

Progress Report 2023

Company Name	MAPFRE GROUP
Address	Carretera de Pozuelo, 52. 28222 Majadahonda (Madrid)
Country	SPAIN
Date	April 2023
Membership date	2012
Number of employees	31,293 (year end 2022)
Contact Position	Corporate Security and Environment Area
Contact name	Sara Fernández (fesara@mapfre.com) Assistant Head of Environment Division

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 2022 Integrated Report for an overview of our key figures and activity.

PRINCIPLES FOR SUSTAINABLE INSURANCE	LOCATION IN MAPFRE INTEGRATED REPORT 2022	TCFD REPORT
<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"> • CEO letter • The MAPFRE Group <ul style="list-style-type: none"> ○ Strategy ○ Shareholder and functional structure ○ Good Governance • Milestones and key data <ul style="list-style-type: none"> ○ Risk management and sustainability in the business • Committed to the environment • Additional Information <ul style="list-style-type: none"> ○ Materiality ○ Table of Contents GRI 	<ul style="list-style-type: none"> • Governance • Strategy • Risk management • Financing a green economy
<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"> • The MAPFRE Group: <ul style="list-style-type: none"> ○ Strategy ○ Shareholder and functional structure ○ Good Governance • Milestones and key data <ul style="list-style-type: none"> ○ Risk management and sustainability in the business • Committed to stakeholders • Committed to the environment • Additional Information <ul style="list-style-type: none"> ○ Materiality ○ Table of Contents GRI 	<ul style="list-style-type: none"> • Governance • Strategy • Risk management • Financing a green economy
<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"> • The MAPFRE Group: <ul style="list-style-type: none"> ○ Strategy ○ Shareholder and functional structure ○ Good Governance • Milestones and key data <ul style="list-style-type: none"> ○ Risk management and sustainability in the business • Committed to the environment • Committed to stakeholders • Additional Information • Table of Contents GRI • www.mapfre.com 	<ul style="list-style-type: none"> • Governance • Strategy • Risk management • Financing a green economy

4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the principles	<ul style="list-style-type: none">• Integrated Report 2022• www.mapfre.com	
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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 2022 Materiality Analysis.

Net-Zero Insurance Alliance (NZIA)

During 2022 MAPFRE raised its commitments in terms of sustainability towards, in April 2022 the Group joined the Net-Zero Insurance Alliance with the aim of being a net-zero company in its insurance and reinsurance underwriting portfolios by 2050.

This commitment has made MAPFRE even more demanding when it comes to sustainability, as the company must establish underwriting criteria to make a significant impact in terms of emissions while defining decarbonization commitments with its most important clients. It must pursue agreements and develop products and services that promote the reduction of greenhouse gas emissions in its portfolio.

MAPFRE updates a new report following the guidelines of the Task Force on climate-Related Financial Disclosures (TCFD).

In 2021 the Group designed its roadmap for climate change adopting the guidelines of the Report of the Task Force on Climate-related Financial Disclosures, (TCFD), created by the Financial Stability Board. In 2022 MAPFRE has prepared a second report with information about the risks and opportunities of climate change and their integration into the company's business and activities.

Analysis of environmental, social and governance (ESG) challenges as risks and opportunities

The governing bodies receive at least quarterly information regarding the quantification of the main risks to which the Group is exposed and the capital resources available to face them, as well as information regarding compliance with the limits fixed on risk appetite.

In addition, In March 2022, the Board of Directors proposed to the Annual General Meeting to assign to competence in matters of sustainability to the Risk Committee, in turn revising its name to the Risk and Sustainability Committee. This committee's objective, among other things, is to supervise and control the Group's sustainability strategy and policy, as well as the risks and opportunities related to ESG aspects. In 2022, the Sustainability Committee met four times to, among other things, establish

new objectives, identify trends, opportunities and regulatory requirements related to sustainability, and draw up action plans to deal with them

MAPFRE permanently analyses those factors that, if they materialize, may or could have an impact on the business. In this analysis, ESG factors are considered, since they allow additional information to be obtained on social movements and transformations, stakeholder expectations and the market that affect the organization.

Integration of ESG aspects into MAPFRE's underwriting processes

MAPFRE Group is accelerating the deployment of its climate strategy, so in 2022 the environmental commitments in the underwriting business have been reinforced by the Board Directors approval to contribute to the transition to a low-carbon economy towards to the commitment to be a zero-emissions company by 2050.

MAPFRE has developed an internal ESG evaluation model based on specialized tools that evaluate and quantify the environmental, social and governance impact of the activity carried out by a business group, which takes the sector and the countries it operates in into account.

In relation to MAPFRE's investment processes in 2017, MAPFRE adhered to the principles of Responsible Investment of the United Nations Organization (PRI) and established the Group's framework of action in terms of socially responsible investment (SRI), which focuses in those key aspects that have to accompany the organization in the scope, implementation, integration process of ESG aspects, and that are complemented by those determined in each case.

The United Nations SRI principles coexist with the obligation assumed by the company as custodian of customer savings and investments and the solidity of its own balance sheet. For this reason, criteria of prudence are applied in the investment, it seeks the creation of long-term value and incorporates ESG factors in a complementary way to traditional information.

MAPFRE has its own ESG analysis framework that is periodically reviewed to incorporate best practices in this area. It also has a qualified SRI working group and, in addition, it has an Investment Risk Committee, which periodically analyzes the composition of the portfolios, their ESG evaluation, analyzes the controversies that may arise, and the application of the approved exclusion causes by MAPFRE.

MAPFRE uses different risk assessment and analysis systems, which are complementary and allow the integration of ESG risks:

- MAPFRE materiality survey (Detects internal risks and risks derived from the activity) and also analyses the ESG aspects based on their relevance to participating stakeholders (employees, providers, clients and experts) and the impact these issues have on MAPFRE

- Analysis of reputational risk, which analyses key ESG topics, especially those related to compliance with international standards such as the 10 principles of the United Nations Global Compact, using the RepRisk methodology, among others.

Measuring the carbon footprint of MAPFRE investment portfolio

MAPFRE in line with the Paris Commitment wants to ensure that its activities and the associated emissions contribute, at most, to a global temperature increase of 1.5 degrees. For this reason and for the second consecutive year the carbon footprint of the investment portfolio has been calculated by applying the Partnership for Carbon Accounting Financials (PCAF) methodology.

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