



Policy Owner: Global Sourcing and Procurement Services
Scope: US Only

401: Supplier Diversity (US)

Policy Statement / Objective:

It is AIG's policy to proactively seek out certified diverse-owned enterprises and ensure opportunities for these businesses to participate in the sourcing and procurement process. Supplier Diversity is a strategic business initiative, aligned with the goals of AIG [Global Sourcing & Procurement Services \(GS&PS\)](#). The AIG Supplier Diversity Program provides functional guidance and support to all Business Units (BUs) and ensures commonality of purpose and direction toward reaching supplier diversity goals. AIG has made a strong commitment to actively growing its Tier 1 diverse vendor base, and to do business with vendors which share that commitment. By tracking and meeting goals on Tier 2 expenditures (i.e., spend by prime vendors with diverse vendors), AIG is able to exponentially grow the number of diverse vendors with which it is doing business.

Roles & Responsibilities:

AIG Supplier Diversity personnel work closely with both GS&PS commodity managers and clients across the organization to identify sourcing and procurement opportunities and match those opportunities to diverse vendors who can meet AIG's requirements for cost, service and scale. This initiative identifies business opportunities for diverse vendors in all areas of AIG's sourcing and procurement. This initiative is center-led by AIG Supplier Diversity personnel with the support of all BUs with US generated expenditures.

Certification:

In order to ensure engagement with legitimate diverse business enterprises, AIG requires diverse-owned businesses to be certified by an independent third party. Only those businesses with certification from any of the following organizations will be counted towards AIG's supplier diversity spend goals:

- [National Minority Supplier Development Council \(NMSDC\)](#)
- [Women's Minority Business Enterprise National Council \(WBENC\)](#)
- [National Gay and Lesbian Chamber of Commerce \(NGLCC\)](#)
- [US Department of Veteran Affairs](#)
 - In addition to US Department of Veteran Affairs certification, AIG reserves the right to ask for proof of honorable discharge via form DD-214.
- Federal, State and Municipal government certifications.

Certifications are to be provided by the vendor at the time of initial engagement and uploaded through the online AIG registration facility (<http://aigdiversity.cvmsolutions.com>). If diverse-owned vendors do not have certification by any of the above entities, vendors interested in doing business through the AIG Supplier Diversity Program should contact the pertinent organization and begin the certification process. In the case of uncertified diverse-owned vendors already conducting business with AIG, spend with those businesses will be counted retroactive to January 1 of the year in which they receive certification by any of the above entities, provided ownership of the business has not changed in that period. Spend with current vendors whose ownership changes to meet the above diverse-owned business certification requirements will be counted on the 1st day of the month after which they receive certification.

Tier 2 Initiative:

AIG has placed an emphasis on spend by its prime vendors with diverse vendors. Prime vendors are encouraged in the competitive sourcing process (i.e., Request for Information (RFI), Request for Quote (RFQ) and Request for Proposal (RFP)) and contracting process to utilize diverse-owned businesses where possible. Prime vendors who commit to driving expenditures with these businesses are asked to report their spend, quarterly. A strong Tier 2 initiative exponentially increases AIG's influence on spend with diverse businesses and in diverse communities.

Metrics:

Metrics taking measure of AIG's diverse vendor engagement and spend are an integral component of the Supplier Diversity program. Measurements of success may include, but are not limited to, total Tier 1 spend with diverse vendors, Tier 2 spend, diverse vendor utilization in competitive sourcing events, spend by commodity, and total number of diverse firms in the AIG database with and without spend.



Policy Owner: Global Sourcing and Procurement Services
Scope: US Only

401: Supplier Diversity (US)

Definitions:

- **Diverse-owned enterprises** – US-based, for-profit enterprises that are at least fifty-one percent (51%) owned and operated by one of the following groups:
 - Minority
 - African-American
 - Latino/Hispanic (origins from Mexico, Central and South America or the Spanish speaking countries of the Caribbean basin)
 - Asian (includes Asian Indian)
 - Native Pacific Islander, Eskimo
 - Native American (includes Native Pacific Islander, Eskimo)
 - Women
 - LGBT (Lesbian, Gay, Bisexual, Transgender)
 - Veteran
- **Vendor** – An external party that provides goods / services to AIG, including contractors and suppliers, but excluding Business Partners.
- **Business Partner** – An external intermediary, counterparty or service provider (excluding Vendors) that provides services integral to the core insurance, reinsurance, risk management, banking services, mortgage lending and investment advisory / management functions of AIG or on its behalf. This includes Business Partners retained by and providing services to insureds and those engaged directly by AIG or on its behalf.
- **Tier 1** – A direct contract with a vendor. Tier 1 vendors are also known as “prime” vendors.
- **Tier 2** – Diverse-owned business sub-contracts with prime vendors. Tier 2 vendors are characterized as **direct** (a sub-contract in support of AIG business) or **indirect** (all other spend with diverse owned businesses, not related to AIG business).
- **Operated** – Exerting day-to-day management of a vendor including strategy and P&L management.
- **Owned** – Having legal authority as having full claim, authority, power, dominion, etc. over the vendor company.
- **Publicly Owned Minority Business Enterprise** – On a case by case basis, a minority business may be certified as an MBE if the minority owners own at least thirty percent (30%) of the economic equity of the firm. This occurs when non-minority investors contribute a majority of the firm’s risk capital (equity). Under this special circumstance a business may be certified as a minority firm if:
 - Minority management/owners control the day-to-day operations of the firm
 - Minority management/owners retain a majority (no less than fifty-one percent (51%)) of the firm’s “voting equity”
 - Minority owner(s) operationally control the board of directors (i.e., must appoint a majority of the board of directors).
- **MBE** – Minority Business Enterprise.
- **WBE** – Women Business Enterprise.
- **LGBTBE** – Lesbian, Gay, Bisexual, Transgender Business Enterprise.
- **VBE** – Veteran Business Enterprise.

Contact Information:

- Questions relating to this Policy should be addressed to supplierdiversity@aig.com.
- Employees may also ask questions, raise concerns or where permitted by law, report instances of potential non-compliance with this Policy by contacting any of the following:
 - **AIG’s Global Compliance Group** at 646-857-1877 or email corporatelegalcompliance@aig.com.
 - **AIG’s Compliance Help Line** at 877-244-2210 or via Internet at www.aigcompliancehelpline.com. Communications to the Help Line may be made anonymously, subject to local laws.



Policy Owner: Global Sourcing and Procurement Services
Scope: US Only

401: Supplier Diversity (US)

AIG prohibits retaliation against any employee for making a good faith report of actual or suspected violation of laws, regulations, or this Policy.

Failure to comply with this Policy may be grounds for disciplinary actions, up to and including termination.

Relevant Links:

- National Minority Supplier Development Council, Inc.: www.nmsdc.org
- Women's Business Enterprise National Council: www.wbenc.org
- National Gay & Lesbian Chamber of Commerce: www.nglcc.org
- US Department of Veteran Affairs: www.vetbiz.gov
- Institute for Supply Management – Supplier Diversity: <http://www.ismny.org/supplier-diversity.asp>

Policy Administration:

- **Category of Policy:** AIG Corporate Policy
 - **Scope:** US Only
 - **Functional Area:** Global Sourcing & Procurement Services (GS&PS)
 - **Initial Approval and Issue Date:** April 16, 2012
 - **Effective Date:** April 16, 2012
 - **Revision:** 1.1
 - **Revision Issue Date:** October 8, 2013
 - **Policy Owner:** Diana Domenech, Director, Supplier Diversity & Environmental Sustainability, GS&PS
 - **Policy Approver:** Marc Marini, Senior Vice President, Chief Procurement Officer
-