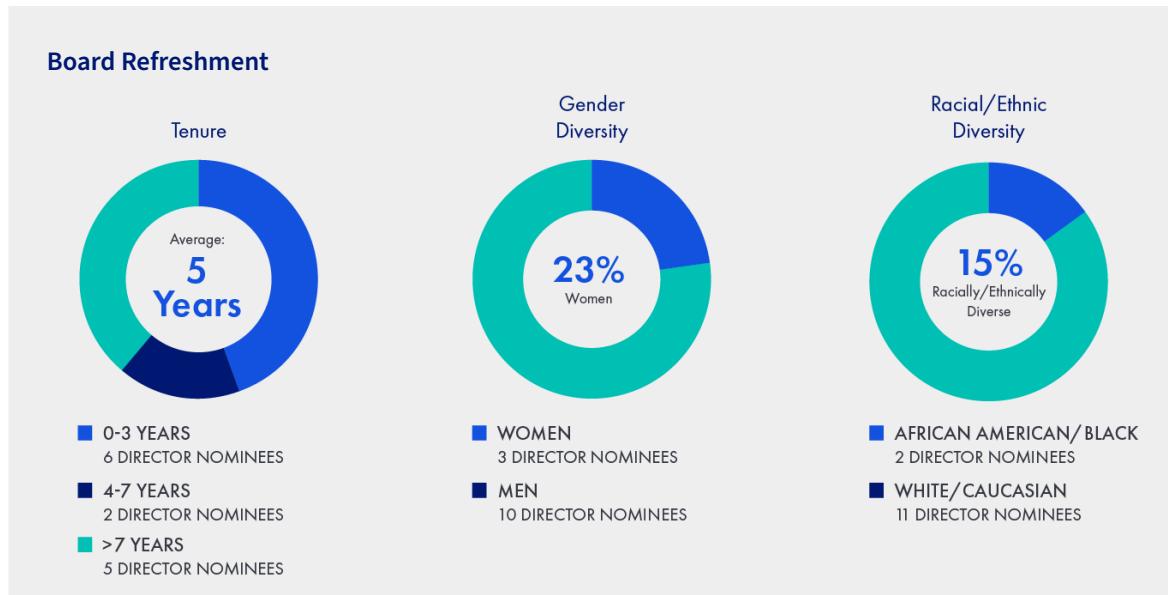




## Board Composition and Refreshment

Balanced and effective composition of our Board of Directors, supplemented by a thoughtful approach to refreshment, is a priority for AIG. The selection of a qualified group of directors with an appropriate mix of skills, experience and attributes is essential to the Board's successful strategic oversight of AIG's complex business. The Board manages Board composition and refreshment with significant support from the NCGC.

The NCGC continuously reviews the composition of our Board, taking into consideration the characteristics of existing directors, both individually and as a group. The NCGC considers Board refreshment in light of various factors, including expected director departures; the Board's mix and interplay of skills; experience and attributes, including diversity; and individual director performance.





AIG aims to maintain a balanced and independent Board that is committed to representing the long-term interests of AIG's shareholders and has the substantial and diverse expertise necessary to oversee AIG's strategic and business planning as well as management's approach to addressing significant risks and challenges facing AIG.

All directors are independent other than the Chief Executive Officer and Executive Chair. A strong Lead Independent Director role with clearly defined responsibilities ensures robust independent oversight of the company by the Board.



AIG and its Board are committed to executive compensation programs that attract, retain, motivate, reward and incentivize highly qualified leaders as AIG continues its transformation to become a leading insurance franchise and a top performing company. This is achieved through executive compensation programs with a balanced pay mix that is weighted towards at-risk pay, featuring variable and performance-based pay and a combination of Short-Term Incentive Plan and Long-Term Incentive Plan performance metrics that focus on insurance profitability and operational excellence.

Each of our executive officers has an individual goal relating to promoting diversity, equity and inclusion that is included as part of the performance assessment used to determine their annual Short-Term Incentive awards. See "Executive Compensation—Compensation Discussion and Analysis—2020

Compensation Decisions and Outcomes—2020 Short-Term Incentive Awards” beginning on page 68 of the [2021 Proxy Statement](#) for more details.

For additional detail on compensation programs, retirement and termination payments, annual ratio of total compensation to the median employee, and more, please see AIG’s 2021 Proxy Statement.



AIG’s robust corporate governance policies and practices promote Board effectiveness and accountability to our shareholders. See our [2021 Proxy Statement](#) for more detail on AIG’s shareholder rights, ownership structure and director elections.



AIG, along with its subsidiaries and affiliates, is committed to conducting its business in accordance with the highest ethical and social standards, and in full compliance with all applicable laws and regulations in the United States and in other jurisdictions in which AIG operates or does business.

AIG’s Global Compliance Group (GCG) is a centralized, independent function responsible for managing compliance risks and sustaining all aspects of compliance management across AIG’s businesses, functions, legal entities and countries of operation. This includes overseeing our culture of ethics and integrity, which is grounded in collaboration, transparency and excellent decision making. Our individual

and collective decisions have the potential to significantly impact AIG's reputation, which is one of our most valuable assets. At the core of AIG's business is a promise that we will stand behind our products and services. Personal and organizational integrity are critical to delivering on this promise and protecting our reputation.

The [AIG Code of Conduct](#) (the "Code") outlines standards and policies that apply to all colleagues and provides guidelines about how we work with each other, our clients, distribution partners, regulators, and other stakeholders. Each year, AIG officers and employees certify that they have reviewed and will comply with the principles of the Code. The Code is available in 20 languages, is reviewed annually and updated as necessary.

AIG also maintains a Director, Officer, and Senior Financial Officer Code of Business Conduct & Ethics ("Code of Ethics"). This Code of Ethics embodies the commitment of AIG to conduct its business with the highest ethical standards and in accordance with all applicable laws, rules and regulations of the countries in which AIG engages in business. Annually, AIG Directors, Officers, and Senior Financial Officers must review and agree to comply with the Code of Ethics.

AIG employees are also required to abide by the Global Employee Conflicts of Interest policy, which instructs colleagues on how to identify, prevent, and manage potential conflicts of interest in order to ensure that all employees perform, and are perceived to perform, their work in an objective and unbiased manner.

In addition, AIG business partners such as agents and consultants are expected to adhere to the spirit of the Code, the AIG Third Party or Supplier Code of Conduct, and to any applicable contractual provisions when working on behalf of AIG companies.

Regular training is provided to all AIG employees on a variety of compliance and ethics topics, including the Code and other key compliance risk areas including conflicts of interest, anticorruption, privacy, anti-money laundering and economic sanctions.

AIG requires all employees to include a Culture of Integrity/Risk Management goal as part of their annual performance goals, including the requirement to demonstrate a culture of awareness and ownership of AIG policies and procedures, ethical behaviors and practices, risks in day-to-day responsibilities, and AIG Governance and Regulatory requirements related to their business or function.

## Reporting Misconduct

AIG employees are encouraged to talk with management, Human Resources, Employee Relations, their assigned legal counsel or their compliance officers if they need to address compliance and ethics issues.



In addition, AIG employees and third parties may ask questions, raise concerns, or report instances of non-compliance with the Code, AIG policies, or applicable laws and regulations through the AIG Compliance Help Line. The AIG Compliance Help Line is staffed by an independent third party that provides written reports to AIG's GCG. Communications to the AIG Compliance Help Line may be made anonymously, subject to local laws, and may be made in all major languages.

Additionally, AIG has a Risk Awareness Program, which includes the Raise Your Hand campaign. This campaign asks employees to uphold an ethical and compliant work environment. The campaign is reinforced throughout the year through various channels including senior leader communications, the company intranet site, and during topical risk awareness campaigns (e.g., Fraud, Cybersecurity, etc.).

AIG prohibits retaliation against any employee for making a good faith report of actual or suspected violations of the Code, other AIG Policies, or applicable laws or regulations, and violation of this policy may be grounds for disciplinary action.



## Lobbying and Public Policy

AIG regularly communicates with government and regulatory officials on certain issues impacting our business and other insurance industry-specific topics. We view such engagement as being in the interests of our business, shareholders, and clients.

AIG's state, federal and international advocacy issues in 2020 included insurance industry regulation, taxation, proposals related to pandemic relief, and retirement security. AIG engages with government and regulatory officials to understand the complex and evolving policy frameworks around climate change. All of our advocacy is done in compliance with local regulations and local disclosure and reporting requirements.

## Lobbying Disclosure

In compliance with the Lobbying Disclosure Act, AIG files quarterly LD2 reports, which publicly disclose all of our U.S. federal lobbying activities—including all lobbying-related expenses, all issues that the company is currently lobbying, and the entities lobbied. Past LD2 reports can be found on the U.S. Senate Lobbying Disclosure Website [here](#).

Similar requirements for lobbying activities exist in jurisdictions outside the U.S. where AIG also interacts with government and regulatory officials. AIG operates in compliance with the local requirements including registering on public lobbying registries regardless of whether they are mandatory or voluntary (e.g., [EU](#)).

## Political Donations

On January 13, 2021, AIG suspended its limited Political Action Committee (PAC) activity for the foreseeable future. AIG does not make political donations outside the U.S. All political contributions made by the AIG PAC are publicly disclosed and can be found at the [Federal Election Commission](#). All AIG PAC

---

contributions are made in accordance with applicable federal and state laws, and without regard for the private political preferences of AIG executives.

The Center for Political Accountability and Zicklin Center for Business Ethics Research at the Wharton School of the University of Pennsylvania annually publish the [CPA-Zicklin Index](#), which benchmarks the political disclosure and accountability policies and practices for the election-related spending of leading U.S. public companies. For 2020, AIG received a “Trendsetter” designation (given to companies that receive a score of 90% or higher in the Index), with a score of 97.1%.

## **Trade Associations**

AIG belongs to various trade associations that assist in advocating on public policies affecting AIG and the insurance sector, such as tax and accounting matters and regulations impacting product offerings. As of January 2021, AIG is reviewing its key trade association relationships to ensure their respective policies align with AIG’s values. Where advocacy positions taken by industry and trade associations in which we are members diverge from our own, AIG may, depending upon its significance, voice our concern(s) and/or request that our dissenting view be formally noted, and/or escalate the matter to the attention of AIG senior management.



## Cybersecurity and Data Privacy

AIG recognizes the importance of information security and privacy for AIG's business. AIG's cross-functional cybersecurity and privacy teams work to appropriately process and safeguard company and customer data.

In order to prepare for and respond to cybersecurity threats, AIG's Information Security Office maintains a program that is designed to protect and preserve the confidentiality, integrity and availability of all information owned by, or in the care of, the company.

AIG is also an active member of sector-wide cyber information sharing organizations and partners with other companies, industries, and law enforcement to communicate information about the latest cyber threats and to leverage threat modeling insights into our own cybersecurity program.

Additionally, AIG continues to mature its threat-hunting, defense, and analytics capabilities, proactively searching for and identifying evidence of malicious attacks and testing the company's cybersecurity defenses to analyze how the firm should continually enhance its security program. This includes comprehensive risk assessments as well as external security audits.

AIG maintains a suite of information security, privacy and data protection-related policies, standards, procedures, and guidelines—specifically leveraging widely accepted industry frameworks such as National Institute of Standards and Technology (NIST) Cybersecurity Framework, the International Organization for Standardization (ISO) 27002 standard, and COBIT 5—reasonably designed to comply with applicable laws, regulatory guidance and widely adopted industry best practices.

We also maintain cyber and privacy incident response plans that outline the appropriate processes and procedures for incident management (including minimizing impact, investigating, and remediating root cause) and complying with applicable legal requirements (including timely and accurate reporting of any required cybersecurity or privacy incident). AIG also conducts cyber-incident response practice exercises to maintain its preparedness.

We require mandatory cybersecurity awareness and information handling and privacy training for all of our employees, at the time of onboarding and on an annual basis. Non-employee workers with access to AIG systems also must complete compliance training that includes information handling and privacy training upon onboarding and thereafter every 18 months. Validating the efficacy of our cybersecurity awareness training is key. We regularly test our personnel using various techniques, such as simulated phishing campaigns. For employees in specialized Information Security and privacy job functions, additional role-specific training is required.

Finally, as part of our Identity and Access Management program, AIG leverages the use of multi-factor authentication, that aims to provide an additional layer of defense against unauthorized access to our systems.

When it comes to our customers and other relevant parties, AIG has several channels that provide information about our privacy practices and their individual rights, as applicable. Privacy notices that are provided to customers pursuant to various country and state laws, and the company's online privacy statements, explain how the company generally collects, uses, shares, and safeguards personal information.

## Cybersecurity Risk Oversight

AIG's Board of Directors is regularly briefed by management on AIG's cybersecurity matters, including threats, policies, practices, and ongoing efforts to improve security. Such ongoing improvement efforts may include the results of incident response readiness and maturity capability assessments, periodically led by third parties who provide an independent assessment of the company's technical program and the company's internal response preparedness.

## AIG Cyber Products and Services

Cyber and technology failures continue to be a top risk for society. Society's reliance on technology globally has perhaps been most evident during the COVID-19 pandemic—students attending classes remotely, workers logging into corporate networks from home, families ordering groceries online, and governments and pharmacies digitally scheduling vaccine appointments for millions of people. In addition, the world will soon transition to 5th generation wireless, or 5G. 5G technologies are anticipated to significantly improve human health, security, infrastructure and environmental sustainability. In a 5G world, autonomous vehicles will improve road safety, wind farms and solar arrays will feed connected power grids and robotic surgery will extend access to quality medical care to millions of underserved people. All of these technologies will require secure and reliable data transfer, networks, and continuous system uptime.

For over 20 years, AIG has been there to help clients protect data, networks and IT systems. AIG Underwriters work closely with brokers and clients to proactively understand and address technology risk. AIG Claims staff is on call and ready to respond in the event that an incident should occur. In 2020, we helped thousands of companies get back up-and-running after damaging cyber security events such as data breaches, ransomware attacks, and system outages. Using our claims data, we helped brokers and clients better understand common risk drivers, control gaps, and measures to help improve cyber security strength. We also alerted clients of potentially hazardous malware infections and software vulnerabilities to help avoid future cyber-attacks. All of these actions are aimed at helping clients more effectively manage the risks of the move to a digital economy, and we will continue to monitor these evolving risks as the world moves beyond COVID-19 and into a 5G world.

As an indication of its importance to AIG, the Enterprise Risk Management team models this risk. We assess loss potential from "affirmative" cyber coverage by performing rigorous portfolio aggregation analysis using a proprietary QlikView-based "Cyber Portfolio App" and a proprietary stochastic scenario model.

---

# About This Report

This report serves as AIG's first comprehensive ESG report which describes AIG's approach to measuring and managing performance of its key environmental, social and governance focus areas. The content of this report was informed by recognized frameworks such as the Sustainability Accounting Standards Board Standards (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) framework, the Global Reporting Initiative (GRI) standard, the UN Global Compact, and the UN Sustainable Development Goals. SASB, TCFD and GRI indices are provided in Appendix A, B, and C respectively.

This report covers the period of January 1–December 31, 2020 unless otherwise stated. As appropriate, developments occurring in early 2021 may be referenced and may be expanded upon in future reports. The report addresses the parent company, wholly owned subsidiaries and some joint ventures comprising U.S. and international subsidiaries' operations.

We include sustainability information in our investor communications, and additional information about AIG's operations and financial statements is available in our [2020 Annual Report on Form 10-K](#). For a high-level overview of AIG's sustainability, visit <https://www.aig.com/about-us/sustainability>. Send questions, comments, or feedback to [sustainability@aig.com](mailto:sustainability@aig.com).

## Cautionary Statement Regarding Forward-Looking Information

This ESG report and other publicly available documents may include, and officers and representatives of AIG may from time to time make and discuss, projections, goals, assumptions and statements that may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These projections, goals, assumptions and statements are not historical facts but instead represent only a belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. These projections, goals, assumptions and statements include statements preceded by, followed by or including words such as "will," "believe," "anticipate," "expect," "intend," "plan," "focused on achieving," "view," "target," "goal," or "estimate." These projections, goals, assumptions and statements may relate to future actions, prospective services or products, future performance or results of current and anticipated services or products, sales efforts, expenses, the outcome of contingencies such as legal proceedings, anticipated organizational, business or regulatory changes, the effect of catastrophes, such as the COVID-19 crisis, and macroeconomic events, anticipated dispositions, monetization and/or acquisitions of businesses or assets, or successful integration of acquired businesses, management succession and retention plans, exposure to risk, trends in operations and financial results.

It is possible that AIG's actual results and financial condition will differ, possibly materially, from the results and financial condition indicated in these projections, goals, assumptions and statements. Factors that could cause AIG's actual results to differ, possibly materially, from those in the specific projections, goals, assumptions and statements include:

- changes in market and industry conditions, including the significant global economic downturn, volatility in financial and capital markets, fluctuations in interest rates, prolonged economic recovery and disruptions to AIG's operations driven by COVID-19 and responses thereto, including new or changed governmental policy and regulatory actions;
- the occurrence of catastrophic events, both natural and human-made, including COVID-19, other pandemics, civil unrest and the effects of climate change;
- AIG's ability to successfully dispose of, monetize and/or acquire businesses or assets or successfully integrate acquired businesses, including any separation of the Life and Retirement business from AIG and the impact any separation may have on AIG, its businesses, employees, contracts and customers;
- the adverse impact of COVID-19, including with respect to AIG's business, financial condition and results of operations;
- AIG's ability to effectively execute on AIG 200 transformational programs designed to achieve underwriting excellence, modernization of AIG's operating infrastructure, enhanced user and customer experiences and unification of AIG;
- the impact of potential information technology, cybersecurity or data security breaches, including as a result of cyber-attacks or security vulnerabilities, the likelihood of which may increase due to extended remote business operations as a result of COVID-19;
- disruptions in the availability of AIG's electronic data systems or those of third parties;
- availability and affordability of reinsurance;
- the effectiveness of our risk management policies and procedures, including with respect to our business continuity and disaster recovery plans;

- nonperformance or defaults by counterparties, including Fortitude Reinsurance Company Ltd.;
- changes to the valuation of AIG's investments;
- changes in judgments concerning the recognition of deferred tax assets and the impairment of goodwill; and
- changes in judgments concerning potential cost-saving opportunities;
- concentrations in AIG's investment portfolios;
- changes to our sources of or access to liquidity;
- actions by rating agencies with respect to our credit and financial strength ratings;
- changes in judgments or assumptions concerning insurance underwriting and insurance liabilities;
- the effectiveness of strategies to recruit and retain key personnel and to implement effective succession plans;
- the requirements, which may change from time to time, of the global regulatory framework to which AIG is subject;
- significant legal, regulatory or governmental proceedings;
- such other factors discussed in:
  - Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and Part II, Item 1A. Risk Factors of AIG's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021; and
  - Part I, Item 1A. Risk Factors and Part II, Item 7. MD&A of AIG's Annual Report on Form 10-K for the year ended December 31, 2020.

AIG is not under any obligation (and expressly disclaim any obligation) to update or alter any projections, goals, assumptions or other statements, whether written or oral, that may be made from time to time, whether as a result of new information, future events, or otherwise.

## Appendix A: SASB Indices

SASB Insurance Standard	
Code/Metric	Reference
<b>FN-IN-270a.1:</b> Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-IN-270a.2:</b> Complaints-to-claims ratio	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-IN-270a.3:</b> Customer retention rate	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-IN-270a.4:</b> Description of approach to informing customers about products	See the <a href="#">Our Business</a> section of this report.
<b>FN-IN-410a.1:</b> Total invested assets, by industry and asset class	Total invested assets: \$360 billion.  See <a href="#">AIG's 2020 Q4 Financial Supplement</a> , p. 50-51 for breakdown by industry and asset class.
<b>FN-IN-410a.2:</b> Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	See the <a href="#">Investments</a> section of this report; see <a href="#">AIG's 2020 Annual Report</a> p. 116.
<b>FN-IN-410b.1:</b> Net premiums written related to energy efficiency and low carbon technology	See the <a href="#">General Insurance</a> section of this report.

---

**FN-IN-410b.2:** Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors

See the [Our Business](#) section of this report.

**FN-IN-450a.1:** Probable Maximum Loss (PML) of insured products from weather-related natural catastrophes

See [AIG's 2020 Form 10-K](#) p. 167-168.

**FN-IN-450a.2:** Total amount of monetary losses attributable to insurance payouts from (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)

(1) See [AIG's 2020 Form 10-K](#) p. 167-168.  
(2) N/A

**FN-IN-450a.3:** Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy

See the [Environmental](#) section of this report.

**FN-IN-550a.1:** Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives

(1) \$926,809,300 USD  
(2) \$319,089,023 USD  
(3) \$353,249,733 USD

**FN-IN-550a.2:** Total fair value of securities lending collateral assets

\$3.38 Billion USD. See [2020 Form 10-K](#) p. 234.

**FN-IN-550a.3:** Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities

See [AIG's 2020 Form 10-K: Investments](#) p. 116, [Liquidity and Capital Resources](#) p.139, [Enterprise Risk Management](#) p.153.

## SASB Asset Management & Custody Activities Standard

Code/Metric	Reference
<b>FN-AC-270a.1:</b> (1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-AC-270a.2:</b> Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-AC-270a.3:</b> Description of approach to informing customers about products and services	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-AC-330a.1:</b> Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	See <a href="#">AIG's EEO-1 Report</a> . We will also further increase transparency into the diversity of our U.S. workforce by making our consolidated EEO-1 report publicly available on <a href="#">aig.com</a> beginning with the 2019 and 2020 reports.
<b>FN-AC-410a.1:</b> Amount of assets under management, by asset class, that employ (1) integration of ESG issues, (2) sustainability themed investing, and (3) screening	(1) See <a href="#">AIG's 2020 Form 10-K</a> , p.116 (2) See <a href="#">AIG 2019 TCFD Report</a> p.18 (3) Not applicable.
<b>FN-AC-410a.2:</b> Description of approach to incorporation of ESG factors in investment and/or wealth management processes and strategies	See the <a href="#">Investments</a> section of this report; see <a href="#">2020 Annual Report</a> p. 116.
<b>FN-AC-410a.3:</b> Description of proxy voting and investee engagement policies and procedures	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.

<b>FN-AC-510a.1:</b> Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-AC-510a.2:</b> Description of whistleblower policies and procedures. AIG's whistleblower policies and procedures are described in the AIG Code of Conduct.	See <a href="#">AIG's Code of Conduct</a> .
<b>FN-AC-550a.1:</b> Percentage of open-end fund assets under management by category of liquidity classification	AIG is in the process of revisiting this metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-AC-550a.2:</b> Description of approach to managing capital and liquidity-related risks associated with systemic non-insurance activities	See <a href="#">AIG's 2020 Form 10-K: Investments p. 116, Liquidity and Capital Resources p.139, Enterprise Risk Management p.153.</a>
<b>FN-AC-550a.3:</b> Total exposures to securities financing transactions	AIG is in the process of revisiting the metric's applicability and materiality to the organization. To the extent these disclosures are deemed relevant and applicable to the organization, we will continue to enhance our disclosures in future ESG reports.
<b>FN-AC-550a.4:</b> Net exposure to written credit derivatives	\$139,057,666 USD

## Appendix B: TCFD Index

Theme	Recommended Disclosures	Reference
<b>Governance</b>		
Disclose the organization's governance around climate-related risks and opportunities.	<p>a) Describe the board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing climate related risks and opportunities.</p>	<a href="#">Governance Structure</a> <a href="#">Governance Structure</a>
<b>Strategy</b>		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<p>a) Describe the organization's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<a href="#">Types of Climate Risk</a> <a href="#">Management of Climate-Related Risks</a> <a href="#">Management of Climate-Related Risks</a>
<b>Risk Management</b>		
Disclose how the organization identifies, assesses, and manages climate-related risks.	<p>a) Describe the organization's processes for identifying and assessing climate-related risks</p> <p>b) Describe the organization's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<a href="#">Management of Climate-Related Risks</a> <a href="#">Management of Climate-Related Risks</a> <a href="#">Management of Climate-Related Risks</a>

**Metrics and Targets**

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.

a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

## Appendix C: GRI Index

Disclosure Number	Disclosure Title	Response/Reference
<b>GRI 102: General Disclosures</b>		
<b>Organizational Profile</b>		
102-1	Name of the organization	American International Group, Inc.
102-2	Activities, brands, products, and services	<a href="#">AIG's 2020 Form 10-K</a>
102-3	Location of headquarters	1271 Avenue of the Americas New York, NY 10020-1304
102-4	Location of operations	<a href="#">AIG's 2020 Form 10-K</a>
102-5	Ownership and legal form	Delaware Corporation with publicly traded shares listed on the New York Stock Exchange
102-6	Markets served	<a href="#">AIG's 2020 Form 10-K</a>
102-7	Scale of the organization	<a href="#">AIG's 2020 Form 10-K</a>
102-8	Information on employees and other workers	<a href="#">Talent Attraction; Talent Development</a>
102-9	Supply chain	<a href="#">Responsible Supply Chain; Supplier Relations on AIG.com</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">About This Report</a> <a href="#">Environmental Stewardship</a>
102-11	Precautionary Principle or approach	<a href="#">Management of Climate-Related Risks</a>
102-12	External initiatives	<a href="#">Partnerships; Philanthropy and Volunteerism;</a> <a href="#">2020 Annual Report</a>
102-13	Membership of associations	<a href="#">Partnerships</a>

<b>Strategy</b>		
102-14	Statement from senior decision-maker	<a href="#">A Message from our President &amp; Chief Executive Officer</a> ; <a href="#">A Message from our Chief Sustainability Officer</a>
102-15	Key impacts, risks, and opportunities	<a href="#">AIG's 2020 Form 10-K</a>
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Business Ethics</a> <a href="#">AIG Code of Conduct</a>
<b>Governance</b>		
102-18	Governance structure	<a href="#">Governance Structure; 2020 Proxy Statement</a>
102-19	Delegating authority	<a href="#">Governance Structure; 2020 Proxy Statement</a>
102-20	Executive-level responsibility for economic, environmental, and social topics	<a href="#">Governance Structure; 2020 Proxy Statement</a>
102-29	Identifying and managing economic, environmental, and social impacts	<a href="#">Types of Climate Risk</a> ; <a href="#">Management of Climate-Related Risks</a>
<b>Stakeholder Engagement</b>		
102-40	List of Stakeholder Groups	<a href="#">2020 Proxy Statement</a> p. 30
102-43	Approach to stakeholder engagement	<a href="#">Our Sustainability Strategy</a>
102-44`	Key topics and concerns raised	<a href="#">Our Sustainability Strategy</a>

**Reporting Practice**

102-45	Entities included in the consolidated financial statements	<a href="#">AIG's 2020 Form 10-K</a>
102-46	Defining report content and topic boundaries	<a href="#">Our Sustainability Strategy; About This Report</a>
102-47	List of Material Topics	<a href="#">Materiality Assessment</a>
102-50	Reporting period	<a href="#">About This Report</a>
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<a href="#">About This Report</a>
102-54	Claims of reporting in accordance with the GRI standards	<a href="#">About This Report</a>

**GRI 201: Economic Performance**

201-1	Direct economic value generated and distributed	<a href="#">AIG's 2020 Form 10-K</a>
201-2	Financial implications and other risks and opportunities due to climate change	<a href="#">Types of Climate Risk Investments</a> <a href="#">AIG's 2020 Form 10-K</a>

**GRI 205: Anti-Corruption**

205-1	Operations assessed for risks related to corruption	AIG's Global Anti-Corruption Policy and accompanying Global Anti-Corruption Standards and Due Diligence Procedures for Third Parties, issued by AIG's Corporate Compliance Group and approved by senior management: <ul style="list-style-type: none"><li>- Apply to all employees and ensure that AIG business is conducted in compliance with all applicable anti-corruption laws and regulations in the U.S. and in other jurisdictions in which AIG operates or does business;</li><li>- Set forth minimum requirements for employees to follow to ensure no bribery or corruption-related activities occur when employees directly or indirectly interact with U.S. and non U.S. Government Officials, Other Persons and Third Parties acting on AIG's behalf;</li><li>- Describe the roles and responsibilities of employees and Compliance as they relate to the Policy, including reporting violations, reviewing potential issues, and oversight of the program;</li><li>- Outline potentially permissible expenditures and activities that may be allowed under certain circumstances, including gifts, meals and other hospitality for Government Officials, political contributions, charitable contributions; Government Officials as customers; and Government Officials as employees; and</li><li>- Require that all third-parties that have, or may have, interactions with Government Officials or Government Entities on AIG's behalf to undergo appropriate due diligence prior to being retained or doing business with AIG</li></ul> Additionally, all AIG employees complete periodic anti-corruption training. All Anti-Corruption related records are maintained in accordance with applicable record retention, legal, and regulatory requirements.
-------	---	--

205-2	Communication and training about anti-corruption policies	<a href="#">AIG's Code of Conduct</a>
-------	---	---------------------------------------

**GRI 305: Emissions**

305-1	Direct (Scope 1) GHG emissions	<a href="#">Metrics and Targets</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Metrics and Targets</a>
305-3	Other indirect (Scope 3) GHG emissions	<a href="#">Metrics and Targets</a>
305-5	Reduction of GHG emissions	<a href="#">Metrics and Targets</a>

**GRI 401: Employment**

401-1	New employee hires and employee turnover	<a href="#">Talent Attraction</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">AIG Employee Handbook</a>
402-3	Parental Leave	<a href="#">Health and Wellness</a>

**GRI 404: Training and Education**

404-1	Average hours of training per year per employee	<a href="#">Talent Development</a>
404-2	Programs for upgrading employee skills and transition assistance programs	<a href="#">Talent Development</a>

---

404-3 Percentage of employees receiving regular performance and career development reviews [Talent Development](#)

**GRI 405: Diversity and Equal Opportunity**

405-1 Diversity of governance bodies and employees [Diversity, Equity, and Inclusion](#)  
[Board Composition and Refreshment](#)

**GRI 415: Public Policy**

415-1 Political contributions [Lobbying and Public Policy](#)

---



American International Group, Inc.

[www.aig.com](http://www.aig.com)

Copyright © 2021 American International Group, Inc. All rights reserved.