

## Progress Report 2018

<b>Company Name</b>	<b>MAPFRE GROUP</b>
<b>Address</b>	Carretera de Pozuelo, 52. 28222 Majadahonda (Madrid)
<b>Country</b>	SPAIN
<b>Date</b>	June 2018
<b>Membership date</b>	2012
<b>Number of employees</b>	36.271 (year end 2017)
<b>Contact Position</b>	Corporate Security and Environment Area
<b>Contact name</b>	Sara Fernández Quintano fesara@mapfre.com

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 2017 Integrated Report for an overview of our key figures and activity.

PRINCIPLES FOR SUSTAINABLE INSURANCE	<a href="#">LOCATION IN MAPFRE INTEGRATED REPORT 2017</a>
<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"> <li>• <b>Letter from the Chairman and CEO</b></li> <li>• <b>Business model and strategy</b></li> <li>• <b>Corporate Governance</b> <ul style="list-style-type: none"> <li>○ Governance system</li> <li>○ Ethics and Social Responsibility</li> <li>○ Risk Management: ESG risks and opportunities</li> </ul> </li> <li>• <b>Productive capital</b> <ul style="list-style-type: none"> <li>○ Multichannel distribution and customer service</li> <li>○ Service centers for clients</li> <li>○ Digital Business</li> <li>○ Providers</li> <li>○ Quality</li> </ul> </li> <li>• <b>Human Capital</b> <ul style="list-style-type: none"> <li>○ Diversity management</li> <li>○ Talent management and mobility</li> <li>○ Learning and knowledge management</li> <li>○ Organization and new ways of working</li> <li>○ Remuneration and recognition</li> <li>○ Health and Well-being</li> <li>○ Digitization of processes (HR Analytics)</li> </ul> </li> <li>• <b>Intellectual Capital</b> <ul style="list-style-type: none"> <li>○ Innovation</li> <li>○ Cybersecurity</li> </ul> </li> <li>• <b>Social and Relational Capital</b> <ul style="list-style-type: none"> <li>○ Management of the relationship with stakeholders</li> <li>○ International commitments relating to sustainability that MAPFRE has signed up to</li> <li>○ United Nations Sustainable Development Goals (SDG) and Human Rights Objectives</li> </ul> </li> <li>• <b>Natural Capital</b> <ul style="list-style-type: none"> <li>○ Environment Strategy Model: SIGMAYE</li> <li>○ Climate Change Management</li> <li>○ Biodiversity Preservation</li> </ul> </li> <li>• <b>Supplementary Information</b> <ul style="list-style-type: none"> <li>○ GRI Content Index</li> <li>○ Materiality</li> <li>○ Nota 4: Social and Environmental Products and Services</li> <li>○ Nota 5: Human Rights Compliance Measures</li> </ul> </li> </ul>
<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"> <li>• <b>Business model and strategy</b></li> <li>• <b>Corporate Governance</b> <ul style="list-style-type: none"> <li>○ Governance system</li> <li>○ Ethics and Social Responsibility</li> <li>○ Risk Management: ESG risks and opportunities</li> </ul> </li> <li>• <b>Productive capital</b> <ul style="list-style-type: none"> <li>○ Multichannel distribution and customer service</li> </ul> </li> </ul>

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<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"> <li>● <b>Business model and strategy</b></li> <li>● <b>Corporate Governance</b> <ul style="list-style-type: none"> <li>○ Governance system</li> <li>○ Ethics and Social Responsibility</li> <li>○ Risk Management: ESG risks and opportunities</li> </ul> </li> <li>● <b>Social and Relational Capital</b> <ul style="list-style-type: none"> <li>○ Management of the relationship with stakeholders</li> <li>○ International commitments relating to sustainability that MAPFRE has signed up to</li> <li>○ United Nations Sustainable Development Goals (SDG) and Human Rights Objectives</li> </ul> </li> <li>● <b>Natural Capital</b> <ul style="list-style-type: none"> <li>○ Environment Strategy Model: SIGMAYE</li> <li>○ Climate Change Management</li> <li>○ Biodiversity Preservation</li> </ul> </li> <li>● <a href="http://www.mapfre.com">www.mapfre.com</a></li> <li>● <b>Supplementary Information</b> <ul style="list-style-type: none"> <li>○ GRI Content Index</li> </ul> </li> </ul>
<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"> <li>● <a href="#">Integrated Report 2017</a></li> <li>● <a href="http://www.mapfre.com">www.mapfre.com</a></li> </ul>

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 2017 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 2017 annual Social Responsibility Report](#)

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