

Progress Report 2017

Company Name	MAPFRE GROUP
Address	Carretera de Pozuelo, 52. 28222 Majadahonda (Madrid)
Country	SPAIN
Date	June 2017
Membership date	2012
Number of employees	37.020 (year end 2016)
Contact Position	Corporate Security and Environment Area
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MAPFRE is a signatory to the United Nations Principles for Sustainable Insurance (UN PSI), a global sustainability framework and initiative of the UN Environment Program Finance Initiative.

The four main principles (see below) describe how corporate responsibility should be incorporated by insurers in their business. By signing the PSI, MAPFRE is committing to address environmental, social and governance (ESG) issues in the way it conducts its business as an insurer and in its relations with all of the industry's stakeholders, including employees, clients, suppliers and government agencies.

See The [MAPFRE Group 2016 Annual Social Responsibility Report](#) for an overview of our key figures and activity.

PRINCIPLES FOR SUSTAINABLE INSURANCE	LOCATION IN MAPFRE ANNUAL CSR REPORT 2016
<p>1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business</p>	<ul style="list-style-type: none"> • Letter from the Chairman • MAPFRE and Corporate Social Responsibility <ul style="list-style-type: none"> ○ The sustainable value creation and stakeholder relations model. ○ Environmental, social and governance (ESG) factors and risks. ○ Prevention and compliance measures. ○ Commitment to sustainable development: <ul style="list-style-type: none"> ◦Sustainability Plan. ◦Commitments to international initiatives. ◦United Nations Global Compact. ◦United Nations Environment Programme Finance Initiative (UNEPI). ◦Principles for Sustainable Insurance (PSI). ◦Signatory to Paris Pledge for Action (COP 21). ◦Signatory to the Carbon Disclosure Program; Water Disclosure and Carbon Action programs • MAPFRE's Social Dimension <ul style="list-style-type: none"> ○ MAPFRE and its Employees: employment policy; diversity; professional development, flexibility and agility, and employee experience. ○ MAPFRE and its Clients: innovation; communication channels; quality; grievances and complaints. ○ MAPFRE and its Distributors: selection and training. ○ MAPFRE and its Suppliers: supplier relations and support systems; selection and relations criteria; approval; supplier loyalty and evaluation of service quality; training. ○ MAPFRE and its Shareholders: FTSE4good and FTSE4Good IBEX. ○ MAPFRE and Society: Sustainable Development Goals and human rights • MAPFRE's environmental dimension: <ul style="list-style-type: none"> ○ MAPFRE's commitment to the environment and sustainability. ○ Integrated Environmental and Energy Management System: (SIGMAYE). ○ Climate Change. ○ Biodiversity Preservation. • Supplementary information: GRI G4 Table of Contents
<p>2. We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions</p>	<ul style="list-style-type: none"> • MAPFRE and Corporate Social Responsibility <ul style="list-style-type: none"> ○ Environmental, social and governance (ESG) factors and risks. • MAPFRE's Social Dimension <ul style="list-style-type: none"> ○ MAPFRE and its Clients: innovation; communication channels; quality; grievances and complaints;

	<ul style="list-style-type: none"> ○ MAPFRE and its Distributors: selection and training. ○ MAPFRE and its Suppliers: supplier relations and support systems; selection and relations criteria; approval; supplier loyalty and evaluation of service quality; training. ○ MAPFRE and Society: Sustainable Development Goals and human rights ● MAPFRE's Environmental Dimension: ○ MAPFRE's commitment to the environment and sustainability. ○ Objectives Achieved in 2016 and Challenges. ○ Climate Change: Initiatives with Suppliers, Products and Services. ● Supplementary information: GRI G4 Table of Contents
<p>3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues</p>	<ul style="list-style-type: none"> ● MAPFRE and Corporate Social Responsibility ○ The sustainable value creation and stakeholder relations model. ○ Environmental, social and governance (ESG) factors and risks. ○ Prevention and compliance measures. ○ Commitment to sustainable development: <ul style="list-style-type: none"> ◦Sustainability Plan. ◦Commitments to international initiatives. ◦United Nations Global Compact. ◦United Nations Environment Programme Finance Initiative (UNEPI). ◦Principles for Sustainable Insurance (PSI). ◦Signatory to Paris Pledge for Action (COP 21). ◦Signatory to the Carbon Disclosure Program; Water Disclosure and Carbon Action programs ● MAPFRE's environmental dimension: ○ MAPFRE's commitment to the environment and sustainability. ○ Integrated Environmental and Energy Management System: (SIGMAYE). ○ Climate Change. ○ Biodiversity Preservation. ● Supplementary information: GRI G4 Table of Contents
<p>4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles</p>	<ul style="list-style-type: none"> ● MAPFRE Annual Corporate Social Responsibility Report 2016 ● Integrated Report 2016 ● www.mapfre.com

This table of ESG factors has been updated, taking as a reference, among others, the material issues and those of internal and external relevance in the 2016 Materiality Analysis.

Environmental, social and governance factors and risks (ESG)

MAPFRE takes responsibility for the impact of its business activity on the environment and society in general. Its social responsibility model and policy and the MAPFRE Group 2016-2018 Sustainability Plan, facilitate the integration of environmental, social and governance (ESG) aspects into its business.

Technological changes, social issues (demographic changes, migratory movements, inequalities, etc.), environmental challenges (climate change, natural disasters, biodiversity, etc.), the economic situation or legislative/regulatory changes, are factors that affect the business; they may represent risks, but may also afford opportunities to adapt processes, or develop new products and services suited to the needs of the client and of society in general.

Proper tracking of the ESG aspects makes it possible for the organization to obtain additional information about these potential risks, and gain better understanding of social movements and transformations, and the expectations of its stakeholders (investors, clients, regulatory bodies, distributors, general public, employees, etc.).

In this context, ESG management risks helps in decision making on important issues such as underwriting, investment, innovation in products and services, and reputation management, this last being essential to gaining the trust of our stakeholders.

By integrating the management of these risks with the more traditional risks inherent in insurance activity, we can develop and promote more responsible and sustainable businesses.

Even though these risks sometimes require unconventional assessment techniques, the assurance mechanisms (i.e. techniques for transferring risks to a third party subject to payment of a premium) are similar to those used in the insurance industry, which has always proved capable of anticipating, integrating and providing cover for emerging risks.

Additionally, FUNDACIÓN MAPFRE prepared the official Spanish translation of these principles, which is available at: [FUNDACIÓN MAPFRE Web](#).

More information: [MAPFRE Group 2016 annual Social Responsibility Report](#)

(Environmental, social and governance risk (pages 46-49))