AlG's Strategy on Climate Change

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AIG's Policy and Programs on Environment and Climate Change

- Recognize scientific consensus
- Acknowledge political consensus
- Respond to customer & investor demand
- Focus on core business expertise

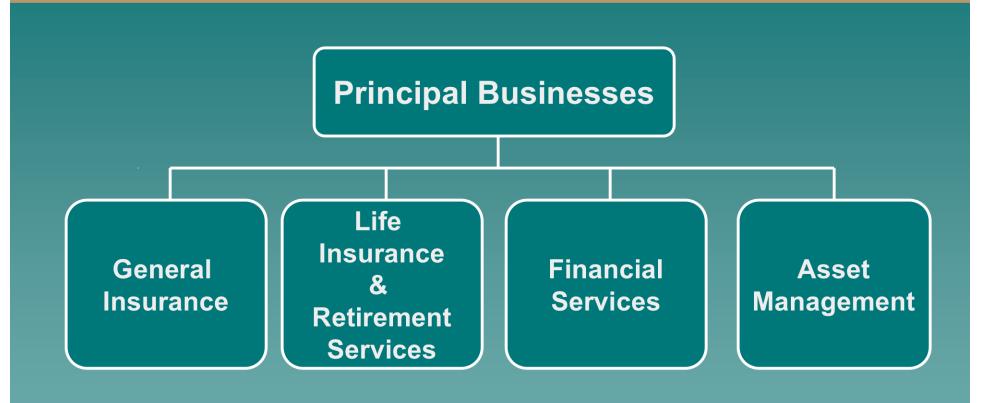


AlG's Policy and Programs on Environment and Climate Change

- Go to <u>www.aigcorporate.com</u> Click on:
 - →"Social Responsibility"
 - →"Environmental Initiatives"
 - →"Environment and Climate Change"



American International Group





About AIG

- Broad range of products and services
- Operations in ~ 130 countries
- Strong presence in developing countries, e.g. China
- Among top 10 largest U.S. companies
- First US insurance company to take a position



Climate Change Response & Opportunities

- Focus on profitable business activities that reduce GHG emissions
- Develop investment policy related to GHGs
- Support markets for environmental commodities
- Insurance & consulting to support clean technology and the GHG market
- Office of Environment and Climate Change
- Minimize internal GHG footprint
- Communicate, monitor and inform



Climate Change Opportunities: Investments

- Additional private equity investments
 - e.g. GHG mitigating technologies, carbon finance, forestry & agriculture
- Products that include GHG criteria
 - e.g. index fund products
- Signatory Carbon Disclosure Project
- Sustainability task force
 - e.g. enhance environmental criteria for new private equity investments



Climate Change Opportunities: Capital Markets/Financial Products

Prepare business plan to participate in GHG emission trading

- Development of risk management products
- Brokerage and emissions management services to clients
- Addition to carbon credits to DOW-AIG commodity index
- Carbon funds



Climate Change Opportunities: Insurance

Insurance for delivery of project based carbon credits

- Insured is investor, forward purchaser, lender
- Insured is project owner

Other Insurance Products

- Customization/targeted marketing of existing products
- Apply to GHG mitigation projects and technologies



Climate Change Opportunities

Consulting/Technical Support

- Solomon Associates, AIG-Consultants
- CDM projects
- Insurance and investments
- Client GHG emissions management



Climate Change Response

Internal Activities and Communications

- Office of Environment and Climate Change
 - Focal point, coordinate climate change program activities
- Communications
 - Website
 - Weather & climate forum
 - Carbon Disclosure Project
 - Public & stakeholder dialogue and events
 - Memberships
- Internal Commitments & GHG footprint

