

# Integrated report 2017



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# Integrated report 2017

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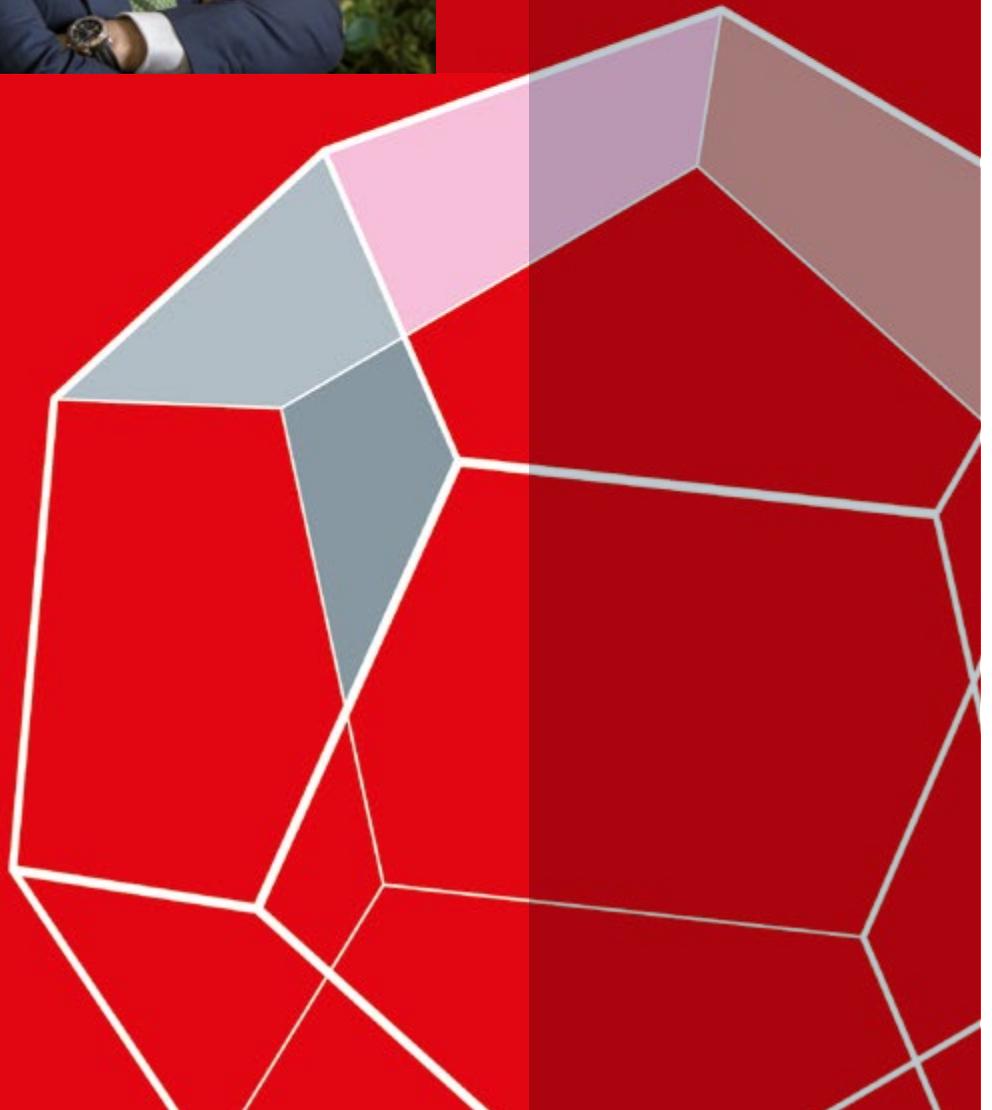
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1

# Letter from the chairman and CEO

[102-14]



## Dear Friends,

I am pleased to present the MAPFRE Integrated Report for the second consecutive year. We remain convinced that business and sustainability cannot be dealt with separately, so we are offering you a unique insight containing a comprehensive view of our business, our strategy and challenges, along with the most significant elements of our commitment and action as regards sustainable development.

Also included in this report is key non-financial information that meets the requirements of current regulations.

2017 was the second year in the three-year period of our profitable growth strategy, which is being implemented across the Group, and certain units have already shown sustained growth in premiums and a very significant improvement in profitability:

> Especially noteworthy in Spain is the Automobile business, where premiums rose 3.8 percent versus the market increase of 3.4 percent, while earnings before taxes were up 42.8 percent. The Life business is also progressing exceptionally well, thanks to the bancassurance savings line.

> In other markets, the profitable growth strategy is producing significantly better results (Peru, Colombia, Turkey and Italy), and particularly so in larger markets (Brazil, Mexico and the United States) where

profitability improvements are worthy of mention.

> The past year saw an exceptional convergence of natural disasters, of an intensity and frequency not seen in decades. Despite the extraordinary nature of the events, it must be borne in mind that these phenomena are inherent to the business of insurance: protecting clients against such risks.

> MAPFRE's capacity and solvency to respond to the needs of its clients have been proven, and attention should certainly be drawn to the effectiveness of the reinsurance protection in place to deal with these types of events, which facilitated limiting the effect on results and shareholders' equity. We can therefore affirm that the sporadic impact of natural disasters does not alter our profitable growth strategy.

Although the reader has all the company's figures at their disposal, I would like to emphasize that revenues are increasing in all geographic areas and with all the main products, and our solid position in all markets has once again been confirmed this year:

> Revenues rose to almost 28 billion euros, of which 23.5 billion correspond to premium revenue. Earnings before taxes surpassed 1.5 billion euros and net profit totaled 701 million euros.

> The combined ratio stood at 98.1 percent, including the effect of natural disasters, made possible by

excellent technical and underwriting management, as well as strict cost containment policies.

**Revenues are increasing in all geographic areas and with all the main products. Our solid position in all markets has once again been confirmed this year.**

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> The Solvency II results for 2017 are in line with the 200 percent target, which contemplates a margin of 25 percentage points, and confirms the strong capital position, as well as its low volatility. The Solvency II ratio was 189 percent in September 2017, comprising a high-quality capital structure, with 93 percent of funds classified as TIER 1. MAPFRE is comfortable with its capital structure, debt and solvency levels, which provide stability and financial flexibility for the future.

Programs are being implemented to raise efficiency, boost automation and reduce costs. The surpluses generated from these measures are being invested in digitalizing operations to achieve better results in the mid-term.

There is no doubt that a solvent company with strong results such as these generates economic and social value in the countries where it is present. This has also been made possible thanks to the relationships we

cultivate directly with our stakeholders –clients, employees, shareholders, providers, distributors and commercial partners, among others– who help us to reach our objectives.

More than 29.5 million clients confide in MAPFRE because we offer a wide range of products and services that cover their needs. Our innovation model facilitates us in constantly seeking out tailor-made insurance solutions, while always being conscious of the social and environmental challenges we face.

Moreover, the client now demands more communication channels with the company, with no loss in the quality of service and information they need. That is why we are a multichannel company. We are making headway in digital business without relinquishing the traditional channels at our disposal, especially our more than 84,000 distributors and 12,800 direct and delegate offices, which allows us to be a player on the global stage, in terms of geographic presence and our commercial offering.

The MAPFRE client trusts us, and this trust is repaid in the form of the quality of service and the attention they receive, which is possible thanks to the management and coordination of the more than 139,000 providers who work with us. In addition to the technical and financial criteria set down for our

providers, we also ask them to commit to our principles and values, especially as regards sustainability. Work is continuing to certify providers so they can comply with the standards of good governance, employment, protection of human rights and the environment that characterize our company.

 **More than 29.5 million clients confide in MAPFRE because we offer a wide range of products and services that cover their needs.**

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We are signatories to the United Nations Global Compact; we work actively on the 2030 Agenda for Sustainable Development, and form part of the United Nations Environment Program Finance Initiative (UNEP FI). We adhere to the Principles for Sustainable Insurance (PSI) and the Paris Pledge for Action, and in 2017 we also signed up to the Principles for Responsible Investment (PRI) of the United Nations.

In 2017, we maintained our membership of the FTSE4Good Index and were included for the second straight year on the CDP (formerly Carbon Disclosure Project) Climate A-list initiative for our management and initiatives in tackling climate change.

None of the above would be possible without our 36,271 employees. We have a diverse workforce with employees from 81 different nationalities. Women accounted for 56 percent of new hires in 2017, and we employ people from right across the generational spectrum –veterans, baby boomers and generations X, Y and Z. MAPFRE is also an inclusive company, with 2 percent of our workforce being made up of people with disabilities.

I can confirm that our workforce is highly motivated and our people are capable of leveraging their experience and talent in the search for new sustainable business opportunities, designing products and services and enhancing internal processes. That is why we are committed to professional development, as reflected in our investment of more than 20.8 million euros in training. Offering quality employment is of paramount importance to MAPFRE – 96.7 percent of our people are on permanent contracts, and more than 180 million euros was spent on social benefits in 2017, enjoyed by one and all, regardless of contract type. I am particularly proud to mention that 6,745 employees are members of our Corporate Volunteering program, carried out jointly with Fundación MAPFRE, which carried out 1,263 activities in 2017 that directly benefitted 93,672 people.

Allow me to leave my final remarks for our shareholders, and to simply say that everything we do as regards the business, the good results and our commitment to sustainability, delivers a positive return for them. I am pleased to report that the final dividend for the 2017 financial year is 0.085 euros gross per share, bringing the total dividend charged against 2017 earnings to 0.145 euros gross per share, representing a payout of 63.7 percent.

I am convinced that the MAPFRE business model and the strategy focused on profitable growth, coupled with a high solvency level and low debt, guarantee healthy growth over the coming years.

I would like to end by expressing, both personally and in the name of the Board, sincere gratitude and thanks to our clients, employees, shareholders, distributors and providers. MAPFRE is firmly committed to continuing to work to create value and contribute to economic and social development wherever we are present.

🔗 **The MAPFRE client trusts us, and this trust is repaid in the form of the quality of service and the attention they receive, which is possible thanks to the management and coordination of the more than 139,000 providers who work with us.**

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2

# MAPFRE Group

[102-1, 102-2, 102-3, 102-4, 102-5, 102-18]



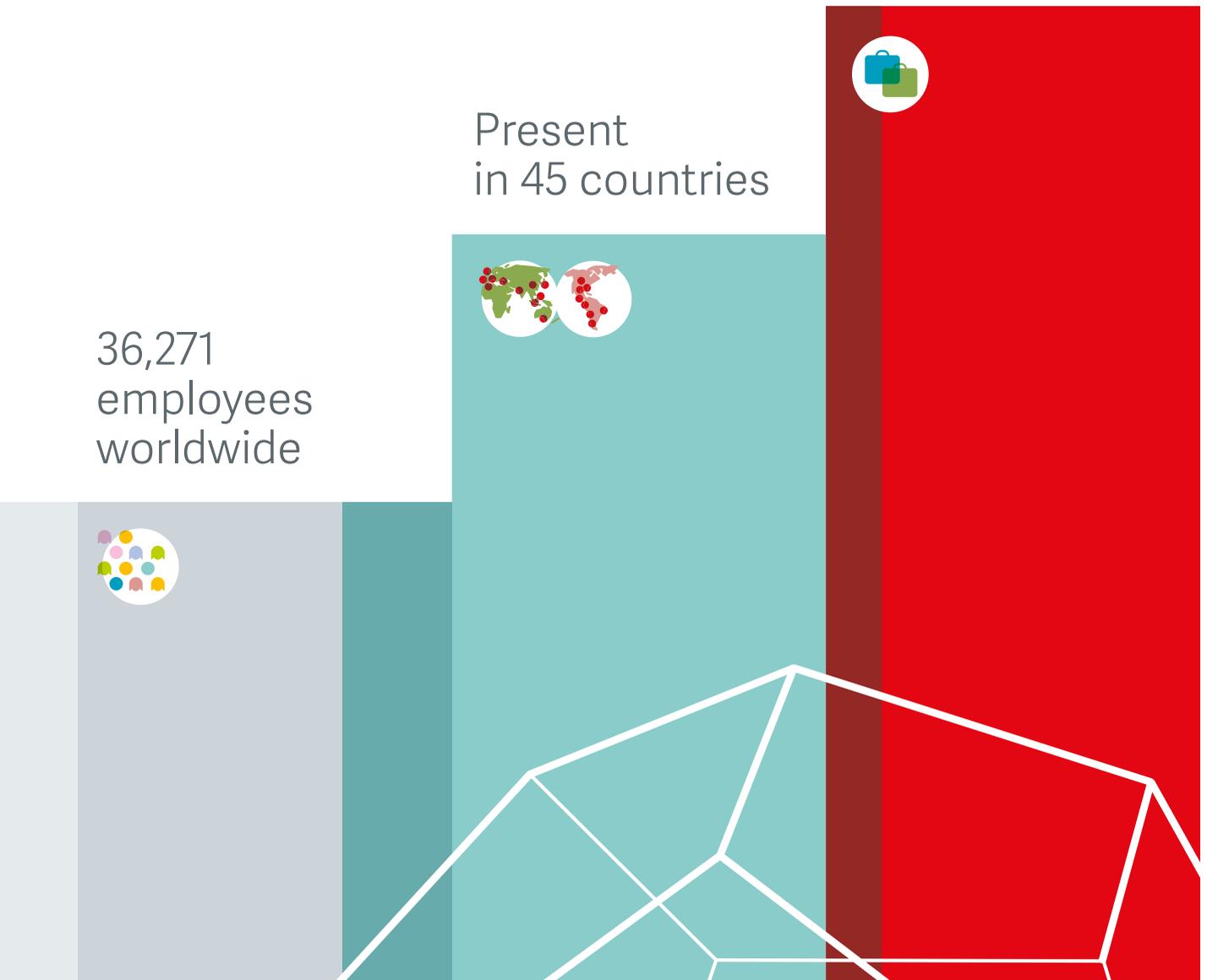
# MAPFRE is a global company principally engaged in insurance and reinsurance activities in 45 countries around the world.

The company's origins can be traced to MAPFRE MUTUALIDAD, created in 1933 by the Association of Owners of Rural Properties in Spain to mutually cover the risks arising from their farming activities. In the 1960s, it embarked on a process of business expansion consisting of the creation of subsidiary trading companies. In 1980 these were grouped into the holding company CORPORACIÓN MAPFRE (now MAPFRE S.A.) and international expansion ensued, mainly in Latin America.

More than 84,000 distributors

36,271 employees worldwide

Present in 45 countries



Today, MAPFRE is the largest Spanish insurance company in the world and the third largest insurance group in Latin America, and is consolidating a growing presence in other markets such as North America, Europe and Asia.

The Group's parent company is MAPFRE S.A., whose shares are listed on the Madrid and Barcelona Stock Exchanges. MAPFRE S.A. is also a component of the IBEX 35, STOXX Europe 600 Insurance, MSCI Spain, FTSE All-World Developed Europe, FTSE4Good and FTSE4Good IBEX indices.

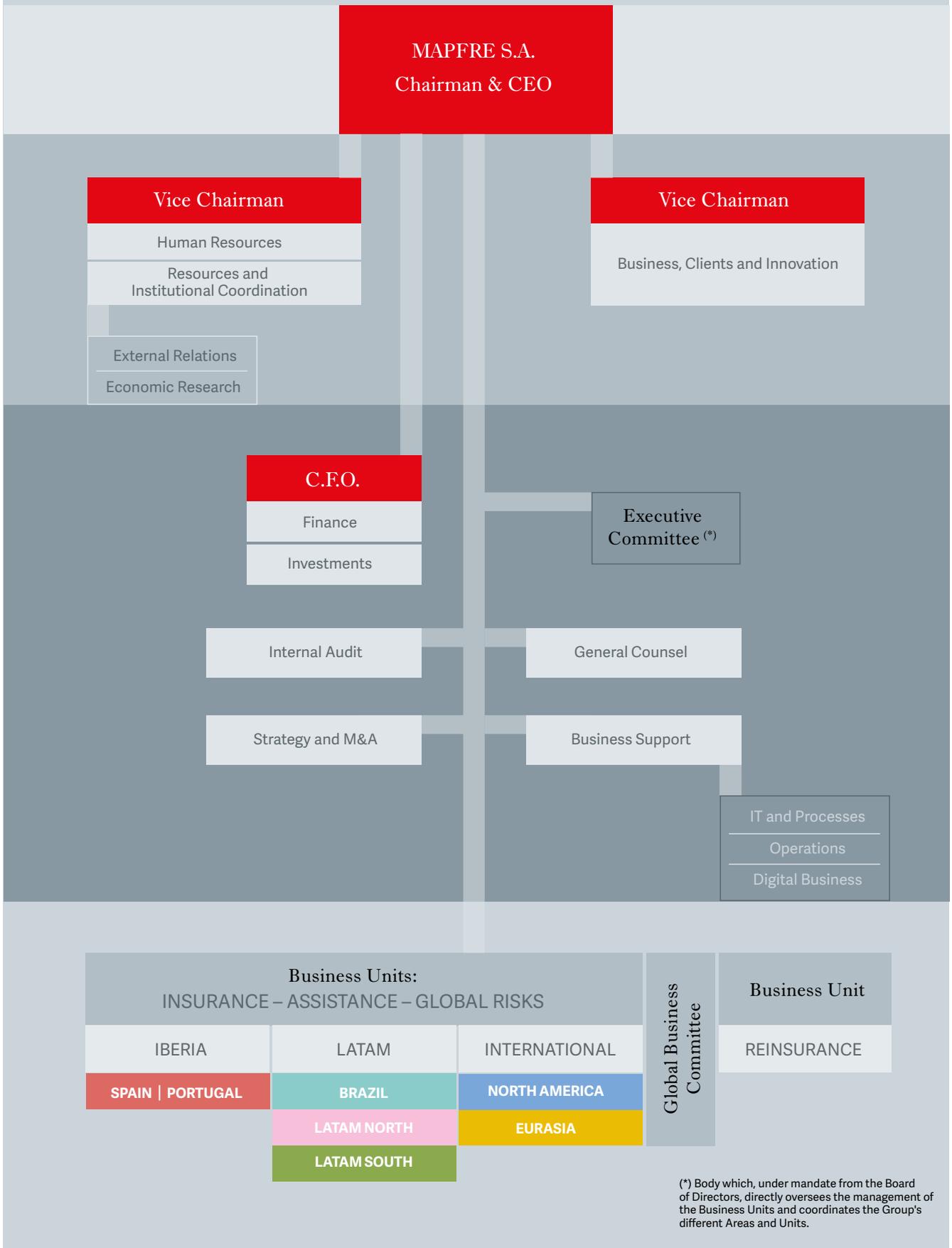
The majority shareholder of MAPFRE S.A. is Fundación MAPFRE, which owns 68.3 percent of the share capital, thus guaranteeing the Group's independence and institutional stability. Fundación MAPFRE engages in general interest activities in the fields of Social Action, Insurance and Social Protection, Culture, Accident Prevention and Road Safety, and Health Promotion.

The Group's business comprises four Business Units (Insurance; Assistance, Services and Specialty Risks; Global Risks; and Reinsurance), three Territorial Areas (IBERIA, LATAM and INTERNATIONAL), and six Regional Areas: Iberia (Spain and Portugal), LATAM North, LATAM South, Brazil, North America and EURASIA (Europe, Middle East, Africa and Asia-Pacific).

The activities of the different business units are supplemented by those of the Corporate Areas (Finance, Investments, Human Resources, Resources and Institutional Coordination, Business Support, Internal Audit, Strategy and M&A, General Counsel, and Business, Clients and Innovation), which have jurisdiction over all MAPFRE companies worldwide in terms of the development, implementation and monitoring of global, regional and local corporate policies.

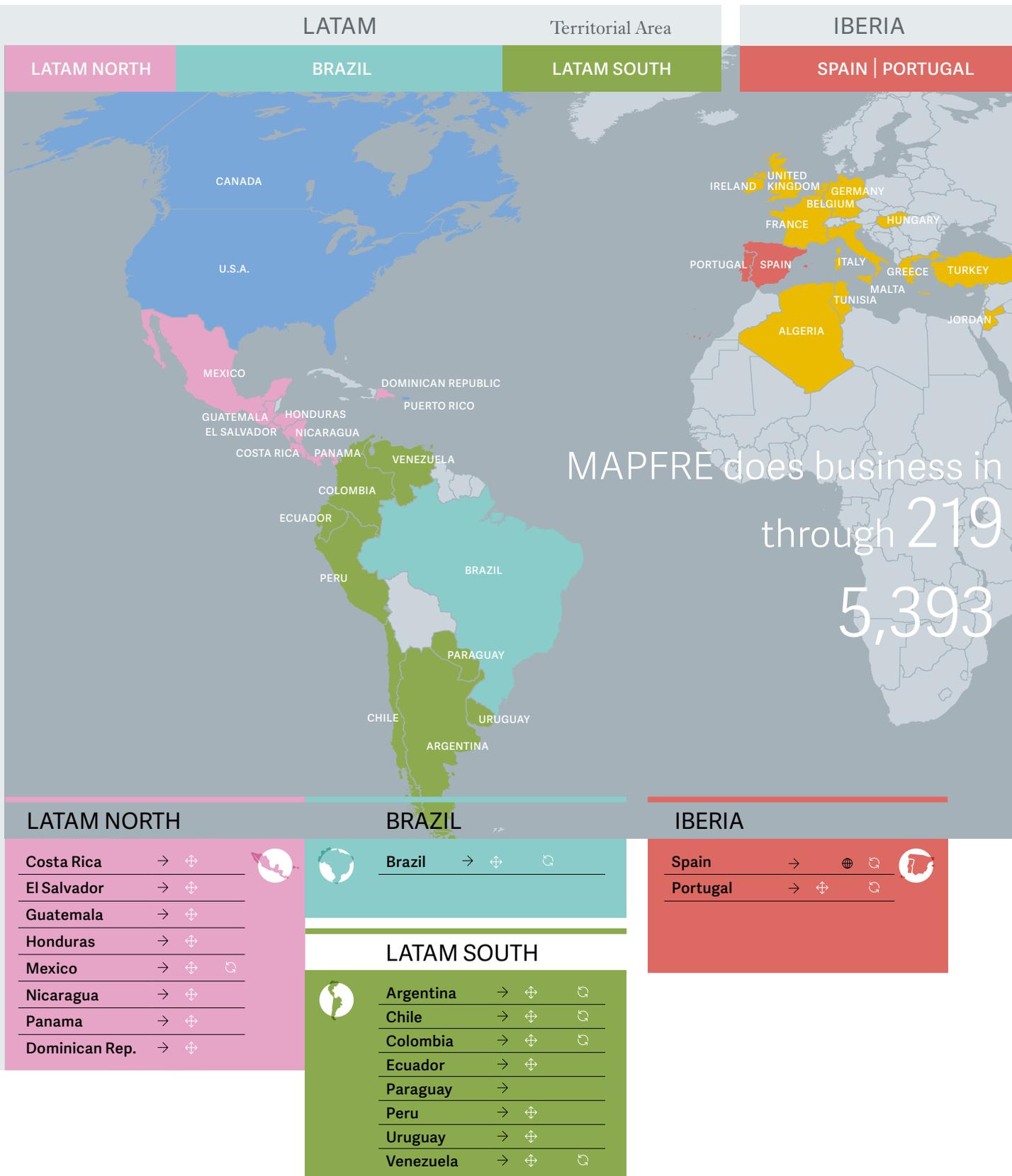
On October 25, 2017 the Executive Committee of MAPFRE S.A. approved the corporate organization chart shown on the following page, which came into effect on January 1, 2018.

## Organizational chart



(\*) Body which, under mandate from the Board of Directors, directly oversees the management of the Business Units and coordinates the Group's different Areas and Units.

## 2.1. Deployment [102-4, 102-6, 102-7]



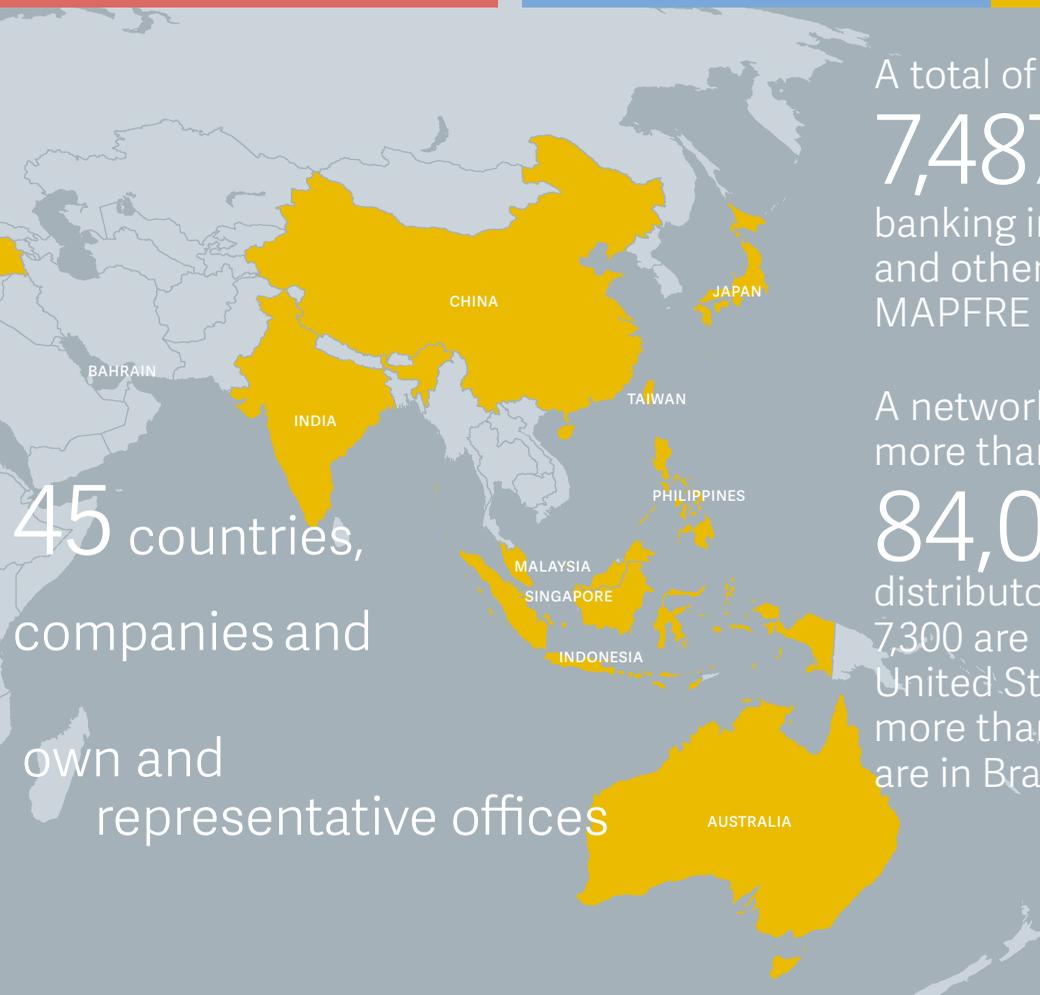
Territorial Area

INTERNATIONAL

Territorial Area

NORTH AMERICA

EURASIA



A total of **7,487** banking institution offices and other points of sale sell MAPFRE insurance solutions

A network of more than **84,000** distributors, of which 7,300 are in the United States and more than 22,600 are in Brazil



NORTH AMERICA

EURASIA

Canada	→	+ 🌐 ↻
U.S.A.	→	+ 🌐 ↻
Puerto Rico	→	+ 🌐 ↻



Germany	→	+ 🌐 ↻
Algeria		+ 🌐 ↻
Bahrain		+ 🌐 ↻
Belgium		+ 🌐 ↻
France		+ 🌐 ↻
Greece		+ 🌐 ↻
Hungary		+ 🌐 ↻
Ireland		+ 🌐 ↻
Italy	→	+ 🌐 ↻
Jordan		+ 🌐 ↻
Malta	→	+ 🌐 ↻
United Kingdom		+ 🌐 ↻
Tunisia		+ 🌐 ↻
Turkey	→	+ 🌐 ↻



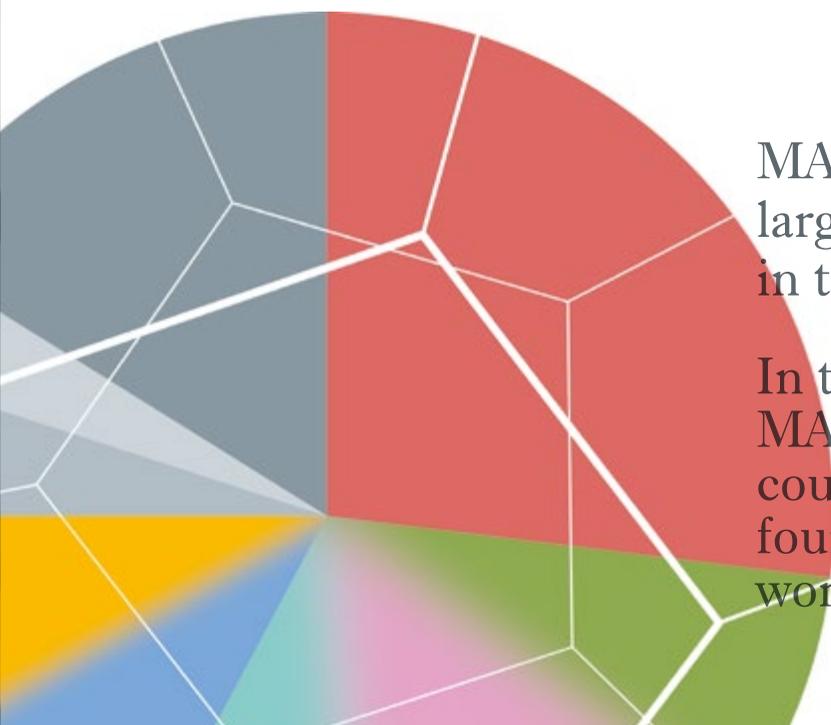
Australia		+ 🌐 ↻
China		+ 🌐 ↻
Philippines	→	+ 🌐 ↻
India		+ 🌐 ↻
Indonesia	→	+ 🌐 ↻
Japan		+ 🌐 ↻
Malaysia		+ 🌐 ↻
Singapore		+ 🌐 ↻
Taiwan		+ 🌐 ↻

Offices	2017	2016
<b>Number of offices</b>	<b>12,860</b>	<b>14,418</b>
IBERIA	5,527	6,259
LATAM	6,840	7,678
INTERNATIONAL	493	481

MAPFRE is the largest Spanish insurer in the world and the eleventh largest insurer in Europe. It is present in nearly every country in Latin America (where it is the third largest insurance group and the market leader in Non-Life insurance), as well as in the United States (where it is one of the top 20 automobile insurers), Germany, Italy, Indonesia, Malta, the Philippines, Portugal, and Turkey.

In the Assistance segment, MAPFRE operates in 40 countries and is the sector's fourth largest company worldwide. Moreover, the Group has a professional reinsurance company (MAPFRE RE) which is ranked number 16 among reinsurance firms worldwide, and does business around the world through 20 offices. The Group's specialized company, MAPFRE GLOBAL RISKS, manages global insurance programs.





MAPFRE is the largest Spanish insurer in the world.

In the Assistance segment, MAPFRE operates in 40 countries and is the sector's fourth largest company worldwide.



Regional distribution of the business by premiums	2017	2016
IBERIA	27%	27%
LATAM	31%	29%
INTERNATIONAL	17%	18%
MAPFRE GLOBAL RISKS	5%	5%
MAPFRE ASISTENCIA	4%	4%
MAPFRE RE	16%	17%

## 2.2. Key financial figures

[102-7, 201-1]

### Revenue and total written and accepted premiums

Figures in millions of euros

2017

2016

2017

2016

Revenue

27,983.7

27,092.1

Total written  
and accepted  
premiums

23,480.7

22,813.2

Non-Life

18,154.5

17,699.8

Life

5,326.2

5,113.3



MAPFRE's total revenues rose to

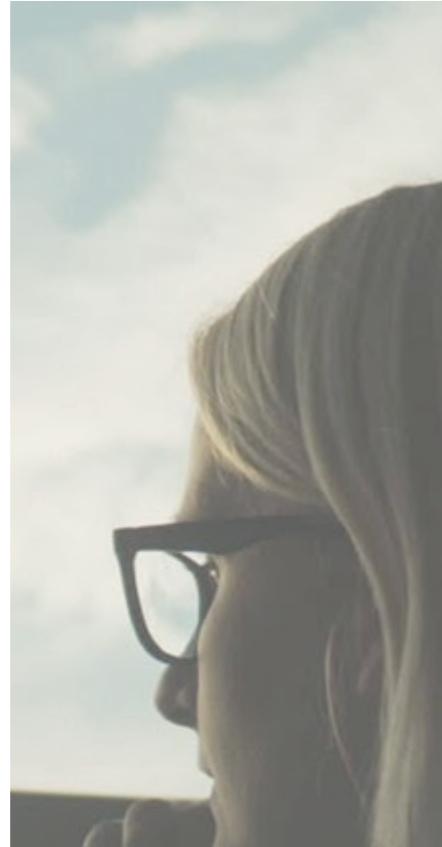
€ 27.9 billion

MAPFRE's total assets stood at

€ 67.6 billion

Written and accepted premiums totaled

€ 23.5 billion



Results	December 2017	December 2016	Var.% 17/16
Revenue	27,983.7	27,092.1	3.3%
Total written and accepted premiums	23,480.7	22,813.2	2.9%
Non-Life	18,154.5	17,699.8	2.6%
Life	5,326.2	5,113.3	4.2%
Attributable net result	700.5	775.5	(9.7%)
Earnings per share (euros)	0.23	0.25	(9.7%)

Figures in millions of euros

Balance sheet	December 2017	December 2016	Var.% 17/16
Total assets	67,569.5	67,881.8	(0.5%)
Assets under management	60,082.0	58,871.7	2.1%
Shareholders' equity	8,611.3	9,126.5	(5.6%)
Debt	2,327.4	2,202.9	5.7%

Figures in millions of euros

Ratios	December 2017	December 2016	Var.% 17/16
Non-Life Loss Ratio	70.7%	70.0%	0.7 p.p
Non-Life Expense Ratio	27.5%	27.4%	0.1 p.p
Non-Life Combined Ratio	98.1%	97.4%	0.7 p.p
ROE	7.9%	8.8%	(0.9 p.p)

Employees at year end	December 2017	December 2016	Var.% 17/16
<b>Total</b>	<b>36,271</b>	<b>37,020</b>	<b>(2.0%)</b>
Spain	10,894	10,721	1.6%
Other countries	25,377	26,299	(3.5%)

MAPFRE share	December 2017	December 2016	Var.% 17/16
Market capitalization (million euros)	8,247.0	8,930.7	(7.7%)
Share price (euros)	2.678	2.900	(7.7%)
Share price variation since January 1	(7.7%)	25.4%	--

Solvency	September 2017	September 2016	Var.% 17/16
Solvency ratio	189.4%	210.0%	(20.6 p.p)



MAPFRE and its subsidiaries have credit ratings validated by the main credit ratings agencies, selected for their international presence, their relevance in the insurance sector and capital markets, and for their experience.

The credit ratings granted by the main ratings agencies are listed below.



Financial strength ratings	S&P	FITCH	AM BEST	MOODY'S
<b>MAPFRE RE</b>	<b>A</b> Outlook stable	<b>A-</b> Outlook positive	<b>A</b> Outlook stable	-
<b>MAPFRE GLOBAL RISKS</b>	<b>A</b> Outlook stable	<b>A-</b> Outlook positive	<b>A</b> Outlook stable	<b>A3</b> Outlook stable
<b>MAPFRE ESPAÑA</b>	-	<b>A-</b> Outlook positive	-	-
<b>MAPFRE VIDA</b>	-	<b>A-</b> Outlook positive	-	-
<b>MAPFRE ASISTENCIA</b>	-	-	-	<b>A3</b> Outlook stable
Counterparty/debt issuer ratings		S&P	FITCH	
<b>MAPFRE S.A.</b>		<b>BBB+</b> Outlook stable	<b>A-</b> Outlook positive	
Debt issuance ratings		S&P	FITCH	
<b>MAPFRE S.A.</b> senior debt, maturing in 2026		<b>BBB+</b>	<b>BBB+</b>	
<b>MAPFRE S.A.</b> subordinated debt, maturing in 2047		<b>BBB-</b>	<b>BBB-</b>	

## 2.3. Other historical data

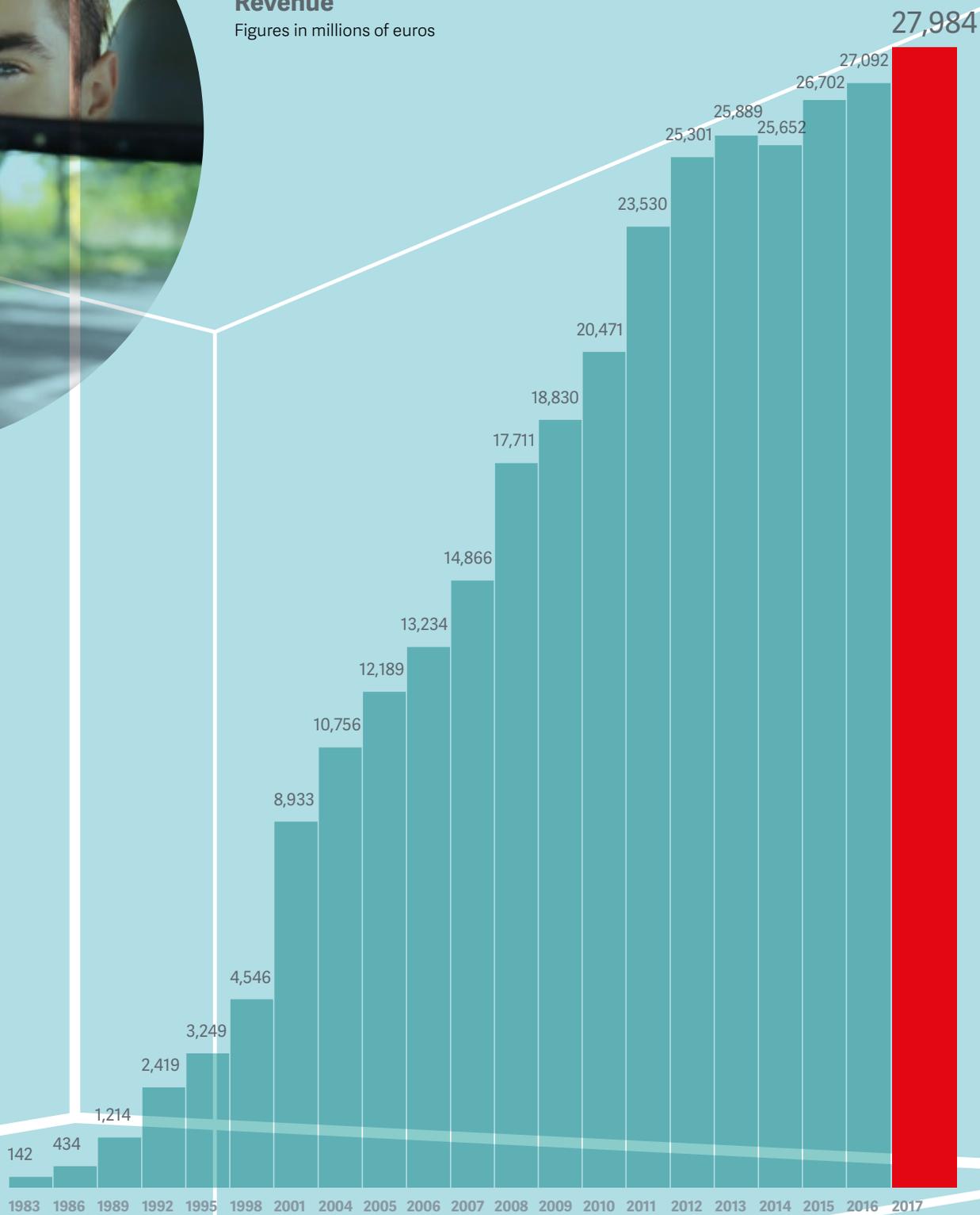
Year	Revenue	Gross Profit	Number of Employees
1983	142	7	1,204
1986	434	20	2,323
1989	1,214	49	3,869
1992	2,419	37	5,528
1995	3,249	203	11,292
1998	4,546	178	15,219
2001	8,933	316	16,756
2004	10,756	847	19,920
2005	12,189	872	24,967
2006	13,234	1,156	28,091
2007	14,866	1,366	30,615
2008	17,711	1,383	34,603
2009	18,830	1,446	35,225
2010	20,471	1,431	36,744
2011	23,530	1,637	34,390
2012	25,301	1,372	35,586
2013	25,889	1,564	36,280
2014	25,652	1,746	37,053
2015	26,702	1,476	38,405
2016	27,092	1,805	37,020
2017	27,984	1,509	36,271

Figures in millions of euros, except employees



## Revenue

Figures in millions of euros



# 3

## Business model and strategy

[102-2, 102-6]



### 3.1. Business model

The vision of MAPFRE is to be **THE MOST TRUSTED GLOBAL INSURANCE COMPANY**, a concept that refers not only to its geographic presence, but also to the wide range of insurance, reinsurance and service products which it promotes around the globe.

The Group aspires to lead the markets in which it operates through a proprietary, differentiated management model based on profitable growth, a clear and purposeful orientation to both individual and corporate clients, a multichannel focus, and a profound vocation for service.



Accordingly, MAPFRE:

**Is firmly committed** to growth, both in terms of business volume and geographic development, generating adequate and sufficient profitability from its activities. MAPFRE will continue to expand its presence across more countries and regional areas in order to consolidate its status as a global company, while reinforcing its presence in the countries and regions which have traditionally constituted its preferred markets.

**Manages** its business in an efficient manner and constantly improves productivity, reducing structural costs on a continuous basis in order to enhance its competitiveness.

**Professionally manages** the risks it assumes, ensuring sustainable growth and results.

**Steers** its development by diversifying its portfolio of insurance, reinsurance and services businesses as a means of boosting growth and minimizing risks.

**Deploys** a global management model with ample capacity for local implementation, ensuring an appropriate balance between corporate involvement and business development in each country. As such, MAPFRE utilizes a corporate structure that allows it to harness economies of scale and pursue its business plans in a uniform manner but with the flexibility to adapt to the markets in which it operates.

**Makes its resources** available to the entire organization, thus harnessing the synergies derived from sharing talent, processes and tools.

**Promotes** specialized management as a means of continuously optimizing results and enhancing service quality.

**[102-16]**

MAPFRE's stated mission is to be a multinational team that strives to constantly improve services and develop the best possible relationships with clients, distributors, providers, shareholders and society in general.

This commitment to continuous improvement is underpinned by the following values, which assist in developing the mission and in order to achieve the company's vision:



**Solvency:**  
financial strength with sustainable results and full capacity to meet all obligations to stakeholders.

**Integrity:**  
ethical conduct as a core element in how everyone (senior executives, employees, agents and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.

**Committed team:**  
full engagement of employees, senior executives, agents and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities.



THE MOST TRUSTED GLOBAL  
INSURANCE COMPANY

**Vocation for service:**  
the constant quest for excellence in the pursuit of its activities and a continuous focus on building strong relationships with clients.

**Innovation for leadership:**  
differentiation as a key aspect of continuous growth and improvement, using technology to service the different businesses and their objectives.

The resources that MAPFRE deploys to create sustained value are its main assets and correspond to the following capital types:

**1. Financial Capital:** economic resources to develop the business, generated either through operations and/or investments or obtained through financing.

**2. Productive Capital:** assets or goods and services used to pursue different activities.

**3. Human Capital:** the skills, knowledge, abilities and experience of the people employed by the organization.

**4. Intellectual Capital:** knowledge-based intangible assets that favor both intellectual property as well as knowledge of systems, procedures and protocols.

**5. Social and Relational Capital:** trust-based relationships generated with stakeholders; contribution to the development and well-being of the community, and other intangible assets related to reputation and the brand.

**6. Natural Capital:** appropriate management of natural resources and contribution to climate change mitigation and biodiversity conservation.

MAPFRE offers people a complete insurance program, which is adapted to the different countries in which it operates, through a wide insurance offering of Life, Health, Accident, General P&C (homeowners, automobile, third-party liability, family, etc.), Savings and Investment, Retirement, Burial, Travel and Lifestyle policies.

MAPFRE helps professionals, entrepreneurs, self-employed people and small companies to develop their commercial undertakings, offering a broad portfolio of products and services that enable them to concentrate on their professional activity (with solutions for vehicles, third-party liability and assets, agriculture and livestock, commercial establishments, etc.), and also insuring their personal risks (accidents, health, Life, retirement, savings and investments).

The company also offers specific solutions for small and medium-sized enterprises as well as large corporations, with a range of products and services adapted to the activity of each organization, at local, national and global level, and tailored to the management model of each client, with products for Vehicles, Third-Party Liability and General P&C, Engineering and Construction, Hulls and Aviation, Goods Transportation, Agribusiness, Surety and Credit, Group Health, Accident, Life and Retirement Insurance, among others.

Additionally, MAPFRE supplements its insurance activities with a comprehensive reinsurance offering.

The Group carries out its business activities through an organizational structure consisting of four business units (Insurance; Assistance, Services and Specialty Risks; Global Risks, and Reinsurance).

The territorial areas are the geographic units that manage and coordinate the MAPFRE Insurance Unit in their respective territory.

All the business units except for Reinsurance are organized as per the MAPFRE regional areas, which are the geographic units that plan, support and oversee all the business units in the region.

The IBERIA Territorial Area coincides with the Iberia Regional Area, which is made up of Spain and Portugal. The LATAM Territorial Area is subdivided into the regional areas of Brazil, LATAM North (Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the Dominican Republic) and LATAM South (Argentina, Colombia, Chile, Ecuador, Paraguay, Peru, Uruguay and Venezuela). The INTERNATIONAL Territorial Area comprises the regional areas of North America (Canada, Puerto Rico and the United States) and EURASIA (which includes operations in Europe—except Spain and Portugal—the Middle East, Africa, Australia and Asia).

MAPFRE is firmly committed to using its own networks in the countries in which it operates, which is compatible with the use of other distribution channels. Some of the key features behind the success of MAPFRE's business model are its client orientation, global product offering, and adaptation to the legal and commercial nature of each market.

MAPFRE's own networks are supplemented by the distribution capacity deriving from the signing of agreements with different institutions, notably its bancassurance agreements, but also including those with other financial institutions, car dealers, shopping malls and service companies, etc.

MAPFRE's stated mission is to develop the best possible relationships with stakeholders, which include employees, clients, distributors, providers, shareholders and society in general. For more information, please consult the chapter on Social and Relational Capital.

## 3.2. Strategy

MAPFRE places great emphasis on strategic planning as a tool for achieving the medium and long-term objectives set down by management. Since 2015 the activities designed to enact the Group's vision, mission and values have been reinforced and the strategy map was implemented.

In recent years MAPFRE has consolidated its strategy at every level of the organization to work as one large team moving in the same direction. Accordingly, a common, aligned strategy is followed in every market in which the Group operates. Since 2016, and in compliance with the strategic plan approved by the Group's Governing Bodies for 2016-2018, advances have been made with initiatives and projects to support its strategic objectives, prioritizing and concentrating its efforts to advance as a single organization and uphold the commitments made to shareholders.

We are currently at the mid-point of the Strategic Plan, in which the focus has been on **Profitable Growth**, supporting management via four strategic pillars and a series of initiatives that were reinforced in 2017 to continue advancing toward building a more digital company:

## 1. Client orientation

The Group attaches great importance to identifying and understanding client needs, behavior and aspirations as a means of retaining existing clients and capturing new ones. To achieve this goal, a Client Relationship Model was implemented that helps adapt the sales offering, operations, structure and technology to the requirements and needs of each client. All of this is tailored to the specific characteristics of each market.

The maturity attained by the Client Experience Model initiative has facilitated moving it to the production level, and to work on managing the results obtained through surveys of clients and non-clients to differentiate ourselves and deliver beyond their expectations.

In 2017, progress was also made in positioning MAPFRE in Large Cities, which will allow the company to increase its market share there.

## 2. Digital transformation

It is essential that MAPFRE keeps up its efforts to adapt to the new digital age, working on the digitalization of processes to achieve operational excellence, and the digitalization of the client touchpoints. All of this has the objective of strengthening their experience with the company, ensuring service and quality levels.

Another important focus of this pillar is the Digital Business Plan, which was defined to develop existing and new operations, thus increasing the weight of this distribution model at MAPFRE.

In response to trends in the automobile sector, special importance is being placed on the initiative that has been underway for a number of years to develop capacities in the automobile area and the Group's role with respect to new mobility concepts.

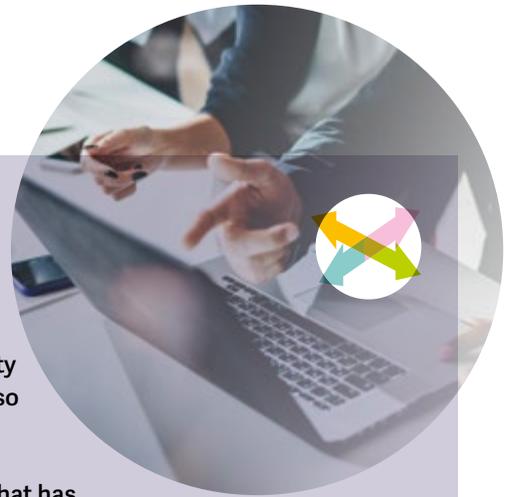
It is also intended to take advantage of the opportunity provided by digitalization to develop a business model that facilitates attaining leadership in the Health strategic line.

### 3. Excellence in technical and operational management

The insurance business involves a constant quest for operational excellence and adaptation to regulatory changes in the industry, so that technical profitability higher than the market can be achieved in the most important lines, which will also maintain and improve MAPFRE's competitive position.

The Strategic Provider Initiative underway has reached an implementation level that has allowed it to be put into production mode. Work to develop initiatives related to efficiency continues, focusing on Contact Center, Claims Costs, the development of Operating Models and the promotion of self-direction.

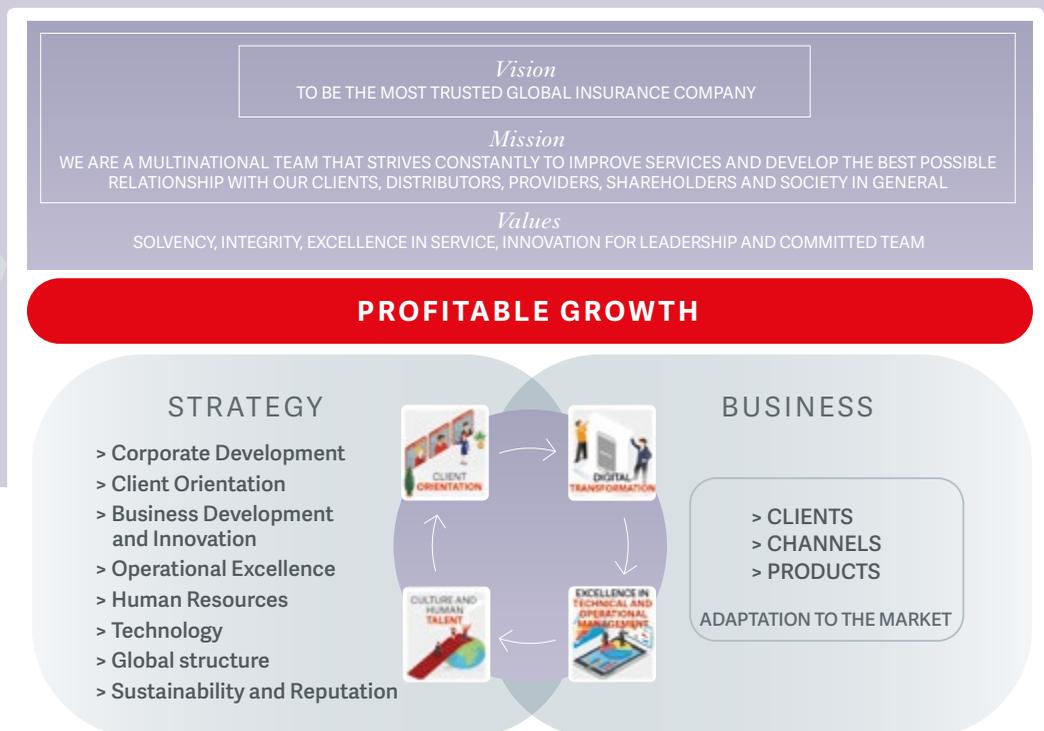
During 2017 a Strategic Initiative for Predictive Models was started, with the aim of transforming the manner in how business is handled, taking advantage of data knowledge and intelligence.



### 4. Culture and talent

The successful implementation of the Strategic Plan depends on unequivocal support from employees and the MAPFRE culture. Big steps have been taken in the initiative with respect to Talent Management, which has allowed it to be included in habitual production processes and for fresh challenges to be taken on within a new initiative: the Digital Challenge, which will enable the organizational change that MAPFRE needs to adapt to new digital imperatives to be successfully managed.

It is important to highlight the advances the Group has made in terms of equal opportunities, diversity and labor inclusion, which it will continue to pursue in the coming years.



### 3.3. Future outlook

The main financial strategic commitments and the four pillars of the strategic plan for the three-year period 2016-2018 are described below.

#### Financial

The primary objective is to create sustainable value for shareholders through profitable growth and the efficient management of our balance sheet. Given these premises, the principal goals for the three years are as follows:

- > To achieve total revenue of 31 billion euros by the close of 2018.
- > To obtain an average ROE of no less than 11 percent for the three-year period.
- > To produce an average dividend yield of approximately 5 percent for the period, in relation to the average annual share price, and to sustain a dividend payout policy of no less than 50 percent and no more than 65 percent of Group profits.



The objectives related to the four strategic pillars are as follows:

#### Client orientation

- > To improve the quality perceived by clients, as measured via the NPS (Net Promoter Score) indicator in those countries which together represent at least 80 percent of the Non-Life premiums for individuals, and to achieve a client rating that is higher than the average of our main competitors in at least 70 percent of our businesses.
- > To increase market share in at least 75 percent of Non-Life businesses and to boost sales of life insurance and pension fund products.

## Digital transformation

- > To increase by 30 percent the number of digital transactions that clients carry out with the company in the main markets (Spain, Brazil, United States and Mexico) by ensuring that the majority of operations can be conducted online.
  - > To increase digital business by 50 percent via the MAPFRE, VERTI and INSUREANDGO brands.
- 

## Excellence in technical and operational management

- > To maintain the average combined ratio for the three-year period below 96 percent.
  - > To cut costs and therefore obtain an average expense ratio for the period of less than 28 percent of premiums. We will capitalize on the development of all the global strategic initiatives relating to operational, digital and provider transformation to obtain cost savings of no less than 150 million euros during the course of the three-year period.
  - > To improve the mechanization of our service provider management processes by automating at least 60 percent of assignments.
- 

## Culture and talent

- > To launch a series of projects that will make us one of the best companies in the world to work for, using the Great Place to Work methodology to achieve an employee satisfaction score of more than 80 percent by the end of the three-year period.
  - > To achieve genuine gender equality and labor inclusion worldwide, ensuring that by 2018 women occupy at least 40 percent of all management responsibility positions. Additionally, during the course of the next three years, we will ensure that people with some form of disability make up at least 2 percent of our workforce.
  - > To develop occupational and geographic mobility programs for at least 10 percent of the workforce each year.
-

4

# Business performance

[102-2, 102-6]



The Group's consolidated revenue reached 27.9 billion euros, with growth of 3.3 percent, which strengthened the upward trend of the last few years.



Overall Group  
written and accepted  
premiums:

€ **23.5** billion

Combined ratio:

**98.1%**



## 4.1. General information

[201-1]

### Consolidated revenue

Item	December 2017	December 2016	Var.% 17/16
Total written and accepted premiums	23,480.7	22,813.2	2.9%
Financial income from investments	2,801.7	3,056.3	(8.3%)
Revenue from non-insurance entities and other incomes	1,701.3	1,222.6	39.1%
<b>Total consolidated revenue</b>	<b>27,983.7</b>	<b>27,092.1</b>	<b>3.3%</b>

Figures in millions of euros

The Group's consolidated revenue reached 27.9 billion euros, with growth of 3.3 percent, which strengthened the upward trend of the last few years.

Premiums from direct insurance and accepted reinsurance, which represent the most fundamental part of revenue, reached 23.5 billion euros, with notable growth of 2.9 percent, primarily backed by the increase in premiums in Spain, Mexico, Central America, and the Global Risks Business Unit.

This increase in premium growth is framed in the Group's profitable growth strategy, which aims to improve profitability mainly in Non-Life insurance. As a result, in 2017, the cancellation of unprofitable policies has continued, for an amount of approximately 530 million euros, mainly in Autos and General P&C, which partially influenced the increase.

Non-Life premiums grew by 2.6 percent, while Life premiums achieved growth of 4.2 percent.

By Non-Life business type, Automobile is the most important line, with 7.3 billion euros in premiums and a decrease of 1.4 percent due primarily to the portfolio reduction in Brazil, Mexico and Turkey. General P&C holds second place, with 6.3 billion euros and growth of 10.3 percent, driven by the PEMEX policy in Mexico for 545 million dollars; and Health and Accident is in third place with 1.2 billion euros in premiums and 1.2 percent growth.

Gross revenue from investments reached 2.8 billion euros, below the previous period, due to the recurrent low-interest rate environment in Europe and the fall in interest rates in Brazil and other LATAM countries, as well as lower financial gains.

Finally, other revenue, which, for the most part, includes non-insurance activity and non-technical income, reflects an increase primarily from higher revenue from positive currency conversion differences, as well as from the cancellation of a reserve for contingent payments in the bancassurance channel in Spain totaling 29 million euros, as the necessary level of certain long-term objectives were not reached.

### Funds under Management

The charts on the following page show the performance of managed savings, including both technical provisions of Life insurance companies, and the Life provisions of multiline insurance companies, which are presented in the Group's consolidated balance sheet.

In addition to the Life insurance operations, MAPFRE manages its clients' savings through pension and mutual funds.

## Managed savings

The following chart shows the details of and changes in managed savings, which includes both concepts:

Item	December 2017	December 2016	Var.% 17/16
Life technical provisions	28,718.9	29,173.1	(1.6%)
Pension funds	5,082.1	4,684.1	8.5%
Mutual funds and other	5,203.9	4,631.5	12.4%
<b>Subtotal</b>	<b>39,004.9</b>	<b>38,488.8</b>	<b>1.3%</b>

Figures in millions of euros

In the information regarding managed savings in 2017 and 2016, UNIÓN DUERO VIDA and DUERO PENSIONES are not included, as at that time they were already classified as assets-held-for-sale.

Changes in managed savings with respect to December of the previous year reflect:

- > The reduction in Life technical provisions, from the fall in the portfolio as a result of redemptions, mainly in the bancassurance channel in Spain.
- > The reduction in the value of managed savings in Brazil and other countries outside of the Eurozone from the depreciation of their currencies.
- > The growth in pension and mutual funds, fruit of MAPFRE's strategy to push Asset Management as an alternative to traditional Life Savings products, which are less attractive to clients in the current low-interest rate environment.

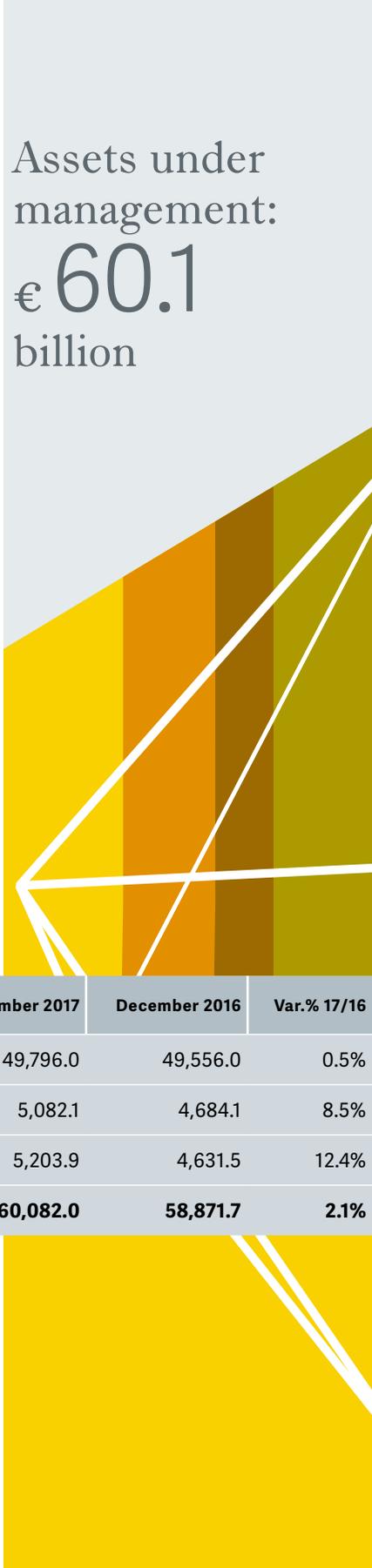
## Assets under management

The following chart reflects the performance of assets under management, which includes the total Group investment portfolio as well as pension and mutual funds, and which shows growth of 2.1 percent:

Item	December 2017	December 2016	Var.% 17/16
Investment portfolio	49,796.0	49,556.0	0.5%
Pension funds	5,082.1	4,684.1	8.5%
Mutual funds and other	5,203.9	4,631.5	12.4%
<b>Total</b>	<b>60,082.0</b>	<b>58,871.7</b>	<b>2.1%</b>

Figures in millions of euros

Assets under management:  
€ 60.1 billion



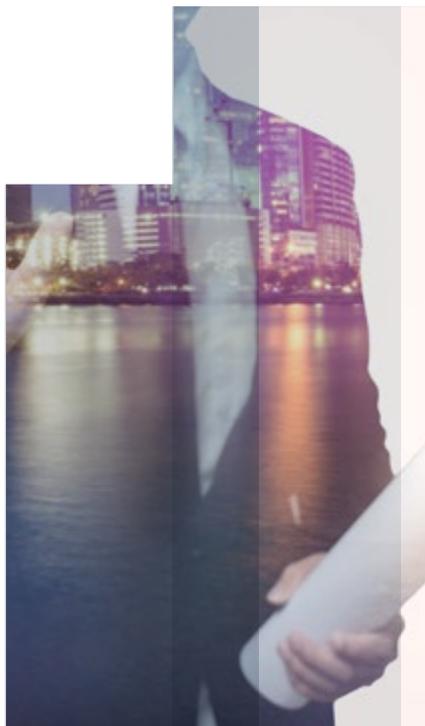


## MANAGEMENT RATIOS

The combined ratio measures the impact on premiums of management costs and the loss ratio for the period. In 2017 this ratio was 98.1 percent, representing an increase of 0.7 percentage points compared to the previous year.

## RETURN ON SHAREHOLDERS' EQUITY (ROE)

Return on equity (ROE), which represents the relationship between net profit attributable to the parent company (deducting the share of non-controlling interests) and average shareholders' equity, was 7.9 percent (8.8 percent in 2016).



## RELEVANT FACTS

### [102-10]

The following are among the relevant facts for 2017:

> On September 25 last, MAPFRE informed, via a relevant fact, of the impact of hurricanes Harvey, Irma and María on the Atlantic coast of North America and the Caribbean, of exceptional scale and frequency, and also of the earthquakes that struck Mexico, estimating a net cost after taxes and minorities of between 150 and 200 million euros on the result attributable for the period, as per preliminary estimates carried out by the company.

> MAPFRE launched MAPFRE Gestión Patrimonial (MGP), a new business offering financial investment solutions that aim to deliver returns on clients' savings, and which commenced operations with the opening of a Madrid office.

> MAPFRE successfully placed 30-year subordinated debt securities, with a call option at 10 years, totaling 600 million euros, and bearing a fixed interest rate of 4.375 percent over the first 10 years.

> MAPFRE took control of Indonesian insurance company PT ASURANSI BINA DANA ARTA TBK (ABDA), after obtaining authorization from the regulatory bodies for the purchase of an additional 31 percent stake in the company, taking it to a controlling 51 percent stake.

> MAPFRE completed the launch of VERTI Versicherung AG en Alemania, which had operated under the Direct Line brand up until then.

> MAPFRE Mexico is awarded, for the second consecutive time and via public tender, the integrated insurance policy for Petróleos Mexicanos (PEMEX), which carried with it a premium in excess of 545 million dollars (approximately 479 million euros).

> MAPFRE makes further inroads with the international expansion of its Verti brand, launching operations in the U.S.A.

> MAPFRE purchased 25 percent of French asset manager La Financière Responsable (LFR), a transaction that aligns perfectly with the company's commitment to a responsible investment policy.

## 4.2. Information by Regional Area

MAPFRE manages its insurance business through six Regional Areas that group different geographically-close countries, and which comprise the different operations of the INSURANCE, ASSISTANCE, and GLOBAL RISKS businesses.

The following chart shows premiums and results, as well as the Non-Life combined ratio.

### Key figures

	PREMIUMS			ATTRIBUTABLE RESULT			COMBINED RATIO	
	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016
IBERIA	7,403.9	7,139.4	3.7%	525.2	582.3	(9.8%)	93.9%	94.0%
BRAZIL	4,734.3	4,587.4	3.2%	127.9	144.4	(11.5%)	96.1%	94.2%
LATAM NORTH	1,848.1	1,343.2	37.6%	26.5	38.8	(31.7%)	99.5%	100.9%
LATAM SOUTH	1,827.5	1,877.8	(2.7%)	64.4	5.2	--	98.2%	100.2%
NORTH AMERICA	2,788.0	2,902.4	(3.9%)	15.3	80.0	(80.9%)	106.4%	100.3%
EURASIA	2,552.0	2,700.7	(5.5%)	(62.2)	(123.1)	49.4%	107.2%	107.9%

Figures in millions of euros

The most significant aspects are:

1. Premiums and results show very solid growth in IBERIA, with excellent performance in the Auto line and the contribution of Spain's result to the Group.

2. Premiums in BRAZIL show positive results compared to last year, from the appreciation of the average exchange rate of the Brazilian real, although there is no growth in the original currency. The lower result is a consequence of a lower financial result due to the drop in interest rates in Brazil in 2017 and of the increase in acquisition costs and high loss experience in Auto.

3. LATAM NORTH shows premium growth of 37.6 percent to December from the issuing of the PEMEX policy for a two-year coverage period. The region's earnings reflect the discrete result in Mexico due to the high loss ratio in Automobiles and the impact of catastrophic events on the GLOBAL RISKS business.

4. LATAM SOUTH experienced an increase in results, thanks to the favorable evolution of the insurance business in Colombia and Peru. However, this improvement was offset by the negative impact of a severe claim in the GLOBAL RISKS business in Peru, due to the heavy rains caused by weather related to El Niño Costero.

5. NORTH AMERICA has growth containment in premiums and lower due to the high loss experience in the Auto line in the United States, and to the impact of the catastrophic events on the insurance and GLOBAL RISKS businesses, which had strong economic repercussions on Puerto Rico's results.

6. EURASIA experienced a drop in premiums, primarily due to Turkey, as a result of growth containment in compulsory Third Party Liability for Auto insurance. It is important to point out the extraordinary improvement in results in Turkey, as well as favorable development of business in Italy. However, EURASIA presented losses of 62.2 million euros, due to the negative results of ASISTENCIA in the United Kingdom and certain large claims in GLOBAL RISKS. ABDA business is included as of June 2017.



**LATAM NORTH** shows premium growth of 37.6 percent to December from the issuing of the PEMEX policy for a two-year coverage period.

## 4.3. Information by Business Unit

[FS6]

MAPFRE manages its business through four business units: Insurance, Reinsurance, Assistance, and Global Risks.

The chart below shows premiums, attributable result, and Non-life combined ratio for the business units:

### Key figures

	PREMIUMS			ATTRIBUTABLE RESULT			COMBINED RATIO	
	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016
IBERIA	6,960.2	6,704.5	3.8%	511.5	535.9	(4.6%)	93.7%	94.5%
LATAM	8,017.9	7,385.4	8.6%	229.4	192.1	19.4%	96.6%	96.6%
INTERNATIONAL	4,398.2	4,593.4	(4.2%)	88.0	8.3	--	103.6%	103.1%
<b>Total insurance</b>	<b>19,376.3</b>	<b>18,683.3</b>	<b>3.7%</b>	<b>828.9</b>	<b>736.3</b>	<b>12.6%</b>	<b>97.4%</b>	<b>97.6%</b>
RE	4,222.4	4,234.7	(0.3%)	162.7	186.1	(12.6%)	94.8%	94.0%
ASISTENCIA	983.5	1,066.8	(7.8%)	(68.4)	(56.4)	(21.4%)	103.7%	102.0%
GLOBAL RISKS	1,257.4	1,212.2	3.7%	(66.3)	47.3	--	135.4%	97.5%
HOLDINGS AND CONSOLIDATION ADJUSTMENTS	(2,359.0)	(2,383.8)	1.0%	(156.3)	(137.8)	(13.4%)	--	--
<b>MAPFRE S.A.</b>	<b>23,480.7</b>	<b>22,813.2</b>	<b>2.9%</b>	<b>700.5</b>	<b>775.5</b>	<b>(9.7%)</b>	<b>98.1%</b>	<b>97.4%</b>

Figures in millions of euros

The most important changes are:

1. Premiums show significant growth in all business units, with the exception of ASISTENCIA, mainly as a result of the current business restructuring, and INTERNATIONAL due to the previously mentioned growth containment in premiums in North America and the lower issuing in Turkey.

2. Results have evolved positively in insurance entities in IBERIA, LATAM and INTERNATIONAL, with 12.6 percent growth in the insurance business units at the close of December 2017.

3. MAPFRE RE continues to contribute positively to the Group, both in premiums and in results, reaching earnings of 162.7 million euros to December 2017, despite the catastrophic events that took place during the year, which have had an attributable net cost of 58.2 million euros for this company.

4. MAPFRE ASISTENCIA is highly affected by losses in the United Kingdom and by business restructuring.

5. GLOBAL RISKS is negatively affected by the catastrophic events that occurred during the year, that have had an attributable net cost of 77.4 million euros for this company, and by large claims that have been impacting it this whole year.

## Insurance companies

### 4.3.1. IBERIA



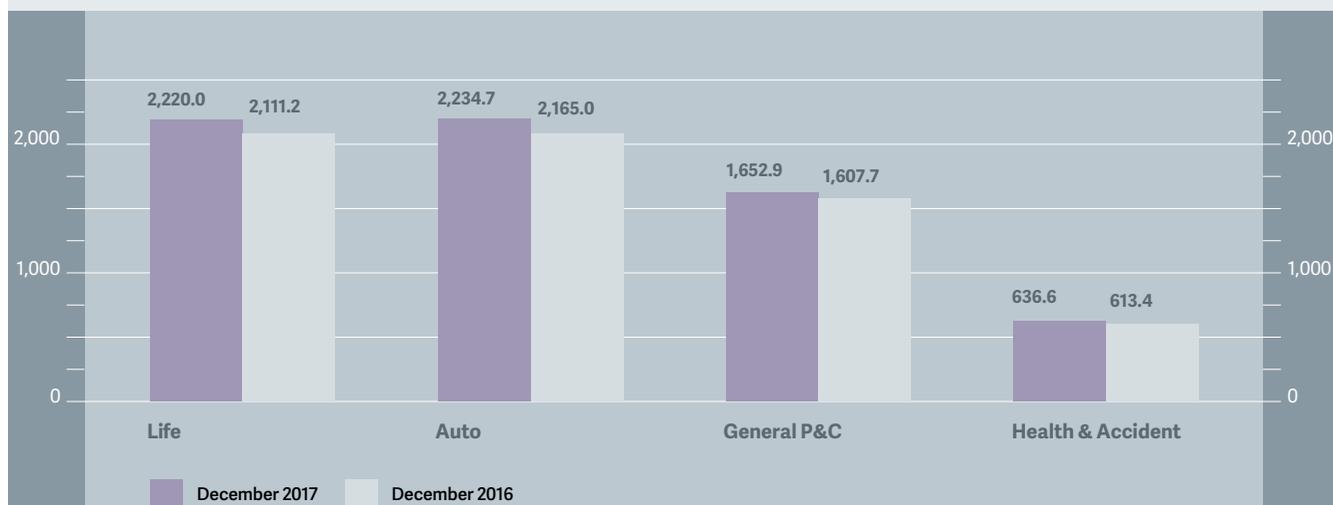
IBERIA encompasses the business activities of MAPFRE ESPAÑA and its subsidiary in Portugal, as well as the Life business managed by MAPFRE VIDA and its bancassurance subsidiaries.

#### INFORMATION BY COUNTRY

	PREMIUMS			ATTRIBUTABLE RESULT			COMBINED RATIO	
	Dec. 2017	Dec. 2016	Var. % 17/16	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016
IBERIA	6,960.2	6,704.5	3.8%	511.5	535.9	(4.6%)	93.7%	94.5%
SPAIN	6,820.6	6,564.3	3.9%	515.0	535.0	(3.7%)	93.4%	94.2%
PORTUGAL	139.6	140.2	(0.4%)	(3.5)	1.0	--	112.1%	106.3%

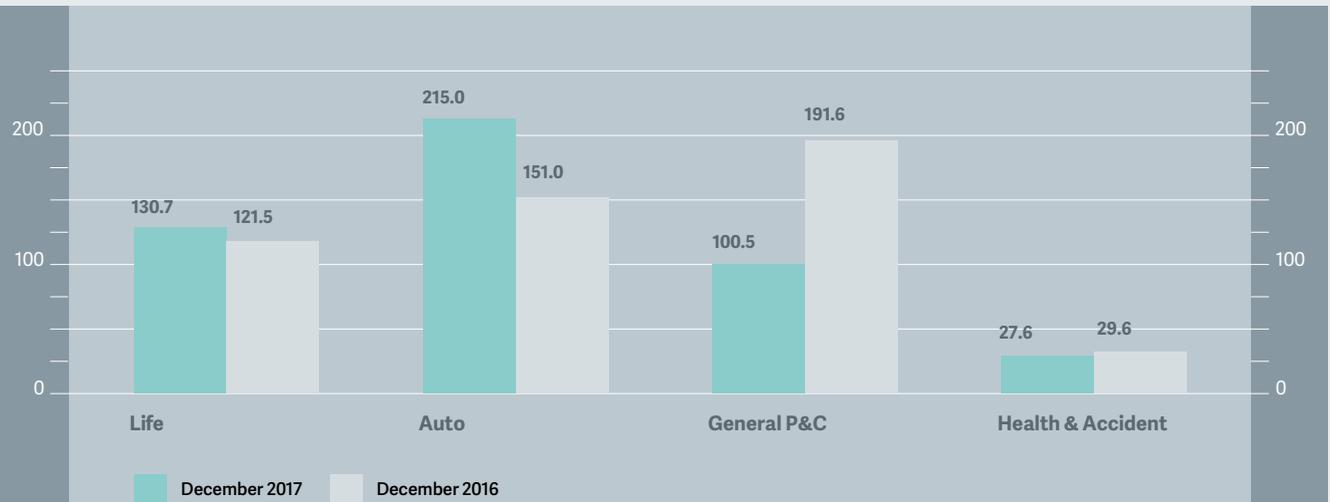
Figures in millions of euros

#### WRITTEN PREMIUMS IN KEY LINES



Figures in millions of euros

## ATTRIBUTABLE RESULTS FOR KEY LINES



Figures in millions of euros

The market shares in Spain\* and Portugal at December and September 2017, respectively, are shown below:

Spain	Dec.17	Dec.16
Automobile	20.0%	19.9%
Health	6.4%	6.4%
Other Non-Life	14.3%	15.0%
<b>Total Non-Life</b>	<b>14.3%</b>	<b>14.5%</b>
<b>Total Life</b>	<b>6.5%</b>	<b>6.3%</b>
<b>TOTAL</b>	<b>10.7%</b>	<b>10.5%</b>

Portugal	Sept.17	Sept.16
Automobile	2.4%	3.3%
<b>Total Non-Life</b>	<b>2.0%</b>	<b>2.7%</b>
<b>Total Life</b>	<b>0.8%</b>	<b>0.7%</b>
<b>TOTAL</b>	<b>1.3%</b>	<b>1.4%</b>

\* Estimated market shares, using data published by ICEA, which only takes into account written direct insurance premiums. The figures include premiums written by MAPFRE GLOBAL RISKS.

## 4.3.2. LATAM

This territorial area comprises the regional areas of **BRAZIL, LATAM NORTH, and LATAM SOUTH.**

### INFORMATION BY REGION

	PREMIUMS			ATTRIBUTABLE RESULT			COMBINED RATIO	
	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016
BRAZIL	4,546.9	4,392.8	3.5%	125.4	141.3	(11.3%)	96.1%	94.2%
LATAM NORTH	1,772.1	1,269.0	39.6%	33.8	34.2	(1.4%)	98.0%	102.3%
LATAM SOUTH	1,698.9	1,723.6	(1.4%)	70.2	16.5	--	96.9%	99.1%

Figures in millions of euros

The following table shows market shares for direct Non-Life insurance in the main countries in the region:

Country	Ranking (at Dec.2016)	Market share <sup>(1)</sup>	Market share date
Argentina	17	2.0%	Sept.17
Brazil	2	13.6%	Nov.17
Chile	6	7.1%	Sept.17
Colombia	8	5.4%	Sept.17
Mexico	7	7.5%	Sept.17
Peru	3	19.6%	Nov.17
Puerto Rico	7	3.3%	June17

(1) Figures according to the latest available information for each market.

Source: MAPFRE Economic Research, using data from the supervisors in each country.

## BRAZIL



This regional area encompasses insurance activity in Brazil.

### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>4,546.9</b>	<b>4,392.8</b>	<b>3.5%</b>
- Non-Life	2,996.0	2,869.8	4.4%
- Life	1,550.9	1,523.1	1.8%
<b>Net premiums earned</b>	<b>3,728.4</b>	<b>3,824.5</b>	<b>(2.5%)</b>
<b>Gross result</b>	<b>620.1</b>	<b>808.2</b>	<b>(23.3%)</b>
Tax on profits	(217.8)	(310.9)	(29.9%)
Non-controlling interests	(276.9)	(356.0)	(22.2%)
<b>Attributable net result</b>	<b>125.4</b>	<b>141.3</b>	<b>(11.3%)</b>
<b>Combined ratio</b>	<b>96.1%</b>	<b>94.2%</b>	<b>1.8 p.p.</b>
Expense ratio	34.5%	31.5%	3.0 p.p.
Loss ratio	61.6%	62.7%	(1.2 p.p.)

Figures in millions of euros

### BREAKDOWN BY LINE

Business line	PREMIUMS			ATTRIBUTABLE RESULT			COMBINED RATIO	
	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016
LIFE	1,550.9	1,523.1	1.8%	54.7	66.9	(18.2%)	--	--
AUTO	1,205.2	1,232.5	(2.2%)	(13.4)	10.4	--	107.7%	104.0%
GENERAL P&C	1,787.0	1,631.6	9.5%	78.6	68.4	15.0%	81.2%	79.9%

Figures in millions of euros



This regional area includes Mexico and the sub-region of Central America, which includes operations in Panama, the Dominican Republic, Honduras, Guatemala, Costa Rica, El Salvador and Nicaragua.

Mexico's premiums totaled  
**€ 1.18**  
 billion

#### PRINCIPALES MAGNITUDES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>1,772.1</b>	<b>1,269.0</b>	<b>39.6%</b>
- Non-Life	1,437.6	969.6	48.3%
- Life	334.5	299.4	11.8%
<b>Net premiums earned</b>	<b>831.6</b>	<b>827.9</b>	<b>0.4%</b>
<b>Gross result</b>	<b>57.6</b>	<b>50.4</b>	<b>14.4%</b>
Tax on profits	(14.4)	(7.6)	89.6%
Non-controlling interests	(9.4)	(8.5)	10.9%
<b>Attributable net result</b>	<b>33.8</b>	<b>34.2</b>	<b>(1.4%)</b>
<b>Combined ratio</b>	<b>98.0%</b>	<b>102.3%</b>	<b>(4.2 p.p.)</b>
Expense ratio	32.8%	34.0%	(1.2 p.p.)
Loss ratio	65.2%	68.2%	(3.0 p.p.)

Figures in millions of euros

#### BREAKDOWN OF KEY COUNTRIES

Country	PREMIUMS			ATTRIBUTABLE RESULT		
	December 2017	December 2016	Var.% 17/16	December 2017	December 2016	Var.% 17/16
MEXICO	1,182.8	715.8	65.2%	5.4	7.1	(23.8%)
PANAMA	217.7	208.7	4.3%	10.0	9.6	3.6%
DOMINICAN REP.	125.4	118.6	5.7%	9.1	8.2	11.4%
HONDURAS	72.9	74.6	(2.3%)	5.0	5.7	(12.5%)

Figures in millions of euros

## LATAM SOUTH



This regional area encompasses the business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador.

### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>1,698.9</b>	<b>1,723.6</b>	<b>(1.4%)</b>
- Non-Life	1,435.3	1,486.0	(3.4%)
- Life	263.6	237.5	11.0%
<b>Net premiums earned</b>	<b>1,001.8</b>	<b>979.8</b>	<b>2.3%</b>
<b>Gross result</b>	<b>107.9</b>	<b>45.7</b>	<b>136.1%</b>
Tax on profits	(27.3)	(21.3)	28.4%
Non-controlling interests	(10.4)	(7.9)	30.8%
<b>Attributable net result</b>	<b>70.2</b>	<b>16.5</b>	<b>--</b>
<b>Combined ratio</b>	<b>96.9%</b>	<b>99.1%</b>	<b>(2.2 p.p.)</b>
Expense ratio	36.4%	37.0%	(0.6 p.p)
Loss ratio	60.4%	62.1%	(1.6 p.p.)

Figures in millions of euros

LATAM SOUTH's gross profit stood at  
**€ 107.9**  
 million

### BREAKDOWN OF KEY COUNTRIES

Country	PREMIUMS			ATTRIBUTABLE RESULT		
	December 2017	December 2016	Var.% 17/16	December 2017	December 2016	Var.% 17/16
COLOMBIA	393.9	401.3	(1.9%)	13.2	(26.5)	149.7%
PERU	469.6	463.1	1.4%	34.8	28.5	22.2%
ARGENTINA	291.9	281.9	3.6%	11.6	2.5	--
CHILE	306.9	365.6	(16.1%)	0.9	4.3	(78.4%)

Figures in millions of euros

### 4.3.3. INTERNATIONAL

This territorial area comprises  
**NORTH AMERICA** and **EURASIA**.

#### INFORMATION BY AREA

	PREMIUMS			ATTRIBUTABLE RESULT			COMBINED RATIO	
	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016	Var.% 17/16	Dec. 2017	Dec. 2016
NORTH AMERICA	2,528.5	2,623.3	(3.6%)	48.7	77.3	(37.0%)	104.9%	101.0%
EURASIA	1,869.7	1,970.0	(5.1%)	39.3	(69.0)	157.0%	100.9%	107.3%

Figures in millions of euros



## NORTH AMERICA



This regional area has its headquarters in Webster, MA (U.S.A.) and encompasses the business activity in NORTH AMERICA (United States and Puerto Rico).

### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>2,528.5</b>	<b>2,623.3</b>	<b>(3.6%)</b>
<b>Net premiums earned</b>	<b>1,996.5</b>	<b>2,023.0</b>	<b>(1.3%)</b>
<b>Gross result</b>	<b>20.9</b>	<b>114.8</b>	<b>(81.8%)</b>
Tax on profits	28.0	(37.0)	(175.6%)
Non-controlling interests	(0.2)	(0.5)	(52.3%)
<b>Attributable net result</b>	<b>48.7</b>	<b>77.3</b>	<b>(37.0%)</b>
<b>Combined ratio</b>	<b>104.9%</b>	<b>101.0%</b>	<b>3.9 p.p.</b>
Expense ratio	25.5%	25.6%	0.0 p.p.
Loss ratio	79.4%	75.4%	4.0 p.p.

Figures in millions of euros

### BREAKDOWN BY COUNTRY

Country	PREMIUMS			ATTRIBUTABLE RESULT		
	December 2017	December 2016	Var.% 17/16	December 2017	December 2016	Var.% 17/16
UNITED STATES	2,201.6	2,260.6	(2.6%)	65.6	64.1	2.4%
PUERTO RICO	326.9	362.7	(9.9%)	(16.9)	13.2	--

Figures in millions of euros

In the state of Massachusetts, (U.S.A.), the market shares are as follows:

Business line	MASSACHUSETTS	
	Dic. 2016	Dic. 2015
Automobile	22.6%	23.0%
<b>Total Non-Life</b>	<b>11.6%</b>	<b>11.7%</b>
<b>Total Life</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>3.2%</b>	<b>3.1%</b>

Source: SNL

## EURASIA



This regional area encompasses the business activities in Italy, Germany, Turkey, Malta, Indonesia and the Philippines.

### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>1,869.7</b>	<b>1,970.0</b>	<b>(5.1%)</b>
- Non-Life	1,574.0	1,691.3	(6.9%)
- Life	295.8	278.7	6.1%
<b>Net premiums earned</b>	<b>1,303.7</b>	<b>1,327.7</b>	<b>(1.8%)</b>
<b>Gross result</b>	<b>60.9</b>	<b>(75.3)</b>	<b>180.9%</b>
Tax on profits	(10.8)	11.7	192.3%
Non-controlling interests	(10.8)	(5.4)	100.7%
<b>Attributable net result</b>	<b>39.3</b>	<b>(69.0)</b>	<b>157.0%</b>
<b>Combined ratio</b>	<b>100.9%</b>	<b>107.3%</b>	<b>(6.3 p.p.)</b>
Expense ratio	23.2%	26.7%	(3.5 p.p.)
Loss ratio	77.7%	80.5%	(2.8 p.p.)

Figures in millions of euros

### BREAKDOWN BY COUNTRY

Country	PREMIUMS			ATTRIBUTABLE RESULT		
	December 2017	December 2016	Var.% 17/16	December 2017	December 2016	Var.% 17/16
TURKEY	653.2	838.5	-22.1%	48.4	29.9	62.0%
ITALY	471.4	466.2	1.1%	(13.9)	(91.6)	84.8%
GERMANY	310.7	290.6	6.9%	2.7	2.4	10.7%
MALTA	351.1	332.6	5.6%	4.1	1.9	114.7%
PHILIPPINES	39.8	42.1	(5.6%)	0.2	(2.3)	106.9%
INDONESIA	43.5	0.0	--	4.0	2.4	68.4%

Figures in millions of euros

In the EURASIA region, the market shares are as follows:

Business line	GERMANY		ITALY		MALTA		TURKEY	
	Dec.16	Dec.15	June17	June16	Dec.16	Dec.15	June17	June16
Automobile	1.1%	1.1%	2.7%	2.8%	36.2%	28.7%	8.7%	10.2%
<b>Total Non-Life</b>	<b>0.3%</b>	<b>0.3%</b>	<b>1.4%</b>	<b>1.5%</b>	<b>32.5%</b>	<b>27.5%</b>	<b>7.6%</b>	<b>8.3%</b>
<b>Total Life</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>76.0%</b>	<b>70.8%</b>	<b>0.3%</b>	<b>0.3%</b>
<b>TOTAL</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>60.0%</b>	<b>51.1%</b>	<b>6.5%</b>	<b>7.4%</b>

Business line	PHILIPPINES		INDONESIA	
	Dic. 16	Dic. 15	Sept. 17	Sept. 16
Automobile	5.3%	5.6%	5.2%	5.6%
<b>Total Non-Life</b>	<b>3.1%</b>	<b>3.2%</b>	<b>2.0%</b>	<b>2.2%</b>
<b>Total Life</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>0.9%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>0.7%</b>

Source: Insurance association in each country

Source: Supervisor in each country



This regional area's gross profit rose to  
**€ 60.9**  
 million

## 4.3.4. MAPFRE RE

MAPFRE RE is a global reinsurer and is the main reinsurer of MAPFRE Group.

MAPFRE RE offers reinsurance services and capacities, providing all kinds of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>4,222.4</b>	<b>4,234.7</b>	<b>(0.3%)</b>
- Non-Life	3,565.7	3,586.5	(0.6%)
- Life	656.7	648.2	1.3%
<b>Net premiums earned</b>	<b>2,999.7</b>	<b>2,691.8</b>	<b>11.4%</b>
<b>Gross result</b>	<b>221.2</b>	<b>252.8</b>	<b>(12.5%)</b>
Tax on profits	(58.6)	(66.8)	(12.3%)
Non-controlling interests	--	--	94.4%
<b>Attributable net result</b>	<b>162.7</b>	<b>186.1</b>	<b>(12.6%)</b>
<b>Combined ratio</b>	<b>94.8%</b>	<b>94.0%</b>	<b>0.8 p.p.</b>
Expense ratio	28.6%	29.0%	(0.5 p.p.)
Loss ratio	66.2%	65.0%	1.2 p.p.

Figures in millions of euros

Breakdown of premium distribution to December 2017 is as follows

	%		%
<b>By Type of business:</b>		<b>By Ceding company:</b>	
Proportional	80.6%	MAPFRE	44.4%
Non-proportional	13.4%	Other	55.6%
Facultative	6.0%	<b>By Insurance line:</b>	
<b>By Region:</b>		P&C	49.3%
IBERIA	16.3%	Life & Accident	19.5%
EURASIA	50.2%	Automobile	21.8%
LATAM	17.8%	Transport	3.5%
NORTH AMERICA	15.8%	Other Insurance lines	5.9%

### 4.3.5. MAPFRE GLOBAL RISKS

This business unit specializes in global insurance programs for large multinational companies (e.g. aviation insurance policies, nuclear risks and energy insurance policies, third-party liability insurance policies, fire insurance policies, engineering insurance policies, transport insurance policies and surety).

#### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Gross written and accepted premiums</b>	<b>1,257.4</b>	<b>1,212.2</b>	<b>3.7%</b>
<b>Net premiums earned</b>	<b>333.1</b>	<b>336.1</b>	<b>(0.9%)</b>
<b>Gross result</b>	<b>(89.8)</b>	<b>49.9</b>	<b>--</b>
Tax on profits	23.6	(2.7)	--
Non-controlling interests	0.0	0.0	--
<b>Attributable net result</b>	<b>(66.3)</b>	<b>47.3</b>	<b>--</b>
<b>Combined ratio</b>	<b>135.4%</b>	<b>97.5%</b>	<b>37.9 p.p.</b>
Expense ratio	31.1%	27.9%	3.2 p.p.
Loss ratio	104.3%	69.6%	34.7 p.p.

Figures in millions of euros

### 4.3.6. MAPFRE ASISTENCIA

MAPFRE ASISTENCIA specializes in travel assistance, roadside assistance, and other Group specialty risks.

#### KEY FIGURES

Item	December 2017	December 2016	Var.% 17/16
<b>Operating revenue</b>	<b>1,113.5</b>	<b>1,156.3</b>	<b>(3.7%)</b>
- Gross written and accepted premiums	983.5	1,066.8	(7.8%)
- Other revenue	130.0	89.5	45.3%
<b>Net premiums earned</b>	<b>712.4</b>	<b>804.0</b>	<b>(11.4%)</b>
<b>Result from other business activities</b>	<b>(24.4)</b>	<b>(40.9)</b>	<b>40.5%</b>
<b>Gross result</b>	<b>(56.8)</b>	<b>(54.9)</b>	<b>(3.5%)</b>
Tax on profits	(10.0)	(0.4)	--
Non-controlling interests	(1.6)	(1.1)	46.6%
<b>Attributable net result</b>	<b>(68.4)</b>	<b>(56.4)</b>	<b>(21.4%)</b>
<b>Combined ratio</b>	<b>103.7%</b>	<b>102.0%</b>	<b>1.6 p.p.</b>
Expense ratio	36.6%	31.5%	5.0 p.p.
Loss ratio	67.1%	70.5%	(3.4 p.p.)

Figures in millions of euros

# 5

# Corporate governance



## 5.1. Governance system

[102-14, 102-16, 102-18, 102-19, 102-20, 102-22, 102-23, 102-26, 102-35, 102-36, 102-37, FS1]

MAPFRE adopts a three-pronged approach to its business management:

### Corporate governance

The Annual General Meeting is the most senior governing body, while the Board of Directors is responsible for steering, administering and representing the company, holding full powers of representation, disposition and management. Its actions are binding on the company, with no further limitation than the express powers of the Annual General Meeting in accordance with the law and the corporate bylaws.

The Board is the company's main decision-making and supervisory body as well as the supervisory body of all subsidiary companies, while day-to-day management is carried out by the company's management and executive bodies and by the relevant management bodies of the aforementioned subsidiary companies.

The Board of Directors has a Steering Committee in place that acts on its behalf and within all of its powers,

except those that cannot be ceded by law or, if expressly prohibited by the bylaws or the regulations of the Board of Directors.

The Board of Directors also has another three delegate committees:

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#### Audit and Compliance Committee

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#### Appointments and Remuneration Committee

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#### Risk Committee

---

The functions and composition of the governing bodies are as follows:

#### STEERING COMMITTEE

The Steering Committee's functions are the senior management and oversight of the day-to-day operations and strategies of the company and its subsidiaries. It comprises a maximum of 10 members, all of whom are also members of the Board of Directors.

#### AUDIT AND COMPLIANCE COMMITTEE

The Audit and Compliance Committee's functions include reporting to the Annual General Meeting on any issues that arise in relation to matters within its remit, overseeing the efficiency of internal control and the process for preparing and presenting financial information, submitting same to the Board of Directors, proposals for the appointment of the external auditor and building an appropriate relationship with this figure, and ensuring the independence and efficiency of the internal audit function. It is also the body responsible for the supervision of the proper application of good governance standards and external and internal regulations at the company and the Group. It comprises a minimum of three and a maximum of five members of the Board of Directors, all non-executive directors and most of them independent directors.

#### APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee coordinates the implementation of the assignment and remuneration policy for directors and senior executives of the Group. It comprises a minimum of three and a maximum of five members of the Board of Directors, all non-executive directors and at least two of whom are independent directors.

#### RISK COMMITTEE

This committee provides support and advisory services to the Board of Directors in the definition and evaluation of the Group's risk management policies and in the determination of its risk appetite and risk strategy. It comprises a minimum of three and a maximum of five members of the Board of Directors, all non-executive directors and at least two of whom are independent directors.

The composition of the governing bodies resulting from the resolutions that are expected to be adopted on March 9, 2018 is shown on the following page:

Board of Directors		Steering Committee	Appointments and Remuneration Committee	Audit and Compliance Committee	Risk Committee
Chairman and CEO	Antonio Huertas Mejías <sup>(1)</sup>	Chairman			
First Vice Chairman	Antonio Núñez Tovar <sup>(1)</sup>	First Vice Chairman			
Second Vice Chairwoman	Catalina Miñarro Brugarolas <sup>(3)</sup>	Second Vice Chairwoman	Chairwoman		
Third Vice Chairman	Ignacio Baeza Gómez <sup>(1)</sup>	Member			
Board Members	José Antonio Colomer Guiu <sup>(3)</sup>		Member	Chairman	Member
	Georg Daschner <sup>(3)</sup>	Member			Chairman
	Ana Isabel Fernández Álvarez <sup>(3)</sup>			Member	Member
	María Leticia de Freitas Costa <sup>(3)</sup>				
	Luis Hernando de Larramendi Martínez <sup>(2)</sup>	Member	Member		
	Francisco José Marco Orenes <sup>(1)</sup>				
	Rafael Márquez Osorio <sup>(2)</sup>	Member		Member	Member
	Fernando Mata Verdejo <sup>(1)</sup>				
	Antonio Miguel-Romero de Olano <sup>(1)</sup>	Member		Member	Member
	Pilar Perales Viscasillas <sup>(3)</sup>			Member	
	Alfonso Reuelta Badías <sup>(2)</sup>		Member		
Secretaries	Ángel L. Dávila Bermejo	Secretary	Secretary	Secretary	
	Jaime Álvarez de las Asturias Bohorques Rumeu				Secretary

## Honorary Chairmen

Julio Castelo Matrán

José Manuel Martínez Martínez

## Executive Committee

Chairman Antonio Huertas Mejías

Members Antonio Núñez Tovar

Ignacio Baeza Gómez

Aristóbulo Bausela Sánchez

Alfredo Castelo Marín

José Manuel Inchausti Pérez

Francisco José Marco Orenes

Fernando Mata Verdejo

Eduardo Pérez de Lema

Elena Sanz Isla

Jaime Tamayo Ibáñez

Wilson Toneto

Secretary Ángel L. Dávila Bermejo

- (1) Executive directors  
(2) Nominee external directors  
(3) Independent external directors



## Diversity and experience [405-1]

The Board of Directors of MAPFRE S.A. approved the Director Selection Policy on July 23, 2015. This policy establishes that during the director selection process, any kind of implicit risk that may involve discrimination and, in particular, biases that interfere with the selection of persons of other genders must be avoided. Furthermore, the policy stipulates that by 2020, the number of female directors shall represent at least 30 percent of the total of members of the Board of Directors.

Female directors currently represent 27 percent of all members of the Board of Directors. Most of them participate in Board committees and/or have a significant role:

- > Catalina Miñarro Brugarolas: second vice chairwoman of the Board of Directors and the Steering Committee, chairwoman of the Appointments and Remuneration Committee and independent coordinating director.
- > Ana Isabel Fernández Álvarez: member of the Audit and Compliance Committee and the Risk Committee.
- > Pilar Perales Viscasillas: member of the Audit and Compliance Committee and independent director.

Geographic and cultural diversity is also visible at board level, with three nationalities represented: Spanish, Brazilian and German.

The selection of candidates in accordance with the provisions of the MAPFRE S.A. Board of Directors Regulations will include an evaluation of the competencies, knowledge and the experience necessary to hold a seat on the Board of Directors. The Board currently consists of 15 members, who as a whole, possess knowledge, qualifications and experience relating to the following areas: insurance and financial markets, business strategy and business models, governance systems, financial and actuarial analysis and regulatory frameworks.



## Other Corporate Governance indicators:

Corporate Governance Indicators	2017	2016	2015	2014
<b>Quorum for Annual General Meeting</b>	<b>83.20%</b>	<b>82.76%</b>	<b>78.47%</b>	<b>79.85%</b>
Directors	15	17	18	18
Men	11	15	16	16
Women	4	17	2	2
Executive directors	13	5	5	5
Independent external directors	4	18	7	6
Nominee external directors	15	5	6	7
Board meetings	3	18	10	7
Steering Committee meetings	16	6	8	13
Audit and Compliance Committee meetings	2	6	6	9
Appointments and Remuneration Committee meetings	7	6	7	4
Risk Committee Meetings	5	6	4	2

Remuneration for directors is determined in accordance with the provisions of regulations applicable to corporations, the corporate bylaws of the Board of Directors, and the decisions adopted by the Annual General Meeting.

In order to comply with the legal requirements for remuneration of directors and to continue adapting to corporate governance best practices regarding remuneration, the Regulations of the Board of Directors govern the functions related to remuneration of the Board of

Directors and the Appointments and Remuneration Committee.

The compensation policy for directors for the period 2016-2018 includes the different components of the remuneration package for directors, which were established in line with the following criteria:

- > Prioritization of the creation of value and profitability in the medium- and long-term over short-term results.
- > Proportionality between the company's financial situation and

market standards of comparable companies.

- > Alignment with the sales and risk management strategies, risk profile, objectives, and risk management practices.
- > Appropriate and efficient risk management within the established risk tolerance limits.
- > Attraction and retention of talent.

- > Appropriate compensation for commitment, qualification and responsibility.
- > Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.
- > Deferral of payment of a significant portion of variable remuneration.
- > Possibility of ex-post adjustments to variable remuneration.
- > Avoidance of conflicts of interest.

The remuneration system differentiates between external directors and executive directors:

#### A) External directors

External directors receive a fixed amount as basic remuneration for their membership of the Board of Directors and, as applicable, of the Steering Committee and delegate bodies, which may be higher for those who occupy positions on the Board or chair its committees. This remuneration is supplemented with other non-monetary compensation, as established for company staff in general.

#### B) Executive directors

Executive directors do not receive the fixed amount established for external directors. The fixed remuneration for performing their executive functions is determined in line with the policy

established for the remuneration of MAPFRE senior executives, and in accordance with the stipulations of their respective contracts.

Executive directors are entitled to the allowances or social benefits established for company staff in general, as stipulated in the collective bargaining agreement signed by MAPFRE.

Only executive directors receive variable remuneration, of which there are three types:

**(i) Short-term variable remuneration**, which is linked to the company's consolidated net profit and, where applicable, other indicators related to their respective responsibilities. This remuneration is always paid in cash.

**(ii) Medium-term variable remuneration**, which takes the form of an extraordinary medium-term incentive plan for executive directors in their capacity as senior executives. The plan is non-cumulative and multi-year (the present plan runs from January 1, 2016 to March 31, 2019).

**(iii) Incentives indexed to share values.**

In relation to the establishment of an appropriate balance between fixed and variable components of remuneration, the MAPFRE compensation policy for the rest of the workforce includes a variable structure that is calculated as a percentage of total remuneration and is paid according to the degree to which employees have achieved their

objectives. The weight of the variable remuneration is determined by the position held within the organization, increasing in line with the level of responsibility and the impact of employees' professional activities within the company.

Employee categories that may have a material impact on the company's risk profile are governed by a variable short-term remuneration system based on the achievement of objectives directly linked to strategic plans and carried out during the course of one year.

The Group's Institutional, Business and Organizational Principles determine its actions as a company and contribute to the sustainability of the business conducted in every country in which it operates. These principles are embedded in the company through its core values (solvency, integrity, vocation for service, innovation for leadership, and committed team) and implemented through adherence to its international and local commitments as well as to the policies, standards and action protocols adopted by the organization. All of this enables the company to act in accordance with the due diligence principle, thereby preventing, detecting and eradicating irregular conduct, whatever its nature, which could have a negative impact on the company and on the environment in which it operates.

The company has a set of policies, regulations, procedures, protocols and other reference documents in place, both corporate and local in nature,

which serve as a guide to determine the behavior that is expected of all those who work for or collaborate with MAPFRE.

Moreover, MAPFRE publishes the following corporate policies and standards on its website ([www.mapfre.com](http://www.mapfre.com)), therefore placing them at the disposal of all stakeholders:



- > Institutional, Business and Organizational Principles
- > Code of Ethics and Conduct
- > Treasury Stock Policy
- > Dividend Policy
- > Corporate Governance Policy
- > Corporate Tax Policy
- > Policy on the Management of Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Representative and Managerial Posts
- > Directors Selection Policy
- > Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors

- > Policy on Attendance Allowances
- > Corporate Social Responsibility Policy
- > Diversity and Equal Opportunities Policy
- > Promotion, Selection and Mobility Policy
- > Policy on Health, Well-being and Prevention of Occupational Risks
- > Respect for People Policy
- > Corporate Security Policy
- > Business Continuity Policy
- > Environmental Policy

## Company structure

MAPFRE employs a simple, efficient and decentralized company structure that enables it to meet its business objectives in an appropriate manner. This principle means that the appropriate management of the business in each country is compatible with the efficient management of the resources, capital requirements and distribution of dividends to shareholders. All of this is governed by a legal framework and genuinely ethical and socially committed conduct in the countries in which the company operates.

## Executive organization

MAPFRE employs a management model for its executive organization that is underpinned by strict control and oversight at every level: local, regional and global. This facilitates broad delegation in the execution and fulfillment of the responsibilities assigned to teams and their supervisors. Most notably, it means that the most important decisions, at all levels, are analyzed in depth, before and after they are implemented, by all of the senior executive teams.



## 5.2. Ethics and Social Responsibility

[102-18, 102-33, 102-34, 205-1, 205-2, 205-3, 405-1, FS1, FS3, FS4, FS13, FS15]

MAPFRE defines its corporate social responsibility (CSR) as "a voluntary and strategic commitment that entails attempting to achieve business objectives while strictly complying with its legal and contractual obligations, applying criteria of equity and stability to relationships with its stakeholders and thus contributing to meeting the current and future needs of society".

Being responsible is an attitude, and reflects a certain way of managing the company, and it is therefore important to involve all groups with which the company maintains relationships (employees, clients, providers, distributors, shareholders, and society in general) to contribute to the economic and social development of the countries in which MAPFRE operates. For this reason, MAPFRE has its own CSR model, a corporate policy that sets out the principles of action in this sphere, and the Group Sustainability Plan 2016-2018, which explains the strategy to follow.



## Sustainability Model

This model is aligned with MAPFRE's vision, mission and values, with the Institutional and Business Principles, and with the strategy. Its design is founded on what are accepted as the core aspects of sustainability

- environmental, social, and governance elements. Accordingly, the MAPFRE model is organized around three basic pillars: **Good Governance, Social and Environmental Responsibility, and Contribution to Society.**

### Good governance

- > To guarantee compliance with the legal obligations and commitments made in the field of CSR.
- > To promote ethical behavior in the management of the organization and business pursuits.
- > To ensure transparency as a means of conveying and generating trust and credibility with our stakeholders.
- > To maintain good corporate governance practices based on ethics, business transparency and diversity.

### Social and environmental responsibility

- > To establish equitable relationships with stakeholders, especially those stated in the company's mission.
- > To manage commitments undertaken by associating the company with international and local initiatives that are benchmarks in the field of sustainable development.
- > To assume the impact of the Group's business activities on society and the environment by managing the environmental, social and governance risks (ESG) efficiently.
- > To promote the Group's involvement in environmental measures aimed at preserving the environment in which it pursues its business activities.
- > To pursue transparency in CSR activities by drawing up annual reports, in line with international standards, on actions carried out in this field.

### Contribution to society

- > To clearly understand the Group's role in society. In addition to its business activities, MAPFRE promotes and collaborates in non-profit activities in the public interest, mainly conducted with Fundación MAPFRE.



## Corporate Social Responsibility Policy

The Policy establishes the reference framework that allows all MAPFRE Group companies to develop and promote socially responsible behavior, irrespective of whether it is related to conventional or digital business.

The objective is that corporate social responsibility is perceived as a way of:

- > **Achieving MAPFRE's corporate interests and its strategic objectives.**
- > **Managing the company on the basis of the values defined by MAPFRE.**
- > **Establishing stable and equitable relationships with stakeholders, especially those defined in the mission.**
- > **Managing the risks and business opportunities arising from the changes in the environment in which MAPFRE does business, assuming the impact it generates on society and the environment by maximizing the positive aspects and minimizing the negative ones.**
- > **Transmitting the company's social values in every territory in which it is present, reconciling the value of its operational activities with the value of the nonprofit activities it undertakes.**

To achieve these aims, the Policy sets out general principles of action related to aspects such as compliance, human rights, fiscal responsibility, good governance, transparency, the environment and promotion of CSR. It also defines six specific principles for each of the following stakeholders: shareholders, employees, providers, distributors, clients and society in general.

The effective application of the Policy and the monitoring and control of the related actions are supervised by the Group's Corporate CSR Committee, an internal body that has executive functions and is empowered to offer information, give advice and make recommendations within its remit.

## Sustainability Plan

Approved in 2016 with a three-year time span, the plan allows the company to improve its performance in this area and strengthen relationships with the different stakeholders with which the Group has a special relationship, such as shareholders, employees, providers, clients and society in general.

It does this by carrying out specific actions related to critical issues like human rights and the 2030 Agenda for Sustainable Development, transparency, the environment, cybersecurity, diversity, the prevention of corruption and fraud, and the inclusion of environmental, social and governance aspects in the supply chain, underwriting and investment decisions.

Compliance with the plan at the close of 2017 was 78.5 percent, considered to be a very satisfactory level of development.

## Ethical Behavior: Main Compliance and Prevention Measures

[419-1]

### Compliance

[205-1, 205-2, 205-3]

The principal aim of the compliance function is to verify that the Group operates within the legal and regulatory framework that governs its activities, thus minimizing legal and non-compliance risks, in order to preserve its solvency, integrity and reputation while supporting the Group in achieving its strategic objectives.

Zero tolerance of non-compliance is supplemented by preventive initiatives organized by the MAPFRE Group compliance function with a view to mitigating the risk of potential non-compliance.

## Code of Ethics and Conduct

[102-16, 102-17, 102-33, 102-34, 205-1, 205-2, 205-3, 406-1, 408-1, 409-1, 410-1, 412-3, 415-1]

MAPFRE's activities are important, as is the way in which they are executed. The Group is conscious of the fact that events may happen in the professional field that affect its image and reputation, and it has therefore created a Code of Ethics and Conduct to manage this reality. Inspired by the Group's Institutional, Business and Organizational Principles, the code

reflects the corporate values and basic principles that should guide employees' actions in their routine tasks and relationships with other stakeholders.

This code was updated and approved by the MAPFRE S.A. Board of Directors in December 2017. It encompasses the following aspects:



### Principles of ethical, transparent and socially responsible behavior

- > Compliance with current legislation
- > Respect for and protection of human rights
- > Social responsibility
- > Sustainability and respect for the environment
- > Confidentiality of information and protection of personal data
- > Corporate brand, image and reputation
- > Intellectual and industrial property

### Compliance with the Code of Ethics and Conduct

- > Ethics Committee (composition and powers)
- > Whistleblower channels (operating framework)

### Code of conduct in relations with and among employees

- > Respect for people
- > Equal opportunities and non-discrimination
- > Work-life balance
- > Commitment and cooperation in the workplace, efficiency and professional development
- > Health, well-being and risk prevention
- > Resources and equipment for pursuing professional activities

### Code of conduct in relations with third parties

- > Relations with clients
- > Information for shareholders
- > Relations with providers and collaborating companies
- > Relations with competitors
- > Relations with governments and authorities
- > Relations with partners
- > Gifts and hospitality
- > Conflicts of interest
- > Anti-corruption, bribery
- > Transparency of information
- > Prevention of money laundering and financing terrorism

## Ethics Committee

[102-17, 102-33, 102-34, 205-1, 205-2, 205-3, 406-1, 408-1, 409-1, 410-1, 412-3, 415-1]

This body is responsible for ensuring implementation of the MAPFRE Code of Ethics and Conduct and for supervising compliance with same. Its functions therefore include consultation, resolution, oversight and promotion of the code.

The Ethics Committee acknowledges and resolves the complaints and queries received, dealing with each case in the manner it deems most appropriate. It carries out each intervention with complete independence and respect for the individuals affected, while at all times guaranteeing confidentiality in the handling of the complaints and queries it processes.

The committee's decisions are binding on the company and the people subjected to its jurisdiction.

The Ethics Committee reports annually to the MAPFRE Steering Committee on the activities undertaken during the course of the year, and it provides employees with regular information, through the Intranet, on any clarifications regarding the content of the code which it deems to be of general interest.

## Whistleblower channels

[102-17, 406-1]

MAPFRE has created two types of channels for use by employees:

> **The Financial and Accounting Whistleblower Channel** ([www.mapfre.com/CDF](http://www.mapfre.com/CDF)) allows Group employees to confidentially report any potentially significant financial and accounting irregularities they observe within the company to the Audit and Compliance Committee of MAPFRE S.A.

> **The Ethical Whistleblower Channel** ([www.mapfre.com/Etica](http://www.mapfre.com/Etica)) allows employees who have queries about the implementation of the code, or who observe a situation that might constitute a breach or violation of any of the ethical principles or standards of conduct set out in the code, to report them in strict confidence to the Ethics Committee.

Both channels are accessible in Spanish, English, Portuguese and Turkish.

## Grievances and Complaints

[417-2]

MAPFRE ensures that its clients in any country around the globe where it operates in direct insurance have an internal channel to defend their rights deriving from the policies they take out. The company preserves clients' trust by making good on the commitment to give them the best possible attention and promoting the internal implementation of bodies to protect clients' rights. In Spain, the Group currently has an Insured Party Defense Committee in place, a pioneering institution that was created in 1984, and it has had a Complaints Division in operation since 2004. There is an internal client protection body in nearly every country in which MAPFRE operates, and there are also external client protection bodies in Portugal, Brazil, Mexico, El Salvador, Costa Rica, Nicaragua, Colombia, Argentina, Chile, Peru, United States and Germany.

In 2017, MAPFRE continued to comply with the commitment made to protect the rights of the users of the Group's financial services by establishing global action for the handling of the information in clients' complaints and grievances, always respecting the particularities of local businesses and in line with the following objectives:

## INDIVIDUAL

- > To provide clients with an extrajudicial procedure, free of charge.
- > To provide information regarding that procedure and policies, and on the relevant website in each country.
- > Where necessary, to implement the institution of the Insured Party Defense Committee in accordance with the legislation in force in each country.

## GROUP

- > To maintain clients' trust in the operations and capacity of the MAPFRE companies with which they have taken out policies.

The main figures for grievances and complaints received and processed in 2017 in the principal countries in which MAPFRE operates in direct insurance are shown here:

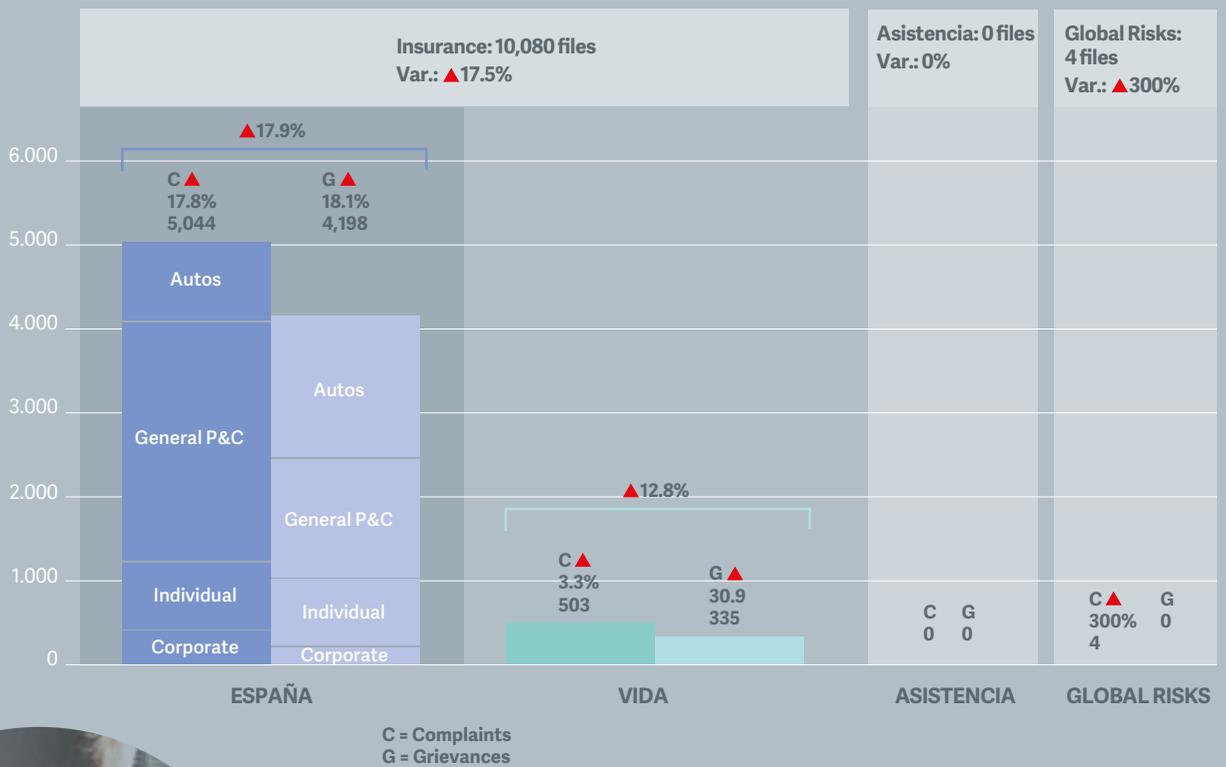


### Grievances & complaints 2017



In 2017, 14,927 documents were received in Spain. Of this number, 10,084 were admitted for processing and 5,551 complaints with specific financial claims were considered, together with 4,533 grievances related to lack of attention or neglect in the handling of benefit processing or issuing/purchase of policies.

The company accepted 34.3 percent of the grievances and complaints admitted for processing, and rejected 48.9 percent, while providing alternative solutions in 16.7 percent of the cases (alternative appraisal, the coming to light during the proceedings that the user had initiated parallel legal or administrative proceedings, cessation of the action on the part of the user, etc.).



Furthermore, 4,843 documents could not be admitted for processing due to not complying with the established legal requirements. The respective users were duly informed of the reasons behind this decision.



## Grievances & complaints 2017 in Spain



User service levels were improved by reducing the average resolution time by 4 days, compared to 2016 – it now stands at 8.5 days, compared to the maximum of 60 days allowed by law.



The Insured Party Defense Committee was sent 1,279 complaints relating to specific financial claims. Of them, 6.4 percent were accepted and 92.8 percent were rejected, with other solutions being provided in 0.8 percent of cases, (alternative appraisal, the coming to light during the proceedings that the user had initiated parallel legal or administrative proceedings, cessation of the action on the part of the user, etc.). The time taken to service users was the same as the previous years – 26 days.

In order to improve attainment of intended objectives, 32 general action criteria were established in the body's 2017 Annual Report and the Insured Party Defense Committee issued 33 recommendations on aspects related to the formalization, wording and interpretation of insurance contracts, as well as management procedures aimed at reducing the number of complaints and grievances received from users.

IPDC*: Resolution breakdown	Accepted	Rejected	Other	Total
<b>ESPAÑA</b>	<b>65</b>	<b>1,026</b>	<b>7</b>	<b>1,098</b>
Automobiles	14	210	1	225
General P&C	38	597	3	638
People	7	178	3	188
Corporate	6	41		47
<b>VIDA</b>	<b>17</b>	<b>163</b>	<b>3</b>	<b>183</b>
VIDA	7	75	1	83
BMV	10	83	2	95
VIDA PENSIONES		5		5
<b>ASISTENCIA</b>				
<b>GLOBAL RISKS</b>				
<b>TOTAL RESOLUTIONS</b>		<b>1,189</b>	<b>10</b>	<b>1,281</b>
<b>%/TOTAL AS AT 12/2017</b>		<b>92.8%</b>	<b>0.8%</b>	<b>100%</b>
<b>%/TOTAL AS AT 12/2016</b>		91.4%	0.5%	100%

\*Insured Party Defense Committee

IPDC: Vol	RAISED			RESOLVED		
	2016	2017	Var.	2016	2017	Var.
January	101	81	(19.8%)	53	97	83.0%
February	104	122	17.3%	114	100	(12.3%)
March	100	116	16.0%	101	138	36.6%
April	105	108	2.9%	118	84	(28.8%)
May	95	122	28.4%	108	116	7.4%
June	86	101	17.4%	71	146	105.6%
July	154	146	(5.2%)	95	86	(9.5%)
August	100	92	(8.0%)	80	86	7.5%
September	97	115	18.6%	70	85	21.4%
October	89	85	(4.5%)	123	176	43.1%
November	95	109	14.7%	148	71	(52.0%)
December	92	82	(10.9%)	84	96	14.3%
<b>TOTAL</b>	<b>1,218</b>	<b>1,279</b>	<b>5.0%</b>	<b>1,165</b>	<b>1,281</b>	<b>10.0%</b>
Total 2016	1,218			2,277		

## Internal Control

During 2017 work was done to redefine the responsibilities of the Internal Control System using the three lines of defense organizational model, with the primary objective being clarifying internal control actions and responsibilities to be carried out by the first line of defense, which comprises the business or other functions that possess or generate risk exposure.

On a supplementary basis, the Group's main companies have promoted risk evaluation by monitoring risk indicators on a quarterly basis. This mechanism provides governing and executive bodies at the company and Group levels with a tool for monitoring risk limits.

The performance of already established control activities by the parties responsible for corporate areas and the 59 primary companies within the Group is notable, as they involve the monitoring of potential risk indicators and indicators for controls implemented within operations, supported by the corporate Riskm@p platform. In turn, the Company has continued to execute the corrective measures taken in response to the results of the risk indicator evaluation and the controls applied in 2016, which were measures intended to improve or establish controls and response procedures in the event that identified risks materialized.

With regard to reporting and communication, in line with the general objective to obtain reliable financial information, the Group's main companies completed quarterly questionnaires on the Internal Control Financial Reporting System (ICFRS). These offer documentary evidence of the activities and controls conducted for the main financial reporting processes.

The Group has continued to prepare the annual analysis of the presence and operation of the various components of its Internal Control System in terms of supervisory activities which, together with the independent evaluations carried out by Internal Audit, facilitate knowledge of the level of control within the organization while facilitating the identification and adoption by company-level management of the improvements that are necessary to attain the level of internal control that supports the achievement of business objectives.

On a supplementary basis, the Group's main companies have promoted risk evaluation by monitoring risk indicators on a quarterly basis.



## Protection of employees from moral and sexual harassment in the workplace

[406-1]

In 2015, the Board of Directors approved a Personal Respect Policy that expressly states that respect of others is a basic element of employee conduct. As such, MAPFRE rejects any show of workplace harassment, and any other behavior that is violent or offensive to the rights and dignity of people, whenever these situations contaminate the workplace, have negative effects on health, well-being, confidence, dignity and the performance of those who suffer from same.

Respect for people is a responsibility of the entire organization and it extends both to relationships among employees, regardless of their position in the company, and to relationships among employees and clients, providers, collaborators and other stakeholders. They must all contribute to ensuring a work environment in which people's dignity is respected.

The general principles in this area are:

1. To contribute to maintaining a work environment that is free of harassment and behavior that is violent or offensive to people's rights and dignity, and to guarantee that, if it occurs, there are appropriate procedures for dealing with the problem and correcting it.
2. To reject any manifestation of harassment, whether ethical, sexual, psychological or of any other type, and also any behavior that is violent

or offensive to people's rights and dignity, and consider respect for people and their dignity as one of the organization's basic principles of action.

MAPFRE has mechanisms in every country in which it operates, which are designed to avoid harassment situations, but if they should arise, there are adequate procedures for dealing with and rectifying the issue.

During the year, 22 harassment claims were brought within the Group, and these were resolved using the in-house procedures put in place to this end. All the professionals providing instruction on this topic first received specific training themselves.

## Prevention of fraud and corruption

A number of procedures exist to combat fraud, which is understood to be any action taken or omission committed intentionally and dishonestly, when taking out insurance, reporting an incident or accrediting the damage caused, and during the processing of the same, with the intention of obtaining unjust enrichment from the insurance company.

MAPFRE collaborates fully with the security forces in this area and implements early warning mechanisms to detect potentially fraudulent anomalous situations, using approved and standardized computer tools at corporate level.

MAPFRE has a Criminal Risk Prevention Model in place to assist with crime prevention, which includes the principles related to the prevention of illegal actions. This Model details the supervisory and control mechanisms MAPFRE has in place to prevent the commission of criminal acts.

## Security

[410-1]

Security at MAPFRE focuses on protecting employees, safeguarding client and other stakeholder information, and ensuring the sustainability of the Group's operations and the services that it provides.

- > Workers are protected by providing a safe work environment, which comes about through the preventive maintenance of the facilities, the implementation of self-protection plans in workplaces, the design of specific measures for business travel (especially to unstable areas), and the provision of direct and specialized support in the event of risk situations.
- > The commitment to information security relating to clients materializes via aspects such as high standards of compliance with data privacy and protection regulations. Accordingly, various safeguard measures have been established to ensure the necessary levels of confidentiality and integrity, thereby respecting the trust placed in the company by clients, shareholders and other stakeholders. Intense efforts were invested in 2017 to adapt MAPFRE to the new European Union

General Data Protection Regulation and the Group participated in industry forums and collaborated with public institutions to facilitate the best possible implementation of this regulation.

> In terms of availability, business continuity solutions are designed and implemented to prevent interruption of the services provided to clients in the event of serious contingencies, thus contributing to the sustainability of business operations. The efficiency of the measures taken to address these situations was demonstrated by MAPFRE's response to the real crises stemming from the Irma and María hurricanes in the U.S.A., Puerto Rico and Dominican Republic, the earthquakes in Mexico and Chile, and the terrorist attacks in Spain last August.

MAPFRE also has procedures, tools and specialist staff in place to ensure that the new initiatives and corporate information systems have built-in security criteria from the outset, designed to minimize risks, protect data privacy and increase incident detection and response capabilities.

## Internal Audit

MAPFRE considers that this independent and objective assurance and consultation function helps the organization comply with its stated objectives by providing a systematic and disciplined approach to evaluating and improving the efficiency of risk management, internal control and corporate governance processes.

The Internal Audit Area is charged with the following general functions:

> To supervise compliance with and the effectiveness of the Internal Control System and of other elements of the Governance System.

> To comply with the Annual Internal Audit Plan, reporting any weaknesses that are detected and making recommendations to resolve same, and monitoring the implementation of those recommendations.

> To evaluate the reliability and integrity of the individual and consolidated accounting information prepared by MAPFRE S.A., the Subsidiaries, Business Units, Territorial Areas, Regional Areas and Corporate Areas, as well as the validity, sufficiency and application of the legal and accounting principles and rules.

> To effectively coordinate the communication of information between the Board of Directors and the internal and external auditors through the Audit and Compliance Committee.

> To perform ongoing monitoring and on-site internal audits of acquisitions, new businesses and developing activities, as key risk elements of the Strategic Plan.

 **Security at MAPFRE focuses on protecting employees, safeguarding client and other stakeholder information, and ensuring the sustainability of the Group's operations and the services that it provides.**

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> To support the Organization in meeting its objectives by providing professionals in areas in which independent opinions or support may be required for development (internal control, risk management, organization, analysis of financial statements, analysis of investments, etc.).

> To coordinate the work of External Auditors and analyze their conclusions before they are finalized.

> To gather the information necessary to support the MAPFRE S.A. Audit and Compliance Committee and other audit committees which are established at subsidiaries due to a legal obligation or on a voluntary basis, and the office of the MAPFRE Chairman and CEO.

## Training of employees in the main prevention and compliance measures

The table below shows the training delivered to employees in the last three years (2015, 2016 and 2017) on the main measures mentioned above.

Country (*)	INTERNAL CONTROL		CORRUPTION		FRAUD		MONEY LAUNDERING	
	Attendees	Hours	Attendees	Hours	Attendees	Hours	Attendees	Hours
Argentina	53	53	-	-	792	873	1,035	991
Brazil	17,598	13,192.5	12,579	12,798	17,710	12,300.5	17,498	13,497.5
Colombia	1,580	1,868	-	-	175	1,612	1,836	2,607
U.S.A.	1,766	1,766	1,295	1,295	-	-	71	59.5
Spain	8,507	8,507	-	-	-	-	2,324	3,432
Italy	116	251	64	135.5	291	1,442.5	-	-
Mexico	2,541	2,541	242	242	20	210.5	3,452	6,863
Peru	514	514	-	-	-	-	7,918	14,153
Turkey	267	267	-	-	276	1,149	1,031	1,401

(\*) Information pertaining to countries forming part of the external verification process has been included, which in total represent 72.54 percent of the insurance business.



## 5.3 Risk Management

[102-15, 205-1, 205-2, 205-3, 410-1, FS1, FS2, FS3]

In order to ensure efficient administration of risks, MAPFRE has developed a set of Risk Management policies that assign responsibilities, establish general guidelines, basic principles and action framework for each risk type, assuring coherent application within Group companies.

The Board of Directors of MAPFRE S.A. establishes the risk level that the Group is prepared to assume in order to reach its business objectives without any significant deviations, even in adverse situations. This level, which defines limits and sub-limits per risk type, is set by the MAPFRE Group risk appetite.

MAPFRE's structure is based on Units and Companies with a high degree of management autonomy. The Group's governing and management bodies approve the risk management actions to be taken by the Units and Companies and constantly supervise their exposure to risk using indicators and ratios.

The Group's Risk Management Area handles all significant aspects of risk management involving the Group and its various legal entities, establishing guidelines and reference criteria that are assumed by the risk areas at the individual companies, with any adaptations that are necessary.

The governing bodies receive at least quarterly information relating to the

quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established Risk Appetite limits.

Assigned capital is established in general based on estimates made in line with the targets for the following year, and it is periodically reviewed throughout the year in line as risks develop, in order to ensure compliance with the established Risk Appetite limits.

### Environmental, Social and Governance (ESG) risks and opportunities

[201-2, 102-15, 102-29, 102-31, 102-41, 201-2, 410-1 FS2, FS3, FS5, FS9]

The concept of sustainability is based on three fundamental pillars: economic, social and environmental development. For this reason, managing risks and business opportunities associated with environmental, social and governance (ESG) issues plays a key role in sustainable development.

Proper monitoring of these aspects provides the organization with additional information about these potential risks as well as a clearer insight into social movements and transformations and the expectations of its stakeholders. In this context, MAPFRE's business model and strategy are an example of how the company faces the global challenges regarding sustainability; how it manages ESG risks; and how it innovates in

developing insurance products and solutions for the benefit of its clients and the community.

Management of ESG risks helps in decision-making on important issues as underwriting, investment, innovation in products and services, and reputation management, the latter being essential to gaining the trust of our stakeholders. Consequently, ESG risks are naturally incorporated into the management and control processes implemented by the Group.

### PRODUCTS AND SERVICES

Developing insurance solutions in products and services to address the needs of clients regarding this type of risk is becoming a challenge and also an ongoing business opportunity.

In 2017, MAPFRE launched more than 60 Automobile, Life, P&C, Health and Burial products on the market. It also has products in its portfolio offering basic coverage and reduced premiums for low-income groups in the Automobile, Life, Homeowners and Health business lines.

Environmental initiatives aimed at clients are grouped into three categories:

> Environmental risk management, which includes cover for damages, third-party liability and environmental liability; services for the identification, analysis, evaluation and control of risks; and the review and monitoring of the development of the risks and their corrective measures.

> Insurance products for sustainable renewable energy projects, forestry projects, and initiatives related to energy efficiency and saving.

> Services that encourage environmental protection and the conservation of resources.

See Note 4 of section 7.4 of this document.

## **RISK OF NATURAL DISASTERS**

Special attention should be paid to MAPFRE's action in relation to natural disasters, where an appropriate prediction of these events and the right assessment of possible losses are essential elements of an insurer's management. These two lines of action determine the economic impact on the company and the response it will be able to offer its clients. Consequently:

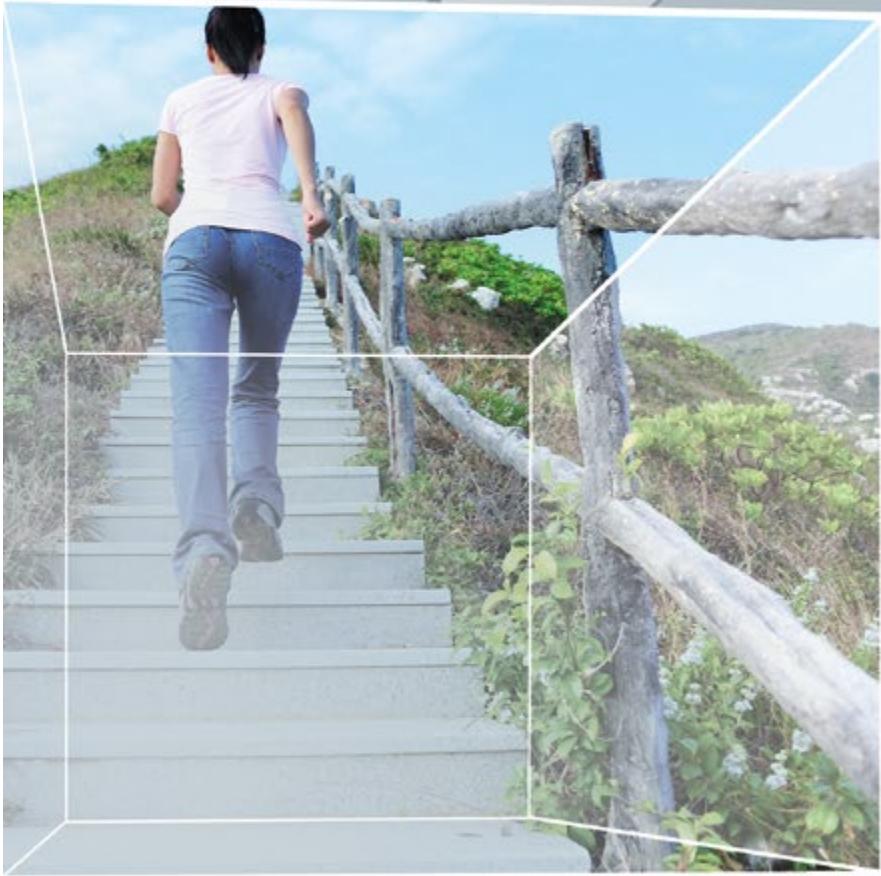
> The Natural Risks Area of MAPFRE RE and the Catastrophic Risks department of MAPFRE GLOBAL RISKS, together with MAPFRE's local companies exposed to these hazards, actively work to face the challenges arising from continuously monitoring this type of event.

> Additionally, MAPFRE GLOBAL RISKS is working on an initiative for more efficient control of catastrophic exposure in the 200 countries where the company currently insures over 600,000 risk situations.

## **SOCIALLY-RESPONSIBLE INVESTMENT**

MAPFRE also signed up to the United Nations Principles for Socially Responsible Investment. In early 2017, the Good Governance Fund was launched in Spain - this mutual fund combines investment in securities and good corporate governance.

MAPFRE also recently acquired 25 percent of the French asset management firm La Financière Responsable (LRF), which has developed an investment process based on financial criteria and ESG (Integrated Value IVA®). The method uses a database (the Eco-social Footprint). Updated every year since 2006, the database contains information about more than 120 ESG indicators for 160 companies in the eurozone. The standardized quantitative indicators make it possible to make comparisons between companies or lines of business. This database is particularly useful in the context of increased demand for non-financial information arising from environmental regulation.



# 6

# Main assets



Value creation for an organization is achievable when the company determines its different types of capital and identifies the main areas to work on and the stakeholders impacted or potentially impacted.

Value creation is not static, and projects are therefore undertaken within a time frame of several years, aligned with the Strategic Plan. This chapter describes the main milestones reached in 2017.

The information in this chapter is supplemented by the Annual Accounts and Consolidated Management Report, which are available on the corporate website.



## 6.1. Financial capital

[102-7, 201-1]

What is it?

The economic resources which the company owns and uses to pursue its business, either obtained through financing or generated through operations and/or investments.

Main stakeholders for whom this capital creates value

All stakeholders, especially shareholders and investors and society in general (*bearing in mind the economic value generated and distributed*).



What are we working on to create value?

Shareholders' equity  
Investments  
Financing operations  
The MAPFRE share

## Shareholders' equity

Consolidated equity amounted to 10.5 billion euros as on December 31, 2017, as compared to 11.4 billion euros as on December 31, 2016. Of this amount, 1.9 billion euros correspond to non-controlling interests' shares in subsidiaries, primarily financial entities in Spain and Brazil that MAPFRE has bancassurance agreements with. Consolidated equity attributable to the controlling Company per share was 2.8 euros as on December 31, 2017 (2.96 euros as on December 31, 2016).

The following chart shows changes in equity attributable to the controlling Company in the year:

Equity attributable to the controlling Company in 2017 includes:

> A net reduction of 286 million euros in the market value of the assets available for sale portfolio mainly due to the rise in interest rates in Spain with respect to the amount at the close of December, 2016. Of this, a significant amount corresponds to investments related to Life portfolios linked to products with profit sharing, and therefore are recognized as a greater equity value by shadow accounting.

> A reduction of 639 million euros for currency conversion differences, primarily due to the depreciation of the US dollar, the Brazilian real and the Turkish lira over the course of the year.

> Profits to December 2017.

> A reduction of 447 million euros equivalent to the distribution of the final dividend from the 2016 period and the interim dividend paid against 2017 earnings.

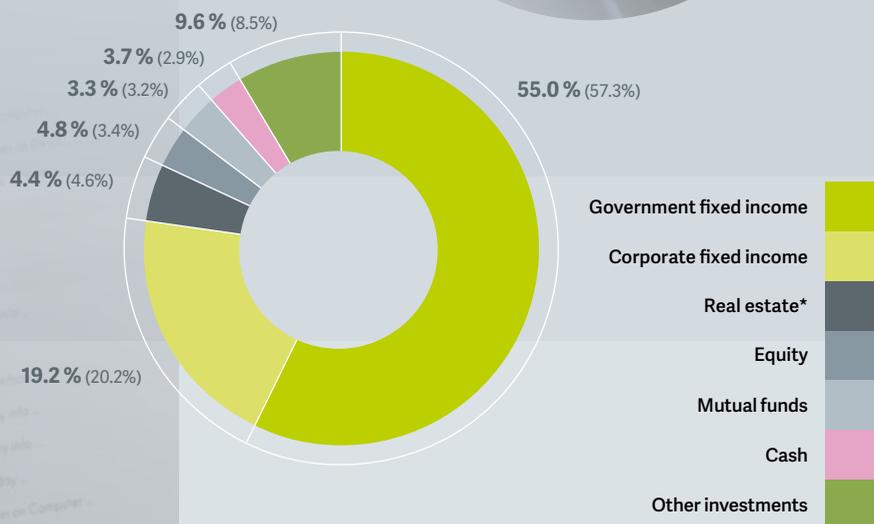
Item	December 2017	December 2016
<b>Balance at 12/31 previous year</b>	<b>9,126.5</b>	<b>8,573.7</b>
Additions and deductions recognized directly in equity		
Financial assets available for sale	(285.5)	192.4
Currency conversion differences	(639.1)	264.4
Shadow accounting	254.2	(189.1)
Other	(2.7)	(0.8)
<b>Total</b>	<b>(673.1)</b>	<b>266.9</b>
Result for the period	700.5	775.5
Dividends	(446.7)	(400.3)
Other changes in net equity	(96.0)	(89.2)
<b>Balance as at period end</b>	<b>8,611.3</b>	<b>9,126.5</b>

Figures in millions of euros

## Investments

Details of the investment portfolio by asset type are given below:

### BREAKDOWN BY ASSET TYPE



Item	December 2017	December 2016	Var.% 17/16
Government fixed income	27,388.4	28,390.2	(3.5%)
Corporate fixed income	9,572.6	10,009.6	(4.4%)
Real estate*	2,171.4	2,277.8	(4.7%)
Equity	2,400.9	1,665.3	44.2%
Mutual funds	1,631.4	1,574.4	3.6%
Cash	1,864.0	1,451.1	28.5%
Other investments	4,767.4	4,187.7	13.8%
<b>Total</b>	<b>49,796.0</b>	<b>49,556.0</b>	<b>0.5%</b>

Figures in millions of euros

\*Includes both investment property and real estate for own use

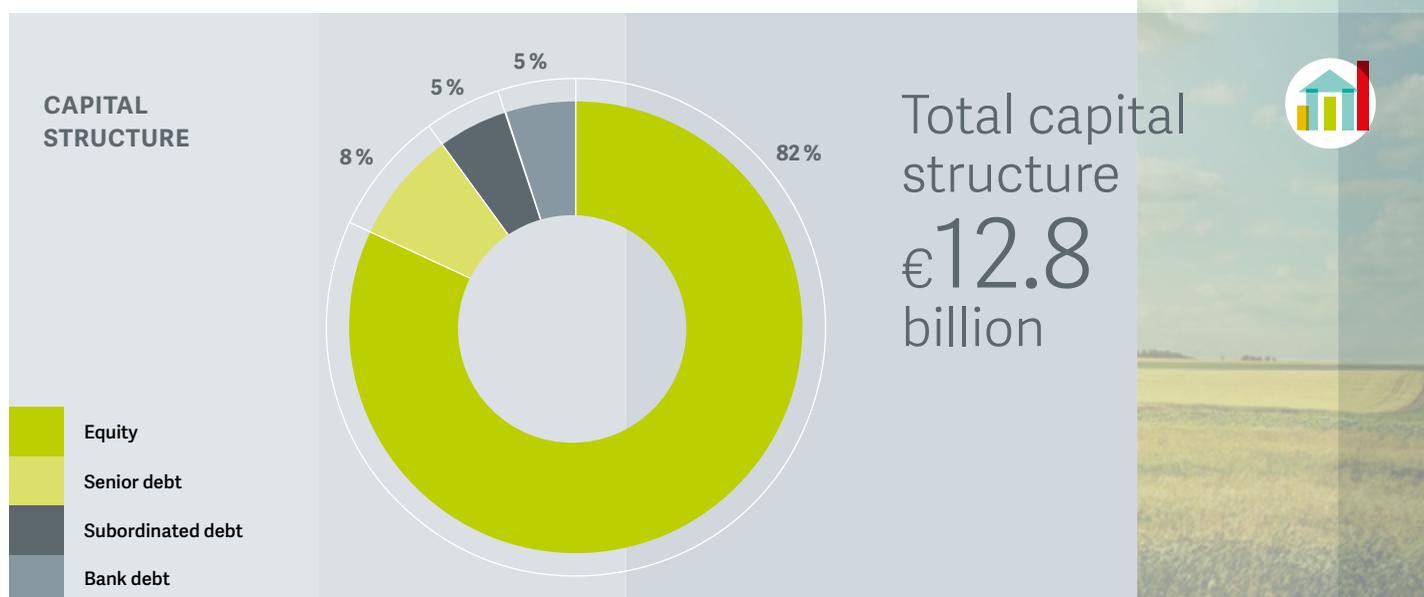
**BREAKDOWN OF FIXED  
INCOME PORTFOLIO  
BY GEOGRAPHIC AREA  
AND BY ASSET TYPE**

Item	Government	Total Corporate Debt	Corporate without collateral	Corporate with collateral	Total
Spain	15,999.8	2,198.5	921.9	1,276.6	18,198.3
Rest of Europe	4,226.1	4,067.8	3,483.5	584.3	8,293.9
United States	1,317.8	2,348.5	2,266.0	82.5	3,666.3
Brazil	3,367.6	1.8	1.8	0.0	3,369.4
Latin America - Other	1,797.5	659.9	608.4	51.4	2,457.4
Other countries	679.5	296.2	283.7	12.5	975.7
<b>Total</b>	<b>27,388.4</b>	<b>9,572.6</b>	<b>7,565.3</b>	<b>2,007.3</b>	<b>36,961.0</b>

Figures in millions of euros

**Financing operations**

The chart below shows the composition of the capital structure at the close of 2017:



Capital structure reached 12.8 billion euros, of which 82 percent corresponds to equity.

The Group has a leverage ratio of 18.1 percent, with an increase of 2 percentage points as a result of the two debt issuances carried out in 2016 and 2017.

In May 2016, 1 billion euros of senior 10-year bonds was issued, with a fixed interest rate of 1.625 percent.

In March 2017, MAPFRE successfully placed the notes of a 30-year subordinated bond, with a call option at ten years, for a total of 600 million euros, with a fixed interest rate set at 4.375 percent for the first ten years. The funds coming from this transaction were used to further strengthen the Group's financial flexibility, and diversify its financing sources, as well as to redeem in advance the total amount of the "First Issue of Subordinated Notes of MAPFRE S.A." on July 24, 2017, which is the first call date set out in the Securities Note for the issuance of subordinated notes.

This issuance is considered to be Solvency II-compliant Tier 2 capital, thus reinforcing MAPFRE's solvency and financial strength levels. The notes are currently quoted on the AIAF market.

MAPFRE has a 1 billion-euro line of credit available which was approved in December 2014, by a syndicate of 11 banks, which matures in December 2021 and of which 600 million euros

were drawn down at December 31, 2017. Therefore, the Group has an additional 400 million euros of liquidity available.

The following chart shows the evolution of the Group's debt instruments and leverage ratios:

#### DEBT INSTRUMENTS AND LEVERAGE RATIOS

Item	December 2017	December 2016
<b>Total Equity</b>	<b>10,512.7</b>	<b>11,443.5</b>
<b>Total debt</b>	<b>2,327.4</b>	<b>2,202.9</b>
- of which: senior debt - 5/2026	1,003.3	1,002.5
- of which: subordinated debt - 7/2017	0.0	594.0
- of which: subordinated debt - 3/2047 (First Call 3/2027)	617.4	0.0
- of which: syndicated credit facility - 12/2021 (€1,000M)	600.1	480.1
- of which: bank debt	106.7	126.3
Earnings before tax	1,508.7	1,805.2
Financial expenses	90.1	64.1
<b>Earnings before tax &amp; financial expenses (EBIT)</b>	<b>1,598.8</b>	<b>1,869.2</b>
<b>Leverage</b>	<b>18.1%</b>	<b>16.1%</b>
<b>Equity/Debt</b>	<b>4.5</b>	<b>5.2</b>
<b>EBIT/financial expenses (x)</b>	<b>17.7</b>	<b>29.2</b>

Figures in millions of euros

## The MAPFRE share

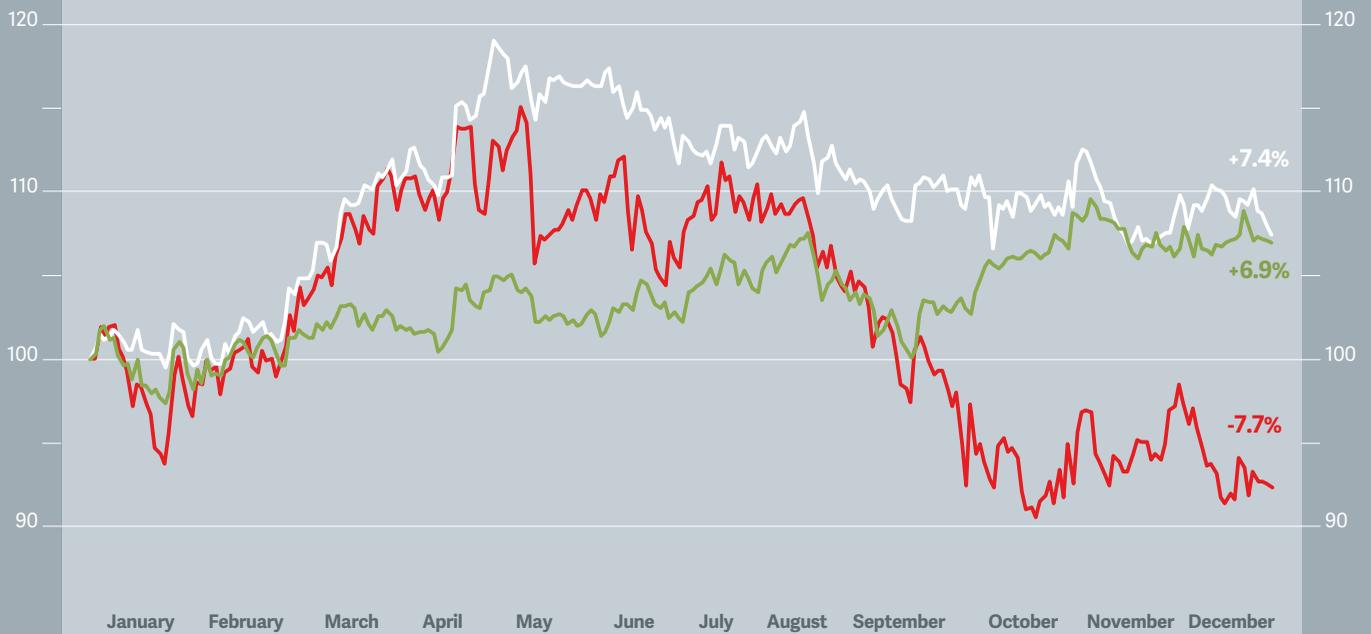
The accompanying charts show information regarding the MAPFRE share and its performance.

### STOCK MARKET INFORMATION

Item	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Total outstanding shares	3,079,553,273	3,079,553,273	3,079,553,273	3,079,553,273
Market cap (million euros)	8,247.0	8,930.7	7,119.9	8,662.8
Share price (euros)	2.678	2.900	2.312	2.813
Changes in value from January 1 (%)	(7.7%)	25.4%	(17.8%)	(9.6%)
Changes in IBEX 35 from January 1 (%)	7.4%	(2.0%)	(7.2%)	3.7%
Average number of shares traded daily	7,267,696	9,032,451	9,937,097	11,711,993
Average daily traded value (million euros)	21.5	20.4	28.5	34.6
Period high	3.336	3.130	3.605	3.463
Period low	2.621	1.617	2.281	2.399
Volume/total stock market (%)	0.8%	0.8%	0.8%	1.0%
Book value per share	2.80	2.96	2.78	2.97
Dividend per share (last 12 months)	0.145	0.13	0.14	0.14

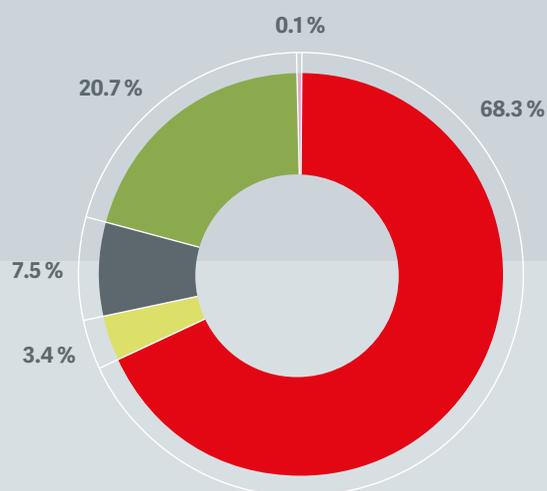


**SHARE PRICE MOVEMENT:  
JANUARY 1, 2017 – DECEMBER 31, 2017**



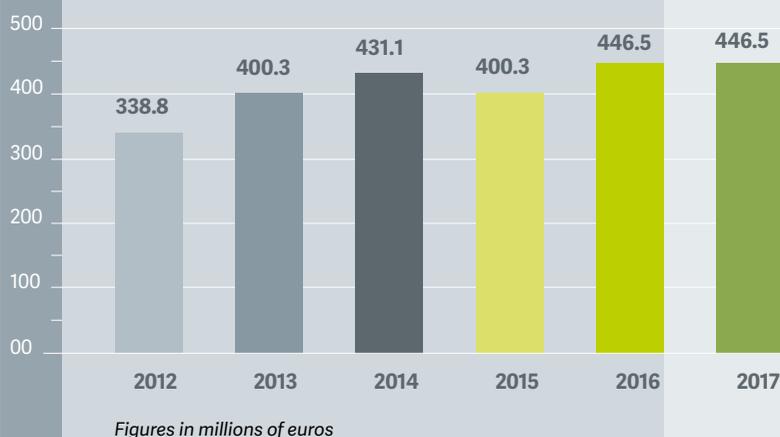
- MAPFRE
- IBEX 35
- DJ STOXX INSURANCE

## SHAREHOLDER COMPOSITION



## DIVIDEND AND PAYOUT

The final dividend for the 2017 financial year to be proposed in the Annual General Meeting is 0.085 euros per share. As such, the total dividend against 2017 results amounts to 0.145 euros gross per share, reflecting a payout ratio of 63.7 percent.



### Dividends paid against results

	2012	2013	2014	2015	2016	2017
Earnings per share (euros)	0.22	0.26	0.27	0.23	0.25	0.23
Dividend per share (euros)	0.11	0.13	0.14	0.13	0.145	0.145
Payout (%)	50.9%	50.6%	51.0%	56.5%	57.6%	63.7%



## 6.2. Productive capital

What is it?

Tangible assets or goods and services used by the company to pursue its activities.

Main stakeholders for whom this capital creates value

- > Clients and insured parties
- > Distributors (agents, delegates and brokers)
- > Providers
- > Society

What are we working on to create value?

Multichannel distribution and customer service  
 Service centers for clients  
 Digital Business  
 Providers  
 Quality

### Multichannel distribution and customer service [201-1]

At the close of 2017, MAPFRE had more than 29.5 million direct insurance clients. The breakdown by regional area is shown below:

No. of individual clients	Regional Area	No. of corporate clients
6,588,491	IBERIA	378,644
10,745,799	BRAZIL	593,232
860,398	LATAM North	86,345
3,358,168	LATAM South	199,904
1,869,498	NORTH AMERICA	130,491
3,417,428	EURASIA	128,826

Various aspects of the Client Relationship Model have been developed in all countries in 2017. This model constitutes a guide for countries to make advances in their client orientation levels, taking advantage of the experiences that have been acquired in other geographic areas and may be adapted to their reality.

MAPFRE is committed to multichannel distribution and is adapting its sales structure to the legislation governing the countries in which it operates. The basis for this multichannel distribution is its own sales network, comprising its own and delegate offices as well as agents.

In addition to its own network, MAPFRE maintains a strong relationship with agents and brokers, which represent an increasingly important part of the distribution of insurance worldwide.

MAPFRE has several agreements or joint ventures with banks and financial institutions. The agreements with BANKIA and BANKINTER in Spain, BANCO DO BRASIL in Brazil, BANK OF VALLETTA in Malta and BHD in the Dominican Republic, are particularly notable.

It also has agreements with service companies and associations that distribute MAPFRE products to their clients and members (companies or individuals).

A growing channel with potential for development consists of the distribution agreements with non-financial entities such as retailers, dealerships, utilities, with which MAPFRE also has agreements. The Group also maintains a firm

and important commitment to digital distribution, a business that is described further below.

The following table shows the 2017 breakdown of offices and brokers:

	IBERIA	LATAM	INTERNATIONAL
<b>OFFICES</b>			
Direct and Delegate	3,091	1,789	493
Bancassurance	2,436	5,051	-
<b>INTERMEDIARIES</b>			
Agents	10,119	16,324	10,325
Delegates	2,666	4,294	102
Brokers	5,229	33,835	1,436

### Service centers for clients

In order to address client needs and guarantee the best possible service, the Group has the following service centers:

Service Centers	Number	Countries
Own appraisal centers	269	17
Automobile service centers	31	3
Automobile diagnosis units	16	6
Research and development centers	7	7
Own healthcare polyclinics	19	3
Clinics with agreements	9,590	17
Dental clinics	7	1
Corporate business management centers	46	7

## Digital business

MAPFRE has focused on the profitable growth of its operations and, specifically, digital business. As such, in 2016 MAPFRE established the commitment to increase the volume of its digital business in 2018 by 50% compared to the end of 2015. MAPFRE's digital business has been basically structured into three models associated with the MAPFRE, VERTI and INSURE&GO brands.

To attain this ambitious business growth objective the Group has developed several actions intended to improve its profitability.

The strategy defined within the Digital Business Plan is contributing to the attainment of the established objectives.

The various digital marketing actions carried out have improved client orientation by improving personalization and knowledge of clients and applying Big Data techniques, which have also contributed to optimizing acquisition costs and reducing operating costs. The digital process conversion ratios must increase to consequently increase sales.

Advances have been made in the fight against fraud by analyzing available digital data relating to both new production and renewals through portfolio analysis actions and price optimization techniques.

The development of good practices within the various Group operations coordinated by Digital Business has contributed to the attainment of those objectives. An example of this is the definition of a good practices framework for the development of digital business through aggregators and the definition of the Digital Marketing Policy.

More than 150 MAPFRE professionals have been trained throughout the world through the first edition of the Global Digital Marketing and Client Digital Experience Program. Organized within the framework of the MAPFRE Corporate University, the program consists of nine modules and a total of 180 training hours per employee.

### Providers

[102-9, 102-10, 204-1, 308-1, 308-2, 408-1, 409-1, 410-1, 412-1, 412-3, 414-1, 414-2]

MAPFRE works with more than 139,000 providers, making a distinction between service providers and specific providers (those who render services and assistance as per insurance or service contracts offered by the Group's insurance companies or its subsidiaries to its clients) and support or general providers (those who do not work directly with insureds, but rather with the company as it conducts its affairs, such as suppliers, consulting firms, printers etc.). The table overleaf shows the breakdown by number and total cost.



### Digital business

Growth of  
**37.4%**  
in 2017  
vs. 2015

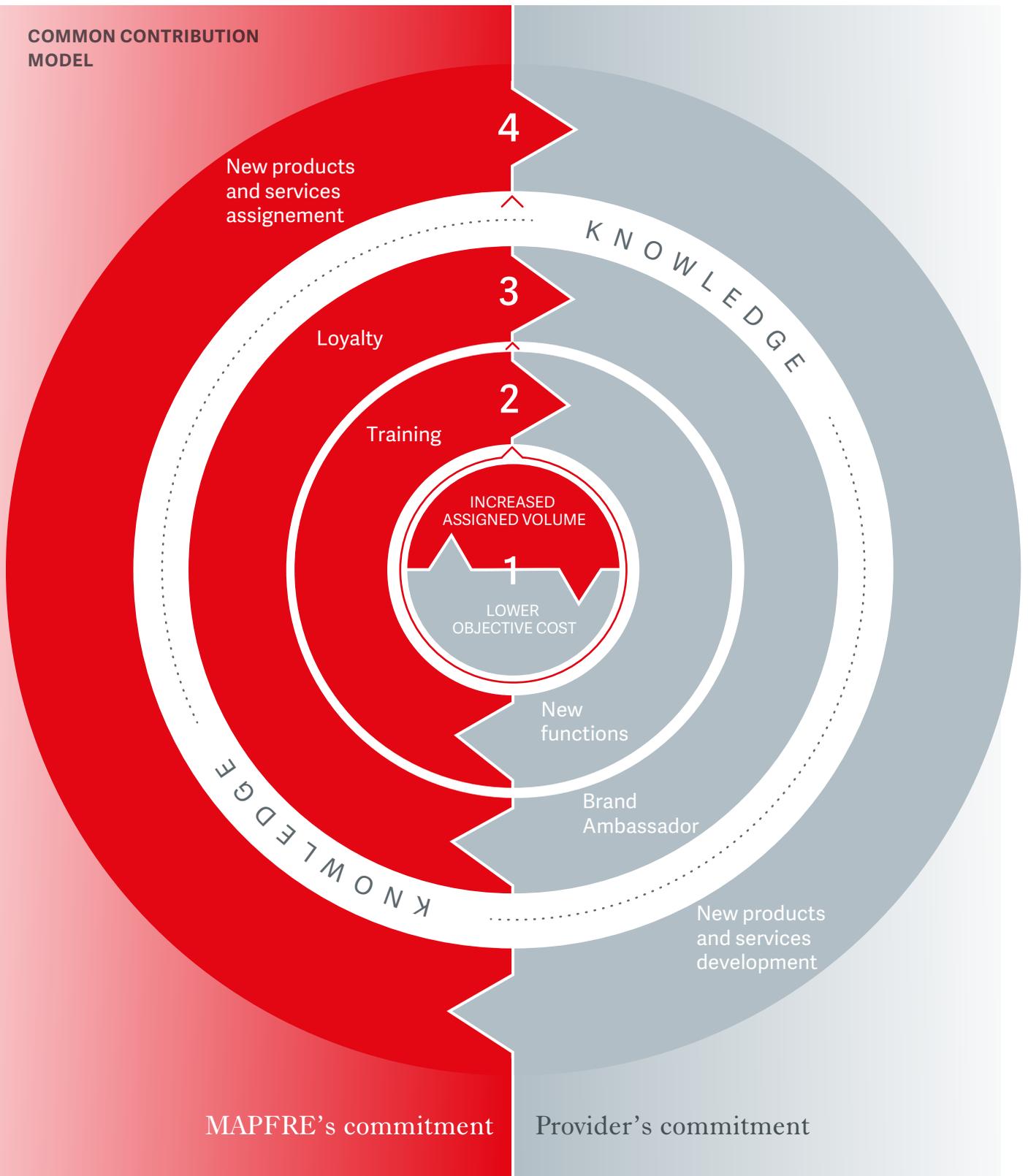
Providers	IBERIA		LATAM		INTERNATIONAL	
	No. of providers	Cost (€m)	No. of providers	Cost (€m)	No. of providers	Cost (€m)
<b>Services (Specific)</b>	65,165	1,474	29,012	601	28,918	569
<b>Support (General)</b>	3,710	495	7,296	323	5,465	248

To strengthen the relationship with providers and provide better service to clients, MAPFRE makes materials, training dossiers, tools, and online and on-site courses available to providers, in order to facilitate their jobs and to keep them updated regarding regulatory changes, technological developments and other relevant matters. Furthermore, in 2017 5 specific provider loyalty programs were developed in 8 countries, usually in the form of offering them advantages such as insurance or travel discounts.

MAPFRE has a management model for service providers to develop the "Providers as Brand Ambassadors" strategic initiative, based on the application of the general principles that define the management model orientation and the relationship with service providers. These principles are Client orientation, optimization of contact with clients, bi-directional commitment, provider value, categorization of providers and cost optimization.

This common contribution model implies continuous feedback regarding the commitments between MAPFRE and the provider, such that all matters included in the model give rise to the establishment of new commitments by both parties.

**COMMON CONTRIBUTION  
MODEL**



The Providers as Brand Ambassadors project is currently underway in 24 countries:

> **BRAZIL Region: Brazil**

> **LATAM North Region: Mexico, Dominican Republic, Panama, Honduras, Nicaragua, Costa Rica, El Salvador and Guatemala.**

> **LATAM South Region: Colombia, Argentina, Uruguay, Paraguay, Ecuador, Chile, Venezuela and Peru.**

> **North America Region: United States and Puerto Rico.**

> **EURASIA Region: Italy, Germany, Turkey, Malta and Philippines.**

In 2018, work will begin on pushing transformation projects in every country on the back of the implementation of the common contribution model, as well as policing the main project efficiency and quality indicators.

One of the Group's sustainability objectives is to promote socially responsible behavior on the part of providers who work, or who want to work, with MAPFRE. Within the MAPFRE Group Sustainability Plan 2016-2018, the approval questionnaires for both service and support providers have been revised and updated to include key questions related to environmental, social and governance (ESG) aspects. Among other things, the questionnaires include sections on security and workplace safety measures afforded workers, prohibition of child and forced labor, environment and labor sanctions, workforce inclusion, respect for basic labor rights and commitment to human rights.

New providers will be added with ESG approval, and current providers will go through the related approval process in a gradual manner.

In 2017, a total of 233 support providers with ESG approval were added to the roster, and 4,049 service providers were invited to become approved in this aspect, with 2,634 completing the process.

Furthermore, a specific application was rolled out that facilitates the control and management of ESG factors relevant for this type of provider. The application is already operational in Argentina, Colombia, Ecuador, Mexico and the Dominican Republic, and will be up and running in 22 countries over the course of 2018.

MAPFRE's Procurement Regulations allow for the rejection of a provider in the event that they either do not sign up for, or do not comply with, the following clauses: data protection, treatment of provider data, signing an environmental and energy commitment letter, provider equality clause and a declaration of the relationships between contractors, shareholders or other persons linked to the provider and people linked to MAPFRE, as well as a reputation clause.

## Quality

The quality perceived by clients is evaluated using the MAPFRE Global Model for Measuring Client Experience, the aims of which are as follows:

> To constantly be aware of, by use of a consistent methodology, the level of client satisfaction in the different countries and businesses.

> To identify the aspects impacting the client experience in order to make improvements.

> To provide countries with a tool to help them in defining and implementing initiatives, assigning the most appropriate priority level.

> To set goals for improvement and aspire to be a benchmark in client experience across all countries and lines.

Additionally, the MAPFRE Quality Observatory is responsible for measuring the quality perceived and delivered and conducts client surveys in every country where the company operates. These surveys cover all lines of insurance and assistance services and are conducted every six months. This is done through the analysis of the Net Promoter Score (NPS) to evaluate client satisfaction and critical client contact points, and recommendations are prepared regarding the main areas that may be improved.

The reports drawn up by the Quality Observatory provide data on the client experience, assisting with the decision-making process in the different business areas.

In 2017 the 4th and 5th NPS measurement waves were carried out, involving a representative sample of MAPFRE's portfolio. These waves each covered 23 countries and lines, covering almost 79 percent of the Group's total Non-Life premium volume.

In 2017 the Quality Observatory performed the first measurement of the internal NPS (iNPS) regarding the level of client experience with the reinsurance services rendered by MAPFRE RE to all Group companies.

In addition to the Global Model for Measuring Client Experience, MAPFRE assigns 220 employees to monitoring and controlling quality worldwide. Meanwhile, several companies have quality certifications whose renewal demands sustaining high customer service standards.

MAPFRE holds ISO 9001 certification in Brazil, Spain and Turkey. MAPFRE RE also holds ISO 9001 certification and MAPFRE ASISTENCIA holds this same quality certification in Algeria, Argentina, Bahrain, Brazil, Chile, China, Colombia, Ecuador, Philippines, Italy, Mexico, Dominican Republic, Tunisia, Turkey and Venezuela.



## 6.3. Human capital

What is it?

Competences, knowledge, abilities and experience of the organization's people.

- > Employees
- > Clients
- > Society

Main stakeholders for whom this capital creates value



What are we working on to create value?

- Diversity management
- Talent management and mobility
- Learning and knowledge management
- Organization and new ways of working
- Remuneration and recognition
- Health and Well-being
- Digitization of processes (HR Analytics)

## Presentation of general data [102-7; 102-8, 401-2]

Table 1. Total and average headcount for the MAPFRE Group

Total headcount	2017	2016
Headcount at December	36,271	37,020
Average headcount	36,716	37,763

2017 HEADCOUNT BY GENDER	
Women	Men
54.4%	45.6%

Table 2. Total number of employees by type of employment contract/ gender and region

Organizational distribution	PERMANENT		TEMPORARY		TOTAL	
	Men	Women	Men	Women	Men	Women
Corporate areas/ central services	871	657	10	8	881	665
IBERIA	4,571	4,749	77	183	4,648	4,932
LATAM	6,627	8,544	158	218	6,785	8,762
INTERNATIONAL	3,797	4,898	235	282	4,032	5,180
REINSURANCE	185	192	5	4	190	196
<b>Total</b>	<b>16,051</b>	<b>19,040</b>	<b>485</b>	<b>695</b>	<b>16,536</b>	<b>19,735</b>

CONTRACT TYPE PROPORTION	
Permanent	Temporay
96.7%	3.3%

Table 3. Total number of employees by type of employment contract/ gender

Total number of employees by type of employment contract/work schedule and gender	Men	Women
Total number of employees on full-time contracts	15,910	17,040
Total number of employees on part-time contracts	626	2,695

Table 4. [401-1]

	2017		2016	
	Men	Women	Men	Women
New hires	43.9%	56.1%	43.1%	56.9%
Average age	41.5	39.2	40.4	39.5
Average length of employment	9.8	9.3	9.6	8.6
Unwanted turnover (*)	8.5% (**)	9.1% (**)	8.1%	9.5%

(\*) Unwanted turnover is calculated using the following formula: voluntary resignations over average headcount.

(\*\*) This rotation is similar to other years, and is considered as low by the company.

Note 3 of section 7.4 of this document contains more information on new hires and departures.

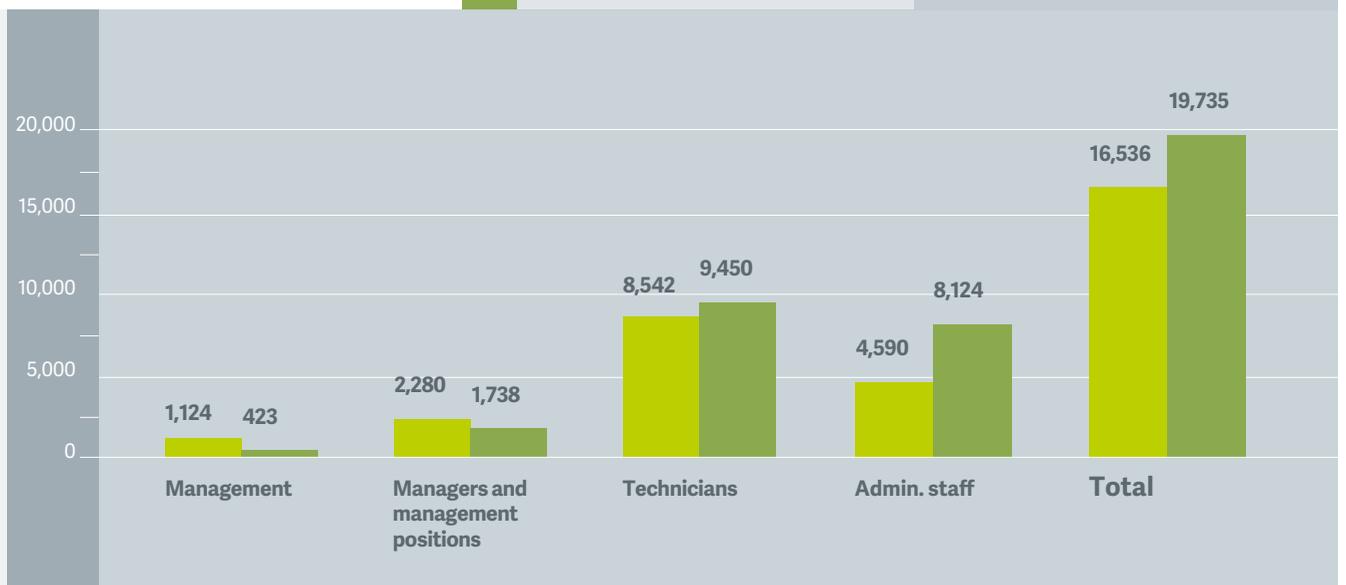


## Diversity management [102-8, 401-1, 405-1]

Employee management is particularly relevant in a global company with a worldwide presence, as is the case with MAPFRE. MAPFRE has a Diversity and Equal Opportunity Policy in place and maintains a public commitment to both gender diversity and functional diversity.

### GENDER DIVERSITY

A global action framework has been defined to strengthen equality in all employee management processes.



In 2017, 2,161 women held management and leadership job positions. There is a commitment in place to have women hold 40 percent of management and leadership positions worldwide by 2018. Progress with this objective can be seen in the accompanying table:

% WOMEN IN MANAGEMENT/LEADERSHIP JOB POSITIONS AT THE GROUP	
2017	2016
38.8%	38.6%
2018 Objective: Women holding 40 percent of Group management and leadership positions	

In 2017:

- > Women represented 56.1 percent of new hires.

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- > Women made up 38.8 percent of employees in management/leadership positions, which is a 2 percent increase over the past three years.

---

- > 53 women occupy senior management positions or positions on Boards of Directors. The MAPFRE S.A. Board of Directors includes four women, representing 26.7 percent of its members.

---

- > Women occupied 13 percent of management/leadership positions considered as "Top Management", and 40 percent of women hold positions considered to be "Junior Management".

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## FUNCTIONAL DIVERSITY

At the end of the year, 768 employees with different capacities formed part of the Group's workforce, which is 48.3 percent more than in 2016.

MAPFRE is also firmly committed to including people with disabilities in its workforce, and thus committed to having this group make up 2 percent of the workforce by 2018. MAPFRE has exceeded this objective one year ahead of schedule.

PEOPLE WITH DISABILITIES IN THE WORKFORCE	
2017	2016
2.1%	1.4%
2018 Objective: People with disabilities comprising 2 percent of the workforce	

Within this context, the Global Disability Program, implemented in all countries with measures to strengthen the integration and sensitivity culture, plays a relevant role and facilitated the following actions in 2017:

## Awareness actions to generate a culture sensitive to disabled people

**6,410** employees trained through the e-learning course on disabilities

**139** volunteer activities involving disabled people

**3** discussions and awareness activities in development training programs

**29** news items on the intranet and dissemination of studies carried out by Fundación MAPFRE

## Actions to improve quality of life

**Personalized attention procedure for disabled employees** and those who suddenly develop a disability

**Development of computer applications** with accessibility criteria

## Workplace Integration Actions

In 2017

**120** people with disabilities joined the workforce

At present,

**768** MAPFRE employees with disabilities work in 31 countries

**23** interns with disabilities gained work experience at MAPFRE

Donations totaling

**333,843** euros, were assigned to actions related to workplace inclusion for disabled people

**Promotion of indirect employment** through contracts with special employment centers or similar companies totaling

**250,687** euros

The Group promotes international mobility, which in 2017 enabled 108 employees to transfer their job positions to another country.

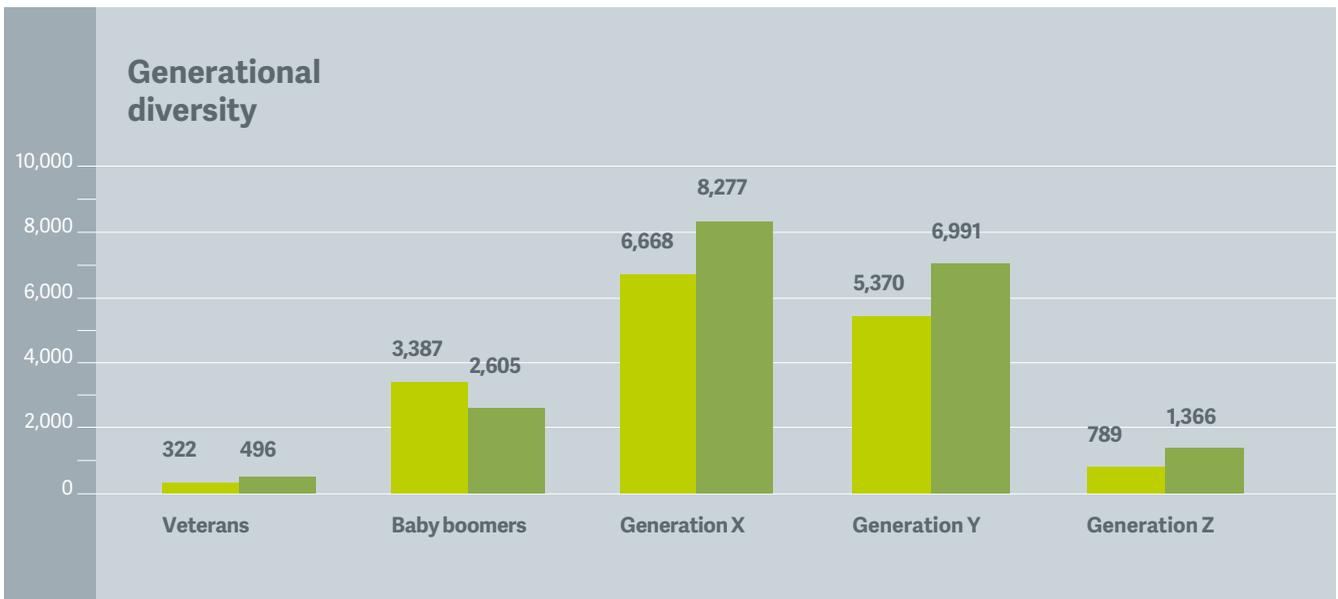
As regards senior management and executives who work in Group companies, 82.4 percent are natives of the countries in which they work.

### CULTURAL DIVERSITY [202-2]

MAPFRE has 36,271 employees of 81 nationalities, (1,170 employees in the Corporate areas of 17 nationalities), which gives the Group great cultural diversity and provides it with the talent it needs for the business.

### GENERATIONAL DIVERSITY

Several generations work together at MAPFRE, as shown in the accompanying graph:



A global mentoring program continued throughout 2017, which is an initiative that started in 2016 with the promotion of several events among the various generations.

## Talent management and mobility

A global project has been implemented to identify the profiles that are necessary for the business strategy and talent requirements within the organization. In addition, development plans have been defined for each employee participating in the project, thereby guaranteeing succession plans and executive replacements, as well as covering strategic needs.

Within the project framework, 59 global strategic profiles have been identified; 4,217 employees with potential have been identified and selected; a global database, MAPFRE Global Talent Network, has been created to manage these employees, which powers a global talent management system using cloud technology, and global career plans have been developed for underwriters, sales advisors and actuaries, covering 1,911 employees.

The recruitment of external talent and support for young talent is also promoted and the e-recruitment project published 586 selection processes on social and professional networks, which allowed the number of followers interested in working at MAPFRE to increase from 87,198 to 127,220.

MAPFRE has a global program covering internships in place at the company, called "Grow with us", along with several trainee programs.

> **Global Internship Plan: agreements have been reached with 438 universities, business schools and university institutions and in 2017, 1,201 students completed internships in various areas of the organization.**

> **Trainee Programs: the main objective of these programs is to recruit recent graduates who are highly prepared and have high potential. In 2017 the specific program for MAPFRE RE involved 15 people of 9 nationalities, who joined the 63 employees selected via other programs over the past two years.**

## INTERNAL MOBILITY [202-2, 404-2]

In 2017, of the 5,210 published vacancies, 1,836 were filled through internal mobility, with this representing a promotion for 53.4 percent of the people involved. Functional mobility stood at 10.6 percent of the workforce, representing 3,900 employees.

Geographic mobility (international careers, global mobility or temporary transfers) allowed 23 countries to work with professionals from another 22 countries. Currently, 273 managers and employees are working outside their country of origin.

MAPFRE employees may also participate in the temporary mobility program, Task Force, which involves the launch of new businesses or transversal transformation projects through the immediate and coordinated action of a specialist team. This mobility encourages employee development, increases employability and the development of global skills, thanks to its international scope. Last year, 20 employees participated in this type of project.

Mobility is considered to be the primary promotion and development tool. Accordingly, the objective set for each year globally is a mobility rate exceeding 10 percent.

## Learning and knowledge management [404-1, 404-2]

Training has always been a differentiating and very relevant factor at MAPFRE. The company promotes learning and knowledge management through its Corporate University, knowledge paths, training itineraries, self-learning and mentoring.

In 2017, the foundations for knowledge management were established at MAPFRE, which will facilitate employees in accessing knowledge and sharing it via the internal Intranet and other digital channels.

**The Corporate University:** present in all countries in which MAPFRE operates, the university facilitates training in the three corporate languages and five local languages, and it is accessible to all employees and more than 16,000 intermediaries. Within the university, there are 16 Technical Schools, 9 Knowledge Rooms and an Innolab.



TECHNICAL SCHOOLS	ROOMS
	Directors Room
Insurance School	Life Room Companies Room Digital Business Room
Clients and Sales Development School	Sales Room Clients Room
Operations School	
Finance School	Investments Room
Actuarial School	
Auditing School	
Human Resources School	
Technology and Processes School	
Strategy and M&A School	
Legal School	
Reinsurance School	
Leadership School	
Professional Development School	
Culture and Global Policies School	
Language School	
Skills School	Communication Room Digital Skills Room

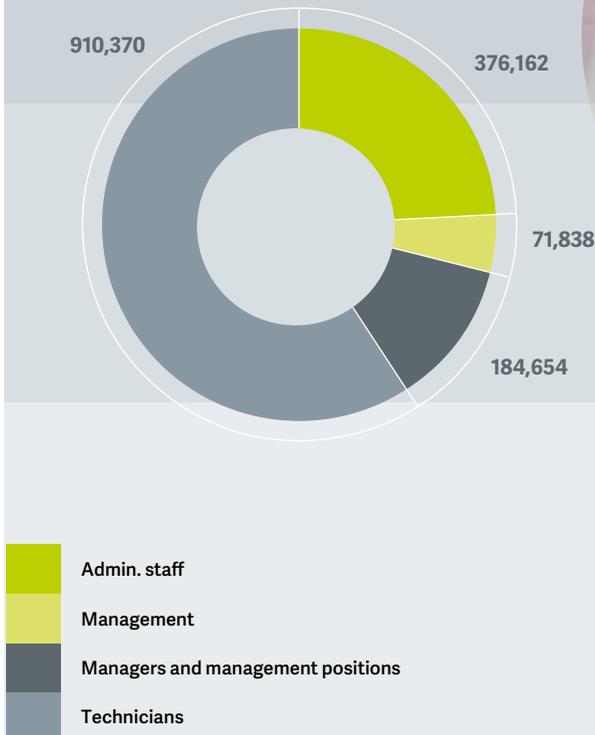
InnoLAB



Some relevant information:

> In 2017, the Reinsurance School and two new classrooms linked to strategy - the Life Room and the Companies Room - were launched. Over the course of the year training was provided to 100 percent of the workforce, via 1,543,024 hours of training, which represents an average of 43 hours per employee.

## Number of training hours by job position



> More than 35 global technical and transversal programs were carried out.

> A total of 20.8 million euros was invested in training, an average of 573 euros per employee.

> A Global Program on Digital Business and Digital Client Experience was delivered in the three corporate languages, through which more than 150 professionals from 20 countries were certified.

**Knowledge Paths:** More than 1,700 knowledge points relating to the thirteen functions in the MAPFRE functions map have been identified, and serve as a basis for the design of development plans, career plans and training itineraries, as well as to identify and take advantage of synergies within training resources in different countries.

**Training Itineraries:** Establish common technical training at global level for all countries in Spanish, English and Portuguese, and training itineraries have been defined and designed for brokers, issuers and call center employees. In 2017, 10,360 employees benefited from this training.

**Self-learning:** By offering all employees around the world open catalogs of different training resources, employees establish their own learning road map and can design and build their own knowledge and career route. Access is available to more than 150 training resources.

**Mentoring:** Employees and executives have an "internal guide" who assists them in advancing with an action and development plan with regard to specific learning, organizational knowledge, culture, digital awareness, platform use and social network objectives, among other things. To facilitate their development, a global framework has been defined for

the mentoring process, both on a traditional and inverse basis.

## Organization and new ways of working [401-3]

Promoting a culture of team work and collaboration is a corporate objective, and to this end the Group has a universal functions and job map in place to assist with the definition of strategic profiles and knowledge points within the organization.

The corporate intranet, to which 80 percent of employees worldwide have access, facilitates the sharing of information, knowledge and content across the entire organization. There are currently 4 groups working on 11 projects under the Agile methodology, and 400 people have been certified in lean methodologies.

Work is also underway on implementing flexible schedules, technological mobility and process-based and objectives-based work. The following results were obtained in 2017:

Work-life balance measures	No. of employees benefitting
Flexible work schedule	12,198
Part-time work arrangements	1,321
Reduced workday	3,062
Remote working	473
Paid and unpaid leave	14,664
Parental leave	749
Maternity leave	432
Sabbaticals for study/family purposes	346
Employee reintegration program following a protracted leave of absence	134

## Remuneration and recognition [102-35, 102-36, 102-37, 102-38, 201-3, 401-2, 404-3]

MAPFRE has a Remuneration Policy in place that seeks to establish appropriate pay levels in line with each function and job position and professional performance. This facilitates remuneration serving as a source of motivation to reach established objectives and to contribute to executing MAPFRE's strategy.

The Remuneration Policy also guarantees equality, internal and external competitiveness in each market, and forms part of the internal development of employees.

The pay structure comprises 5 items:

- > Fixed remuneration.
- > Variable remuneration linked to objectives, being one form of variable remuneration.

> Long-term compensation programs and multi-year incentives at global level for more than 200 executives.

> Recognition programs.

> Social and other benefits.

In order to determine the percentage of variable compensation compared to fixed compensation, the following table shows the optimal target percentages of variable compensation established with respect to fixed compensation for each job level:

Job position level	Variable remuneration as a % of total fixed compensation
Executives	40%
Managers and Management Positions	30%
Technicians	20%
Admin. assistants	10%

The assignment and settlement of annual variable remuneration happens via the **Objectives-based Management** model, which determines the weight of the various categories of objectives for each job position level. This model was fully rolled out in 2017 in all countries and business units, and a distribution of objectives at the closest impact level for employee performance was completed with respect to the results obtained by the company, as is reflected in the table overleaf.

MAPFRE MBO 2017	GROUP OBJECTIVES				
Job position	Job position	Corp. Area/Business Unit/ Regional/Gen. Mgmt.	Country/Company/ Corp. Mgmt.	Area/ department	Individual objectives
Chairman and CEO	100%				
Executive committee	60%	40%			
MAPFRE senior management	40%	30%	30%		
Management	10%	10%	40%	40%	
Managers and management positions	5%	5%	30%	60%	
Technicians and admin. staff	5%	5%	10%	20%	60%

### [102-37]

Performance Evaluation allows employees to know their objectives and receive continuous feedback regarding their work performance while improving communication with their line manager, reaching consensus on an action plan focusing on professional development. It also contributes to the development of the team and aligns it with the business strategy. In 2017, evaluations were completed for 30,666 employees, representing 84.5 percent of the workforce.

MAPFRE offers a broad range of social benefits which, in addition to forming part of the compensation structure, facilitate well-being and work-life balance for employees. The following table shows the main benefits offered by the Group.

Type of company benefit	% of employees who enjoyed the benefit from among entitled employees
Health insurance	94.8
Retirement/Life insurance systems	97.3
Insurance discounts	73.3
Length of service awards	19.7
Education grants for the children of employees	39.1
Newborn child bonus	5.1
Loans	21.9

All benefits are offered to employees, regardless of whether they are on permanent or temporary contracts, and in 2017 company benefits totaled 180.5 million euros.

Assistance is also offered to employees for special situations, normally resulting from health problems, together with financial assistance for retired employees. The amount applied to this assistance in 2017 totaled 506,025 and 437,096 euros respectively.

### Well-being and health [401-3, 403-1, 403-2]

The Group has a Well-being, Health and Occupational Risk Prevention Policy in place, the general principles of which are to ensure a healthy work environment that allows all employees to do their jobs under the best physical, psychological and social conditions possible, and to attain an optimum level of occupational safety beyond mere compliance with occupational risk prevention regulations.

MAPFRE adopts a prevention model through which workers may actively participate in everything that might affect their health and safety at work, for which there are legally established representation channels. A total of 27,130 employees, or 74.8 percent of the workforce are represented on joint management-employee health and

safety committees, which were set up to help, monitor and advise on this issue.

In addition to occupational prevention matters, MAPFRE has implemented a Healthy Company model that was created in line with current international guidelines, (European

Network for Workplace Health Promotion (ENWHP) and the WHO), which is sustained by a continuous improvement process.

It is a holistic model, focused on people, around which there are five areas of action.



**THERE FOLLOWS SOME RELEVANT DATA REGARDING THE PREVENTION AND HEALTHY COMPANY MODEL DURING THE YEAR:**

	2017		2016	
	Men	Women	Men	Women
Number of workplace accidents (*)	214	255	185	236
Total number of work hours lost due to absenteeism as a result of non-workplace accidents and common illnesses	501,981	1,348,571	473,913	1,221,648
Number of work hours lost due to workplace accidents	30,907	46,717	33,310	43,954
Percentage of hours lost over total of theoretical hours.	2.0%	4.3%	1.8%	3.8%

(\*) The data for Spain only takes into account accidents that resulted in a leave of absence

Maternity leave was taken by 749 employees in 2017, while paternity leave was taken by 432 employees. At the end of this leave, 77.7 percent of women and 95.8 of men return to work.

> **Training/awareness:** every year employees receive health and healthy habits training, and in 2017 a total of 10,879 hours of specific training were given on health, well-being and occupational risk prevention.

Between June 5 and 9, MAPFRE Week: Health Objective was celebrated, an international initiative aimed at promoting healthy lifestyle habits and encouraging employee participation in events, involving more than 33,000 Group employees (93.9 percent of the workforce).

The “Think Pink” campaign, which aims to enhance breast cancer awareness, deserves mention here: carried out in 26 countries, the campaign reached 82.2 percent of employees.

For further information regarding the campaigns carried out by the Group, please consult indicator 403-2 in the GRI indicator index in the Supplementary Information section.

**Process digitalization (HR analytics)**

This relates to a project developed within the framework of the strategic talent initiative that is intended to enrich human resources management:

> The first predictive model has been produced to identify those posts and employees with the highest likelihood of rotation, and parameters and leverage have been defined to reverse these situations.

> The talent, learning, selection and mobility processes are carried out using a global cloud-based technology tool, with globally defined processes that are implemented equally in every country. This encourages mobility and global and collaborative work.

## 6.4. Intellectual capital



### What is it?

Knowledge-based intangible assets that favor both intellectual property as well as a knowledge of systems, procedures and protocols, as well as intangible assets related to reputation and the brand.

### Main stakeholders for whom this capital creates value

- > Clients
- > Employees
- > Society
- > Shareholders



### What are we working on to create value?

Innovation  
Digital Transformation  
Cybersecurity  
Intangible assets associated with the brand and reputation

### Innovation

At MAPFRE, innovation aims to produce specific improvements to the value provided to clients or efficiency improvements. It also seeks to keep abreast of market developments and in line with trends that arise at global level, which is now a matter of survival for companies.

New value propositions are sought in strategic segments that respond to business challenges, as well

as exploring new trends to gain knowledge as to how they impact the environment so as to adapt the business to those changes.

The pillars of MAPFRE's Innovation Model are as follows:

**1. The Innovation Community**, which in 2017 reached a total of 19 innovation and development offices (OID), at which there are approximately 40 part-time employees and more than 250 Innoagents

(employees in any post within the organization who act as ambassadors for innovation, providing methods to change the company's culture and actively participating in innovation projects within their environments). The purpose of this community is to generate and channel innovation within the organization and translate it into specific projects that comply with the company's strategic plans.

To ensure that companies adapt to changes in their environment, cultural

transformation at all levels is necessary. Abilities with tools such as Design Thinking or Lean Startup contribute to making innovation at MAPFRE a reality. During 2017, training on this methodology, for both employees belonging to the innovation community and those at different levels of the organization, was given in all regional areas.

At the end of 2017 the innovation portfolio at MAPFRE at global level consists of more than 70 innovation projects which, due to their geographic scope and potential impact on the organization, are divided into 58 local, 4 global and 8 corporate categories.

The Corporate projects respond directly to the company's global strategic plan. An example is those that cover the Strategic Initiative on Automobile Insurance in MAPFRE 3.0, which was created in 2017 on the back of the paradigm change that is taking place in the automobile ecosystem. The objective of the initiative is to develop automobile insurance and boost capacities within the MAPFRE Group that will ensure it maintains its value proposition and competitiveness in the coming years.

This strategic initiative includes several specific projects that progressed in 2017, and are articulated via three axes: the technological development of vehicles (connectivity, automatic driver assistance systems (ADAS) and electric cars), which are taking giant leaps forward, the changing role of manufacturers, which demands new responses from insurers, and the sharing economy, which is already a reality.

**2. Think Tanks**, which are dedicated to exploring and analyzing new trends and their direct impact on the business.

**3. The Startup Relationship Model** which covers interaction with the entrepreneur and startup ecosystem in order to analyze possible innovative solutions that respond to challenges faced by the company, gaining an awareness of the most agile and dynamic methods of working and incorporating best practices. Over the course of 2017, this new entrepreneurial ecosystem was analyzed in order to build bridges connecting MAPFRE with the startup environment, ratifying its commitment to society and adapting the company to the new business models that are evolving constantly worldwide.

Work continued on developing three lines of action in 2017:

- > Participation in investor vehicles, such as Alma Mundi.

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- > Startup observatory: Monitoring of the insurtech/fintech ecosystems to establish partnerships with key companies.

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- > Participation in acceleration processes: Exploration of new relationship models with startups.

### NEW PRODUCTS AND SERVICES LAUNCHED 2017 [102-2]

MAPFRE firmly believes that it is crucial to be as close as possible to the client, adapting to their needs, and so the company develops new products and services to continue offering a greater

range of solutions to the growing and changing needs of clients.

In 2017, 11 new services related to improving client relationships and better meeting their expectations were launched. These included both applications and improvements to client web portals.

In addition, the products listed below were launched over the course of the year to complement the Group's sales offering.

Line	No. of Products
Accident	3
Automobile	13
Credit	3
Burial	1
Homeowners	1
Corporate multi-risk	1
General P&C	9
Third-party	4
Health	6
Life	24
<b>Total</b>	<b>65</b>

MAPFRE also has portfolio products and services aimed at lower-income groups, as well as environment-related products and services. See Note 4 in section 7.4 of this document for further information.

## Digital transformation

Digital transformation is one of the lines of action defined in the Group's Strategic Plan, the objective of which is to quickly respond to the new needs of our clients.

During the year MAPFRE made significant advances in its digital transformation process, launching more than 200 projects. This effort has allowed significant achievements to be attained with respect to the digitalization of client relationships, (considering a client to be a consumer, distributor, provider and internal client), as well as operations:

> Specifically, in the case of the consumer client, attraction and conversion have improved thanks to better digital marketing, the management of leads using ROPO (Research Online Purchase Offline) and the implementation of advanced pricing systems (present in 3 countries –Spain, Turkey and Columbia– and under development in Brazil and Peru). The increase in self-service functionality should also be included within these actions. During the year, work advanced on the creation of a Corporate Mobility Framework, linked to business needs, in order to unify, reuse and make the rollout of apps by all countries more agile.

> In the case of the distributor client, the focus was on mobilizing the sales network and generating a 360° view of clients. The corporate CRM was rolled out with 10 implementations, with those of MAPFRE SIGORTA, MAPFRE RE, MAPFRE ESPAÑA Corporate Client and VERTI USA being notable due to their impact. The advances in big data have also delivered enriched client information and facilitated the company in advancing with respect to the 720° client view.

> Digital solutions have been deployed for providers in order to enhance their mobility, receiving service assignments directly on mobile devices and providing them with the ability to report the status of the service being rendered in real time.

> Significant advances have been made with the implementation of the Global Intranet for internal clients or employees, which now covers 96.4 percent of employees falling within the scope of the project (which excludes BB MAPFRE and Indonesia).

> Finally, strong progress was made with respect to digitalizing operations, with more 8.3 million automated transactions carried out in 2017.

## Cybersecurity [418-1]

Within the context of technological disruption that has the ability to affect almost every aspect of society, MAPFRE understands that cybersecurity is a key issue and the following have been identified as protection priorities:

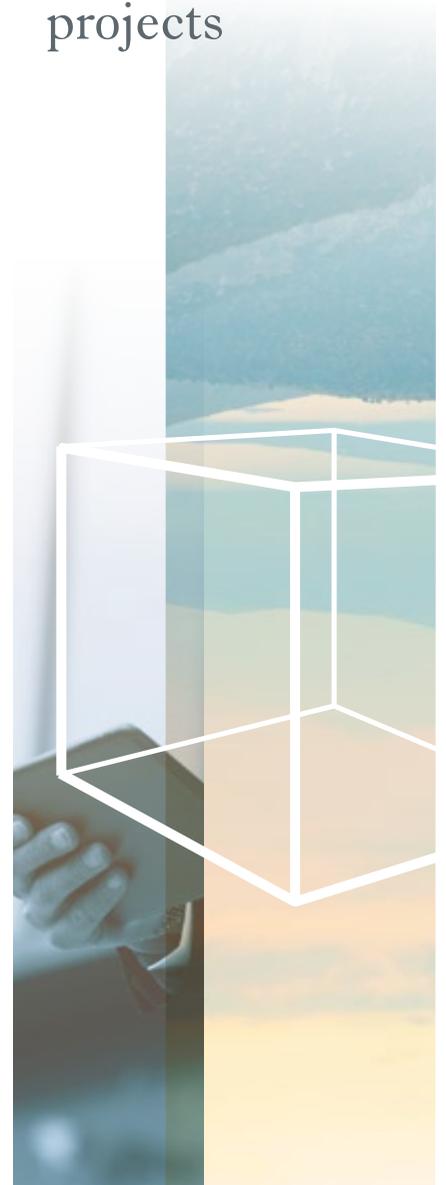
> Information regarding third parties (clients and other stakeholders) that is provided by them so that the business may be carried out and they may be provided with the contracted services when the time comes

> The information owned by MAPFRE that gives it a competitive advantage and/or brand value

> The technological systems and the information that support the company's business processes



The innovation portfolio comprises  
**70**  
projects



In order to achieve the foregoing, MAPFRE has in place a series of strategic lines that are articulated through cybersecurity and which are intended to contribute to the sustainability of operations:



## Cyber Risk Management

- > Evaluation and improvement of cyber attack prevention, detection and response mechanisms.
- > Continuous development Information Systems and Communications Networks protection mechanisms.
- > Evaluation and improvement of Disaster Recovery mechanisms.

## Proactive Privacy

- > Early adoption of the European General Data Protection Regulation.
- > Centralization and concentration of capacities at the Corporate Office for Privacy and Data Protection (OCPPD).
- > Integration of Privacy into the life cycle of new initiatives that involve the management of personal data, including carrying out preventive analysis regarding the impact on privacy of new processes and the relevant implementation of controls and measures.

## Cybersecurity Culture

- > Awareness and sensitivity actions for employees, clients and providers.
- > Training actions for employees and agents.

## Cybersecurity from the Start

- > Integration of cybersecurity into the life cycle of new initiatives at the company.
- > Evaluation of cybersecurity and Privacy in processes covering the procurement of technology solutions and the contracting of technology services.



The lines of action include the protection of information when gathered, transmitted, stored or processed that makes it possible to exercise diligence when establishing preventive measures and detecting and responding to cyber attacks or business interruption incidents.

They also include mechanisms intended to provide early identification and to monitor and respond to three essential external factors that may necessitate modification in the protection needs of various assets:

- > Cyber threats, with the most frequent appearance of systemic vulnerabilities and/or "day zero" and advanced attacks.

- > Regulatory or legislative changes, such as the General Data Protection Regulation, or new security, privacy or data protection laws in the various countries in which MAPFRE operates, as well as the growing demand and requirements of large clients that MAPFRE services, with respect to protecting information in general and the personal data regarding its own clients in particular.

- > The business initiatives associated with the need for agility and the use of new technological trends relating to the digital transformation of companies.

MAPFRE, through its Corporate Security and Environment Division, has advanced capabilities to increase the company's cyber resilience, which include:

- > Highly specialized and accredited personnel (MAPFRE has a total of 154 certifications in cybersecurity, and 62 certified employees), responsible for identifying, defining, designing and, where appropriate, implementing and operating the various security controls and the technological tools intended to protect the company's digital assets, as well as incorporating requirements, controls and functionality in the cybersecurity area (including privacy) within the company's new initiatives.

- > Specific monitoring, detection and protection technologies covering security incidents that have been integrated into the corporate technology platform.

- > Tools, methodologies and specialists dedicated to continuously reviewing and evaluating the level of cybersecurity in the company's information systems, identifying weaknesses and lack of control early.

- > A General Control Center (CCG-CERT), integrated into the FIRST network, which continuously monitors (on a 24/7 basis) the information contained in the technology platform operated by MAPFRE as well as the information that it owns that is accessible via third-party systems, thereby allowing for the early detection of any cyber incidents and providing an agile response to them.

- > Incident and crisis situation response plans, which are subject to constant and systematic updating.

MAPFRE has a DPO (Data Protection Officer) charged with protecting the privacy of the data entrusted to the company by clients and other stakeholders, and there is a specific area within the Corporate Security and Environment Division that is responsible for ensuring compliance with existing privacy and personal data protection regulations. Throughout 2017 intense work was carried out in the following areas:

- > Early adaptation to the European General Data Protection Regulation, with action taken through various transversal working groups at the corporate level as well as groups for specific companies and businesses.

- > Implementation of the Corporate Office for Privacy and Data Protection (OCPPD), whose mission is to be the point of reference for all activities relating to privacy and data protection at the MAPFRE Group, providing a single, universal view of the subject, encouraging uniformity in all processes and criteria relating to this area and improving efficiency of same.

Throughout 2017, three disciplinary files were opened against MAPFRE ESPAÑA related to the Personal Data Protection Act 15/1999, of December 13, with one of them currently being processed. In addition, a disciplinary file was opened against MAPFRE SEGUROS in Portugal in relation to the Personal Data Protection Act 67/98, of October 26.

MAPFRE's stance on the subject of cybersecurity is integrated within the corporate security model, based on risk management and the comprehensive protection of tangible and intangible assets, via the establishment of measures linked to the value of these assets and also to all those elements that interact with same (people, information systems, facilities and processes).

### **Intangible assets associated with the brand and reputation**

The positioning of the brand is defined based on the company's business strategy, its vision and its corporate values.

This thus establishes transversal meanings (for both the type of business and for the various countries) for the concepts of Globality and Trust so that we can in turn ensure our differentiation in each market.

Taking brand awareness in each country as a starting point, content is built to drive the brand through advertising, sponsorship and public relations actions in both conventional and digital areas in order to attain maximum recognition and appreciation.

As a reference and a reflection in the local external market of this development that is intended to be both consistent and coherent, MAPFRE has been recognized as the most authentic and reliable insurance brand by Spaniards in the study "Authentic Brands", prepared by the global agency Cohn & Wolfe. The report, which includes the top 100 most authentic brands in Spain, analyzes perception by Spanish consumers of Spanish companies, emphasizing the three main value principles that reflect authenticity: being respectful, reliable and genuine.

Of the main brands that operate in Spain, the study ranks MAPFRE number two in the ranking of financial institutions, followed by ING, MasterCard and Visa. The company is also the most improved in the study, rising 123 positions. Among the parameters that are taken into account in preparing this report, treating clients well, protecting their privacy, complying with commitments, offering quality, communicating honestly, acting with integrity and, finally, being genuine and truthful, are all notable.

MAPFRE has also been recognized by the BrandZ Spain ranking, "The Top 30 Most Valuable Spanish Brands", prepared by Kantar Millward Brown and WPP, which ranks MAPFRE 18th in the classification. The MAPFRE brand came out as the top brand in terms of how it differentiates itself from its

competitors, as well as being one of the top five healthy brands.

Taking into account that a brand is how a company presents itself, and that reputation is how it is perceived, MAPFRE is conscious that reputation is an intangible element that contributes value to companies.

MAPFRE uses the Reprtrak methodology from the Reputation Institute to measure its reputation among the general public. Reputation is measured annually across seven dimensions (offering, innovation, work, integrity, citizenship, leadership and finances) that facilitate subsequent management. MAPFRE ended the year with a strong global reputation level, considering the Reprtrak scale for the insurance industry.

Other specific indicators are also considered, such as MERCO. In 2017, MAPFRE was once again among the top 10 companies in Spain with the best reputation, and it enjoys the best reputation in the insurance industry. In Mexico and Argentina, MAPFRE is among the top 50 companies with the best reputation. MAPFRE in Spain holds 11th position in the Merco Talent ranking, and once again leads the insurance sector, while in Peru it is one of the 100 best-rated companies.

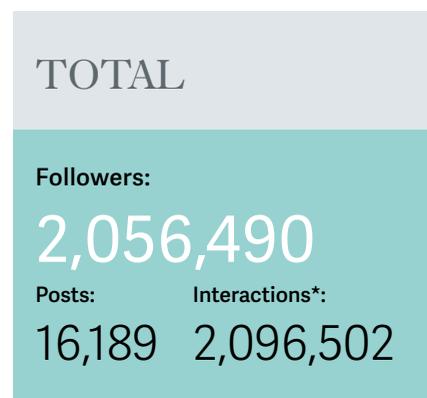
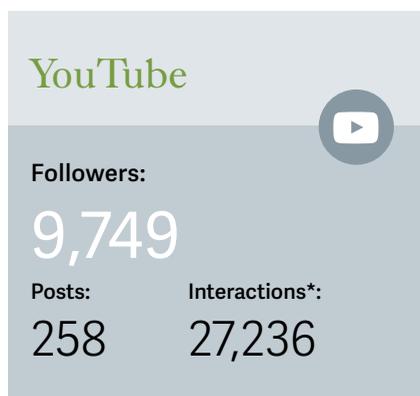
MAPFRE was also recognized as a Best Workplace in 9 countries, (Ecuador, El Salvador, Spain, Guatemala, Honduras, Mexico, Panama, Peru and Dominican Republic), in addition to general recognition in Latin America. Puerto Rico and Dominican Republic were also awarded Best Workplace recognition in the Central America and Caribbean ranking. Randstad also ranked MAPFRE as the most recognized insurance company in Spain for the

fifth consecutive year, while *Actualidad Económica* has MAPFRE in 11th position in its ranking of the best companies to work for.

In addition, MAPFRE is certified as a Family-Friendly Company (*Empresa Familiarmente Responsable*) in Spain and MAPFRE S.A. was granted the "Equality in the Company" distinction by the Spanish Ministry for Health, Social Services and Equality after a thorough evaluation of the company's equality measures.

## PRESENCE ON SOCIAL NETWORKS

MAPFRE has a social network community comprising 2,056,490 users, 12.14 percent more than the previous year. In 2017, 16,189 content pieces were published on the company's various social networks, reaching more than 540 million users. On Facebook alone, this content was viewed 200,147,666 times, generating an engagement rate of 1.56 percent, which means that users interacted 2,096,502 times with MAPFRE's social networks.



Furthermore, the Twitter corporate bot registered 3,200 interactions. Information for journalists is the most requested item, and specifically, press releases. The most consulted item within shareholder information was the share price.

MAPFRE also has another bot in Peru in operation, which registered 13,437 interactions. This bot offers information on quotes for compulsory traffic accidents and vehicle insurance.

\*Interactions for each network have been used.



## 6.5. Social and relational capital

Trust-based relationships with stakeholders; contribution to the development and well-being of the community.

What is it?



Main stakeholders for whom this capital creates value

> All stakeholders, particularly employees, clients, providers, distributors, shareholders and society.



What are we working on to create value?

Management of the relationship with stakeholders

- > Stakeholders
- > Relationship channels
- > Other channels: presence on social networks

International commitments relating to sustainability that MAPFRE has signed up to

- > United Nations Sustainable Development Goals (SDG) and Human Rights Objectives

Social Footprint: social value, shared value

### Management of stakeholder relationships

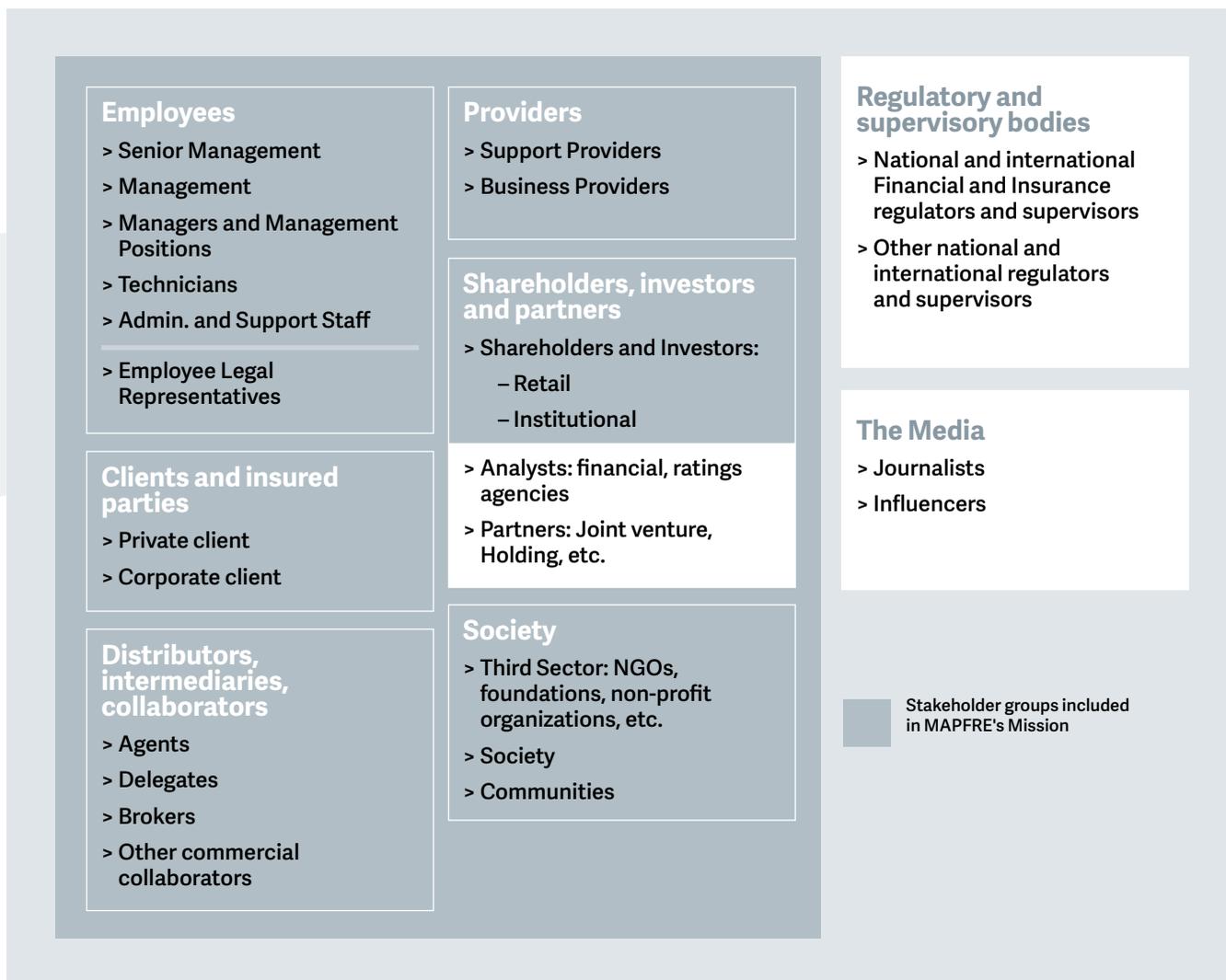
[102-40, 102-42, 102-43, 102-44, 103-1, 103-2,]

as they develop their relationship, have the capacity to impact on the company. It is therefore necessary to build relationships that establish trust among the parties.

### STAKEHOLDERS

MAPFRE considers stakeholders to be all parties, groups or organizations with legitimate interests that may be directly or indirectly affected by the activities or decisions of the company, and insofar

The accompanying graphic illustrates basic references to groups and subgroups, which may change, based on the changes arising in the environment.



### Relationship channels [102-41, 102-43, 102-44]

Management of relationships with stakeholders involves multiple factors, including having adequate relationship channels available. Some of the most relevant that MAPFRE has established with its strategic stakeholders are as follows.

#### Shareholders and Investors

Among the initiatives taken in 2017 to improve relationships with shareholders and investors, the following are noteworthy:

- > The participation of MAPFRE's chairman and CEO in the 22nd edition of the "Annual Financials CEO Conference", organized by Bank of America Merrill Lynch, at which the most significant milestones achieved over the past 10 years were reviewed, together with the strategy of focusing on profitable growth and the new projects designed to tackle the digital era.

- > The organization of the second "Investor Day", which facilitated revision and discussion with analysts and investors on the development of the Group's three-year strategic plan, as well as the capital management policy

and reinsurance, the impact of the natural disasters that occurred in the last financial year and the outlook for the international business, with special focus on the USA

> The launch of the "MAPFRE Shareholders: A Unique Value" plan, which seeks to make advances and tighten relationships with shareholders. Within the framework of the plan, events were held in Madrid and Barcelona to provide first-hand explanations to shareholders on the development of the company's business.

> A quarterly bulletin was designed that allows updated information on MAPFRE to be consulted, as well as infographics that give visual explanations of results and the main corporate news.

> The "Shareholders and Investors" section of the corporate website was redesigned to make it more accessible for investors.

In terms of the communication channels available to this group, the following is of interest:

> The shareholder telephone service (on the toll-free number 900 10 35 33) received 1,298 inquiries.

> The corporate website and the [relacionesconinversores@mapfre.com](mailto:relacionesconinversores@mapfre.com) email address received 104 requests last year.

> The Electronic Shareholders' Forum, first created in 2011, was also operational for the Annual General Meeting held on March 10, 2017.

Intense communication activities continued with regard to requests for information from financial analysts

and institutional investors. The table below summarizes the communication activities conducted with the financial markets in 2017:

Item	No. of actions	No. of participants
Lectures	9	121
Meetings with investors	22	28
Meetings with analysts	153	180
Roadshows	15	100
<b>TOTAL</b>	<b>199</b>	<b>429</b>

#### Insureds and clients

MAPFRE communicates with its clients through the following channels:

> The Group's own distribution network comprising 5,373 offices (direct and delegate), 7,487 bank offices and more than 84,000 delegates, agents and brokers.

> MAPFRE Portal and MAPFRE Internet Office, where among other things, clients can purchase certain products, consult policy conditions, notify incidents, change their personal and bank data, request document duplicates, consult communications and payment notifications, etc.

> More than 50 contact centers worldwide which provide information 24/7, 365 days a year.

> Social media, which clients can use to consult information and access platforms to resolve queries and/or incidents.

> Complaints and grievances, which is the internal channel for the extra-judicial defense of rights deriving from contracts.

#### Employees and their legal representatives

[402-1, 407-1]

The company maintains permanent dialog with employees, informing them about any relevant aspects regarding the business, as well as listening to their opinions. The channels used for these purposes are as follows:

> The Corporate Intranet.

> Internal magazines (*The World of MAPFRE*, a global magazine for all employees worldwide, and the internal magazines published in the different countries).

> Mailboxes, blogs and forums where employees post comments and suggestions and the company responds to them. This year, a blog called @ANE was launched, and allows employees using the Intranet to manage change and work in a collaborative manner.

> Internal survey regarding materiality to identify the matters that are important to employees and the company, and the perception of same.

> "Great Place to Work" (GPTW) workplace climate survey, which is carried out with all MAPFRE employees every two years, and annually in certain countries only.

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In 2017, nine countries made it on to the list of BEST WORKPLACES (Ecuador, El Salvador, Spain, Guatemala, Honduras, Mexico, Panama, Peru and Dominican Republic), and also across Latin America in general. Puerto Rico and the Dominican Republic were also rated as Best Workplaces in the Central America and Caribbean ranking.

At MAPFRE 20,772 employees are covered by collective bargaining agreements in 14 countries, which means that 57.3 percent of the workforce has union representation. MAPFRE enjoys a fluid relationship with employee representatives and has maximum respect for those who performing this function within the company. To do so it has:

> Company participation bodies with the employees' legal representatives and formal committees.

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> Periodic meetings agreed by both parties.

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> The company facilitates communication and dialog between the representatives and employees by providing specific email accounts or spaces on the Intranet and places for meetings or assemblies.

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### Distributors

Relationships with distributors are managed through:

> Online tools to optimize the use of the Internet in sales management.

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> Social networks and apps to share experiences and information with brokers and conduct special campaigns.

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> Specific gatherings and video conferences with brokers and agents.

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> Broker portals that function as operational platforms to assist agents with their sales activities.

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> Specialist magazines.

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### Providers

The relationship with providers is managed through:

> Web platforms and specific portals, such as the Corporate Procurement platform and the service provider relationship management platform, Sygris.

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> Call centers (in-house or externalized).

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> Social networks.

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> Specific newsletters.

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> Specific work groups and supervisors for each business area and for technology goods and services to manage the relationships with these providers.

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> Smartphone applications.

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20,772  
MAPFRE  
employees  
are covered by  
by collective  
bargaining  
agreements



**International commitments relating to sustainability that have been assumed by MAPFRE**  
[102-12, 102-13]

**BENCHMARK INTERNATIONAL INITIATIVES ASSUMED BY MAPFRE**

**United Nations Global Compact:** This commitment entails integrating within its management the 10 principles of action related to human rights, as recognized in the International Bill of Human Rights, labor rights, the environment and the fight against corruption. The MAPFRE Progress Report for 2017 obtained the maximum "advanced" rating classification.

In 2004, MAPFRE signed up to this initiative and is a member of the Global Compact Spanish Network.

**United Nations Environment Program Finance Initiative (UNEPFI):** This initiative develops and fosters links between the environment, sustainability and financial performance, identifying and promoting the adoption of the best environmental and sustainability practices at all levels of a financial institution's operations.

**Principles for Sustainable Insurance (PSI):** A set of specific principles for the insurance industry, geared to managing and monitoring risks and opportunities associated with environmental, social and governance (ESG) issues.

Within this framework, MAPFRE has undertaken the general commitment of the insurance industry to support the United Nations Plan of Action on Disaster Risk Reduction for Resilience.

**Paris Pledge for Action:** The commitment to achieve a safe and stable climate in which the rise in temperature is limited to below 2 degrees centigrade. Signatories also undertake to adopt immediate measures to reduce their greenhouse gas emissions to a safe level.

**Principles for Responsible Investment (PRI) of the United Nations:** This initiative aims to understand the impact that environmental, social and governance aspects have on investments, and advise signatories on how best to incorporate same into their decision-making. The Group has decided to progressively these principles with its investment policy.

MAPFRE is also a signatory to the Carbon Disclosure, Water Disclosure and Carbon Action Programs which form part of the Carbon Disclosure Project (CDP).

## **SUSTAINABILITY INDEXES IN WHICH MAPFRE IS PRESENT:**

> FTSE4Good. MAPFRE has been included in this index since 2006 on a consecutive basis.

> CDP. For the second year, MAPFRE was included on this initiative's Climate A-List, for having achieved the highest rating (A) as regards performance in mitigation and adaptation to climate change, and transparency of information reported.

## **UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS 2030 AND HUMAN RIGHTS**

**[407-1, 408-1, 409-1, 410-1, 411-1, 412-1,  
412-2, 412-3, 413-1, 413-2]**

### **Human rights**

MAPFRE's commitment to internationally recognized human rights, as defined in the United Nations Universal Declaration of Human Rights, is set forth in its Institutional, Business and Organizational Principles, its Code of Ethics and its Corporate Social Responsibility Policy.

Additionally, MAPFRE adheres to international standards such as the United Nations Global Compact and other sector-specific standards, e.g. Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI).

Under the MAPFRE Group's Sustainability Plan, in 2016, a self-assessment impact was started, using the Guide to implementing the UN Guiding Principles on Business and Human Rights, drawn up by the Global Compact Spanish Network.

Additionally, in the context of the 2017 materiality process, an internal analysis has been performed on the impact of MAPFRE's activity on human rights. As a result, it was possible to identify priority areas for the application of due diligence processes (prevention, mitigation and repair). The reference document used to identify the human rights was the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).

To make it easier to conduct the analysis, the rights were grouped together by type and similarity, and the list was reduced from 35 to the following 10 basic rights:

1. Elimination of discrimination in respect of employment and occupation
2. Right to personal security and privacy
3. Right to a healthy environment
4. Access to basic rights for a life with dignity, e.g. family, housing, nutrition, health, education
5. Freedom of thought, culture and religion/worship
6. Freedom of association and the right to form and be a member of labor unions and to collective bargaining
7. Abolition of child labor
8. Elimination of compulsory or forced labor
9. Freedom of assembly and movement
10. Right not to be arbitrarily detained or tortured and right to access justice

Note 5 of the appendix to this document details Human Rights Compliance Measures.

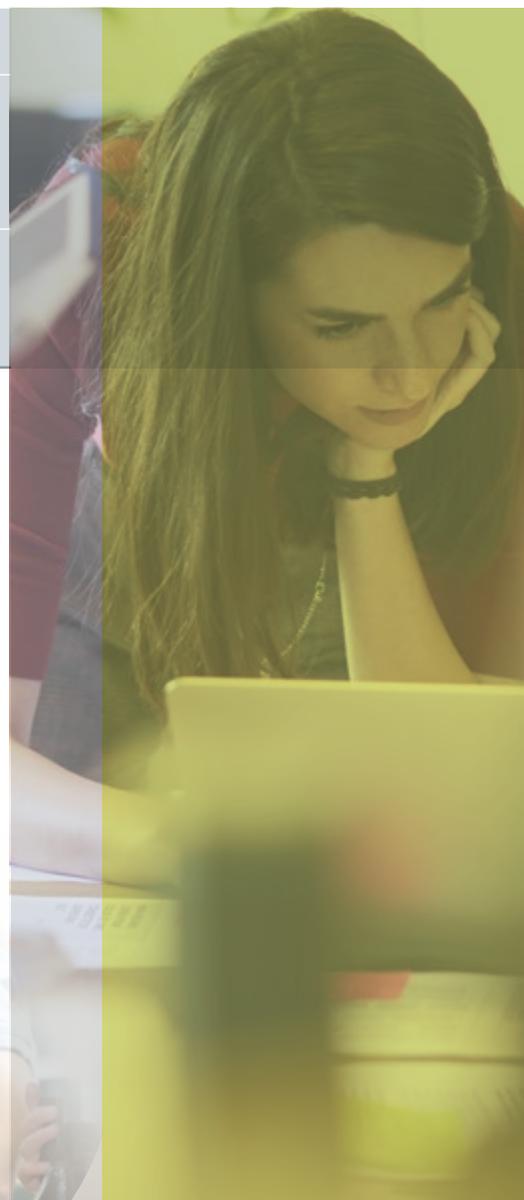
Also, in the last quarter of 2017, an online course on human rights was rolled out. It was designed by the Global Compact Spanish Network and aimed at employees and providers.

Training in human rights as of December 2017	
Employees	Out of the 1,722 employees who registered for training, 600 MAPFRE employees in China, Ecuador, Spain, USA, Guatemala, Honduras, India, Mexico and Nicaragua completed their training.
Providers	The course was offered to 176 service and business support providers, giving priority to those providers involved in security functions. A total of 73 providers completed the course.

**MAPFRE's position with regard to the United Nations Sustainable Development Goals 2030.**

MAPFRE has an impact on the development of the countries in which it operates, and it is therefore committed to the social footprint it leaves behind as a company pursuing business opportunities. Contributing to the United Nations Development Agenda 2030 forms part of the road map through which MAPFRE will harness the efforts of all employees to achieve the sustainable development goals (SDG) proposed under this initiative.

In 2017, following completion of the internal analysis process and in line with the MAPFRE Group Sustainability Plan 2016-2018 and the Group strategy, a map of MAPFRE's position with regard to the SDGs was defined to identify the goals to which it can make the greatest contribution.



## Corporate map of MAPFRE Sustainable Development Goals (SDG)



### From the business and as an investor



### As a corporate citizen

EMPLOYMENT, TRAINING, PROFESSIONAL DEVELOPMENT, HEALTH AND WELL-BEING



VOLUNTEERING AND SOCIETAL ACTION



This commitment is complemented by the multinational programs and activities carried out by Fundación MAPFRE to contribute to improving quality of life and advancing social progress

The section titled *Social Footprint* includes MAPFRE's impacts on society, and identifies the SDGs with which they are associated.

MAPFRE is also involved in the internal and external campaigns to publicize the SDGs through the "Companies4SDGS" program, which is supporting the Global Compact Spanish Network, in collaboration with the IMPACT2030 initiative.

Launched in October 2017, the campaign will last 12 months during which information, videos, challenges, sustainable habits and volunteering

activities will be shared with employees worldwide through the Intranet so they can learn about and support the 17 United Nations Sustainable Development Goals through their own actions.

To date, the first four goals of the campaign have been publicized and warmly received by employees, and there have also been numerous interactions, suggestions and comments on the company Intranet and websites.

### The social footprint: social value, shared value [201-1]

The Group assumes the economic, social and environmental impact which the insurance business generates, and is proud to be able to supplement that impact with the activities that Fundación MAPFRE has been engaged in for more than 40 years.

The table below illustrates MAPFRE's most important social contributions, aligned with the corporate map of United Nations Sustainable Development Goals:

## CONTRIBUTION OF THE BUSINESS AND AS AN INVESTOR:

> **The direct economic impact** generated by insurance activities through the constant flow of transactions (premium payments, benefit payments, investment management, etc.).

Of the consolidated revenues of more than 27.9 billion euros generated in 2017 (27.1 billion euros in 2016), MAPFRE made economic contributions to society in general via multiples payment types, which are detailed below.

Item	2017	Item	2017
Benefits paid <sup>(1)</sup>	16,457.5	<b>Funds under management (third-party) <sup>(5)</sup></b>	<b>39,004.9</b>
Payments to providers <sup>(2)</sup>	6,346.5	<b>Total investments</b>	<b>44,691.2</b>
Salaries and other <sup>(3)</sup>	1,541.7	<b>Financial investments</b>	<b>42,003.2</b>
<b>Activity subtotal</b>	<b>24,345.7</b>	Fixed income	36,961.0
Dividends <sup>(4)</sup>	1,019.5	- Issued by governments	27,388.4
<b>Shareholders subtotal</b>	<b>1,019.5</b>	- Other fixed-income securities	9,572.6
Net income tax payment	497.8	Other financial investments	5,042.2
Social security	243.2	<b>Property investments <sup>(6)</sup></b>	<b>1,250.7</b>
Public administrations subtotal	<b>741.0</b>	<b>Other investments</b>	<b>1,437.3</b>
Interest paid	67.9		
<b>Financing subtotal</b>	<b>67.9</b>		
<b>Total</b>	<b>26,174.1</b>		



Figures in millions of euros

(5) Technical provisions for Life, pension funds, mutual funds and managed portfolios, before shadow accounting adjustments

(6) Excluding real estate for own use

Figures in millions of euros

(1) Benefits paid and related expenses of accepted direct insurance and reinsurance.

(2) Includes payment of commissions and other activity services.

(3) Salaries amounted to 1,234.9 million euros in 2017 (1,211.8 million euros in 2016).

(4) Dividend payments made during the year.

MAPFRE is a signatory to the United Nations Principles for Responsible Investment (PRI) and has launched the Good Governance Fund, which combines investment in securities with good corporate governance.



#### INNOVATION:



- > Startup Observatory: Monitoring of the insurtech/fintech ecosystem to establish partnerships with key companies.
- > Exploration of new startup models and participation in acceleration processes.
- > 76 insurance products and services launched on the market in 2017.
- > 18 products and services targeted at low-income groups.

#### CLIMATE CHANGE:



- > 11 environmental products and services.
- > More than 20,700 policies issued with coverages related to environmental aspects.
- > In Spain, 16 roadside assistance providers use electric vehicles equipped with different charging systems for use with policyholders' electric cars.
- > Measurement and control of the Group's carbon footprint.
- > Promotion of environmental responsibility: 584 employees have taken the online Environment course.
- > MAPFRE's head office in Spain has a charging station for employees' electric cars.

## CONTRIBUTION AS A CORPORATE CITIZEN:

### DIRECT/INDIRECT EMPLOYMENT



- > 36,271 direct jobs, with 96.7 percent of employees on permanent contracts.
- > More than 84,000 agents, delegates and brokers work with MAPFRE.
- > More than 139,000 providers with which MAPFRE maintains a commercial or service relationship.

### TRAINING AND INTERNSHIPS



- > 20.8 million euros invested in training (1.3 percent of payroll expenses in 2017).
- > More than 430 agreements with educational institutions and universities for completing internships with the company.
- > In 2017 more than 1,200 interns from 31 countries completed internships with the Group.

### GENDER DIVERSITY



- > 38.8 percent of employees in management/middle-management positions are women.
- > 53 women occupy senior management positions or positions on Boards of Directors.
- > The MAPFRE S.A. Board of Directors includes four women, representing 26.7 percent of its members.

### FUNCTIONAL DIVERSITY



- > The Global Disability Program is implemented in 28 countries.
- > 768 employees with disabilities work in 31 countries (120 joined in 2017).
- > Donations to employment/labor inclusion projects totaled 333,843 euros.
- > Contracts for the provision of services signed with special employment centers totaled 250,687 euros.
- > Support for labor inclusion programs through Fundación MAPFRE.

### CULTURAL DIVERSITY



- > 81 nationalities work together within the Group.
- > The corporate areas are staffed with employees from 18 countries.
- > 82.4 percent of senior management and executives who in the Group's companies outside Spain are hired locally.
- > International mobility is actively promoted. In 2017, 108 employees were posted to another country.

## GENERATIONAL DIVERSITY



- > Generation Z: 2,155 employees.
- > Generation Y: 12,361 employees.
- > Generation X: 14,945 employees.
- > Baby boomers: 5,992 employees.
- > Veterans: 818 employees.
- > Global Trainee Program to promote young talent, including 15 young people from 9 nationalities.

## HEALTHY AND SAFE COMPANY



- > 74.8 percent of the workforce is represented in joint management-employee health and safety committees, which have been set up to help monitor and provide advice on this matter.
- > 262 health awareness campaigns were conducted in 2017.
- > 24-hour blood drive.

## WORK-LIFE BALANCE



- > More than 32,000 employees benefit from some form of work-life balance measure: flexi-time, part-time, reduced workday, telecommuting, paid and unpaid leave, leave of absence for personal or study purposes, reintegration programs for employees following a protracted leave of absence.

## VOLUNTEERING



- > More than 6,700 MAPFRE volunteers take part in the Fundación MAPFRE volunteering program.
- > More than 1,200 activities undertaken in assistance and environmental programs.
- > More than 93,000 direct beneficiaries.

For further details of the social programs which MAPFRE undertakes through Fundación MAPFRE, see the Fundación MAPFRE 2017 Annual Report, available on the Foundation's website.

## 6.6. Natural capital



### What is it?

Appropriate management of natural resources and contribution to climate change mitigation and biodiversity preservation.



### Main stakeholders for whom this capital creates value

> All stakeholders: employees, clients, providers, distributors, shareholders and society.



### What are we working on to create value?

Environment Strategy Model  
Climate Change Management  
Biodiversity Preservation

#### **Environmental Strategy Model** [102-18, FS1, FS3, FS4, FS9]

MAPFRE has an Environment Policy in place in all companies, particularly through the Integrated Corporate Environmental, Energy and Carbon Footprint Management System (SIGMAYE).

Designed in compliance with the ISO 14001, ISO 50001 and ISO 14064 international standards, this system constitutes the common framework for managing all aspects associated with environmental sustainability, including energy and greenhouse gas emissions. Additionally, it makes it possible to identify the best practices and implement them at corporate level. This ensures the constant improvement of actions and optimal performance beyond compliance with regulations in force.

The highlights from 2017 include the following: SIGMAYE was adapted to standard UNE-EN-ISO 14001:2015; and Portugal was added to the Group's Inventory of Greenhouse Gases, which already includes Colombia, Spain and Puerto Rico, as per UNE-EN-ISO 14064:2012.

The accompanying his table shows how the various facets of SIGMAYE performed over the last three years; these results mean that more than 59.96 percent of the company's premium volume is managed using this system.

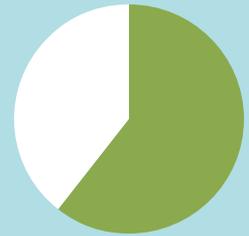
Integral to SIGMAYE is an International Expansion Plan that analyzes candidate countries based on several selection criteria: socioeconomic climate; size of company in terms of revenue; special characteristics of existing buildings; number of employees; legal environmental requirements; and degree of implementation of the Security and Environment function.

Since the International Expansion Plan was approved in 2010, the following countries gradually joined the 27 buildings and repair shops already certified in Spain:

- > 2013: Puerto Rico and Colombia
- > 2014: Brazil and Mexico
- > 2015: Paraguay and Portugal
- > 2016: Argentina and Chile
- > 2017: Venezuela (pushed back to Q1 of 2018)

	2017	2016	2015
Employees under environmental management certification (ISO 14001)	11,369	10,620	9,644
Employees under energy management certification (ISO 50001)	4,885	4,233	4,305
Employees under carbon footprint verification (ISO 14064)	12,701	12,720	11,089

11,369 employees work under environmental management certification (ISO 14001)



Just under 60% of premium volume is managed using the Integrated Corporate Environmental, Energy and Carbon Footprint Management System (SIGMAYE)

**Climate Change Management**  
 [201-2; 302-1, 302-2, 302-3, 302-5, 305-1,  
 305-2, 305-3, 305-4, 305-5, FS2, FS5]

Contributing to a decrease in the greenhouse gas emissions generated by the organization in the course of its activity is considered to be both a challenge and an opportunity for the company. It also represents a key element in its actions concerning environmental responsibility.

The Group's wish to play a relevant role in this challenge means drawing up a short-, medium- and long-term strategy that minimizes the identified risks and promotes the execution of detected opportunities. To this end, MAPFRE performs a continuous analysis of weather trends and of the global context, focusing on the following:

- > Assessment of regulatory pressure and instability of legal fundaments.
- > Frequency and impact of extreme weather phenomena.
- > Development of technologies that help in the transformation toward a low-carbon economy.
- > Awareness-raising among stakeholders as key players in technological and social change.

Reductions of  
**14,710,519 kWh** and  
**9,924 tons of CO<sub>2</sub>**  
 2013-2020  
 objective achieved three  
 years ahead of schedule

Additionally, MAPFRE has a Strategic Plan for Climate Change and Energy Efficiency with 2020 as its time horizon. This plan establishes that the Group will reduce its carbon footprint by 20 percent with regard to the tons of CO<sub>2</sub> produced in 2013 (a reduction of 14,710,519 kWh and 9,924 tons of CO<sub>2</sub>), a goal that was achieved three years ahead of schedule. As a result, the company has committed to more ambitious objectives in the medium- and long-term, with a time horizon of 2050, when it aims to reach CO<sub>2</sub> neutrality.

	2017	2016	2015	2014	2013
TnCO <sub>2</sub> emissions	27,640	28,244	39,852	44,128	49,649
Emissions reduced vs. baseline	22,189	21,405	9,797	5,521	Baseline (BL)

(\*) Scope:

Countries included: Spain, Argentina, Brazil, Chile, Colombia, USA, Mexico, Puerto Rico and Turkey.

Categories included: Scope 1 (Natural Gas, building diesel, fuel for company vehicles); Scope 2 (Electricity); Scope 3 (paper consumption, emissions avoided thanks to recycling paper and company travel (only in Spain)).

At the close of 2017, a reduction of 45 percent compared to the baseline was achieved in the nine countries.

Linked to the Group's transparency and performance regarding this issue, these actions led to the CDP recognizing the MAPFRE Group as a leading global company in the fight against Climate Change – MAPFRE was included in the Climate A-List for the third consecutive year.

The Carbon Footprint derived from the company's activities includes both direct and indirect emissions.

The following greenhouse gases are reported for the three scopes falling within GHG Protocol and ISO 14064: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>.

there is no economic diversity", MAPFRE signed the Biodiversity Pact of the Spanish Companies and Biodiversity Initiative.

In 2017, the Company published the results for 2013-2015 with the other members of the initiative. It also continued its efforts to protect an endangered species and preserve its habitat, in this case, the tortoise and the Mediterranean Sea.

Tm CO <sub>2</sub> <sub>eq</sub>	2017(**)	2016 (*)	2015 (*)
Scope 1	13,271.93	13,445.24	14,042.93
Scope 2	15,495.87(***)	19,267.39 (***)	26,903.41
Scope 3	11,171.06	10,566.80	12,493.90

This choice also reinforced the Group's support of ocean protection, specifically the initiative aimed at eliminating illegal fishing through insurance, led by the OCEANA NGO, with the support of the United Nations.

Through its initiatives, the Group therefore continues to honor its commitment to preserving the natural capital. Its preservation is a common interest for humanity, given its importance for life on the planet, social well-being and economic development.

The Company's engagement in this and other environmental commitments means that employees play a key role in helping it to achieve its environmental objectives and spread knowledge. This refers particularly to objectives linked to processes involving direct employee interaction. These processes include eco-efficiency and responsible use, whereby employees are key to minimizing the use of resources and appropriately managing waste - these are indispensable aspects to achieving the decarbonization of the economy and a circular and collaborative economy.

## Energy consumption indicators

Item	Unidad	GRI	2017	2016	2015
Emissions - employees	TmCO <sub>2</sub> /employees	[305-4]	1.17	1.28	1.53
Emissions - activity	TonCO <sub>2</sub> /premiums	[305-4]	2.78	2.25	2.06

(\*) 2015 and 2016: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines and Malta.

(\*\*)2017: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy (Direct Line), Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

(\*\*\*) Scope 2 emissions reduced significantly due to the fact that the electrical energy consumed by the Group is 100 percent renewable.

For more information about the consumption and management of waste, please see Note 1 of the appendix to this document.

## Biodiversity Preservation [304-2, FS4]

The consequences of climate change for ecosystems have led the Company to undertake to preserve biodiversity. As a consequence, and under the motto "Without biological diversity,

7

# Supplementary information



## 7.1. Bases of preparation and presentation of the report

[102–11, 102–32, 102–45, 102–46, 102–48, 102–49, 102–50, 102–51, 102–53, 102–54, FS9]

### About this report

#### INTEGRATED REPORT

This report was prepared in line with the recommendations in the reporting framework published by the International Integrated Reporting Council (IIRC), the guidelines provided by the comprehensive option under the new standard and the financial sector supplement in the *Global Reporting Initiative*, whose index of indicators is attached as an appendix to this report.

Furthermore, the report responds to the reporting requirements established by Directive 2014/95 EUA on the disclosure of non-financial and diversity information, as well as the respective transpositions in Spain (Royal Decree-Law 18/2017) and in Italy (Legislative Decree 254/16 NFI). It also includes information required for the Consolidated Non-Financial Information Statement, which forms part of the Consolidated Report of MAPFRE S.A.

The Annual Accounts and Management Report have also been taken into consideration, which is public information and may be consulted in full on MAPFRE's corporate website.

The report offers a complete overview of the company, its implementation, business model, the challenges and risks faced, and its performance regarding social, environmental, economic and governance aspects. It constitutes a first approximation to the creation of financial and social value that has allowed progress to continue and to establish a better relationship between the business model and the described effect on capital.

This report was analyzed by the company's Audit and Compliance Committee and approved by the MAPFRE S.A. Board of Directors at its meeting held on February 7, 2018.

#### SCOPE OF INFORMATION

The integrated report covers MAPFRE S.A. and its subsidiaries and investee companies and has taken into consideration the scope of information established in the reports used as a basis for its preparation.

The alternative Performance Measurements (APR) used in the Report and which relate to those

financial measurements not defined or described within the framework of the applicable financial information, may be consulted at the website: <https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.jsp>

#### MATERIALITY, RELEVANCE AND INCLUSIVENESS

This Integrated Report includes all relevant information concerning MAPFRE for its stakeholders. In 2017, a study was carried out that identifies the subjects of general interest related to

the issue of sustainability for MAPFRE and its stakeholders.

For more information, please see point 7.2 of this document.

Disclosures on certain material aspects are not included in this report. They can be found in their entirety in:

- > The Notes section of this same report
- > Annual Accounts, Management Report; Companies (published on the corporate website, at [www.mapfre.com](http://www.mapfre.com))
- > Annual Report of Fundación MAPFRE. (Published on the Foundation's website, at [www.fundacionmapfre.org](http://www.fundacionmapfre.org))
- > Annual Corporate Governance Report (published on the corporate website, at [www.mapfre.com](http://www.mapfre.com))

## Responsiveness

In addition to providing information that is of relevance to MAPFRE's stakeholder groups, the report responds to the observations conveyed to the organization by these stakeholders throughout the course of the year. However, anyone interested in consulting or completing the information provided in this report can do so via the following points of contact:

- > Social Responsibility Management: [responsabilidadsocial@mapfre.com](mailto:responsabilidadsocial@mapfre.com)
- > Corporate Communication: [comunicacion@mapfre.com](mailto:comunicacion@mapfre.com)
- > Environment Management: [medioambiente@mapfre.com](mailto:medioambiente@mapfre.com)

> Investor Relations: [relacionesconinversores@mapfre.com](mailto:relacionesconinversores@mapfre.com)

> MAPFRE's corporate website: [www.mapfre.com](http://www.mapfre.com)

## EXTERNAL VERIFICATION REPORT

The qualitative and quantitative data respond to the new GRI standards and have been externally verified by KPMG Asesores S.L., including the data submitted by MAPFRE's companies in Argentina, Brazil, Colombia, Spain, USA, Italy, Mexico, Peru and Turkey, which on aggregate, represent 72.54 percent of the Group's business volume.

In addition, a limited review of data provided in the rest of the MAPFRE's companies has been carried out.

## BALANCE

The report reflects positive and negative aspects of the organization's performance, and when results fall short of initial expectations, this under-performance is noted in the corresponding headings.

## 7.2. Materiality

[102-15, 103-1, 103-2, 103-3, 102-21, 102-43, 102-44, 102-47, 412-1, FS5]

Relevant matters are identified within the framework of stakeholder relationships as an exercise in consultation and dialog, so as to evaluate the most relevant sustainability issues on the public agenda and their potential impact on MAPFRE.

The issues subjected to consultation are identified on the basis of relevant external sources, including the European Directive 2014/95/EU on the disclosure of non-financial and diversity information, and internal sources such as the MAPFRE Group Sustainability Plan 2016-2018 and the materiality study pertaining to 2016.

The analysis and evaluation process involved internal MAPFRE areas (such as Human Resources, Compliance, Investor Relations, Security and Environment, CSR and Reputation) in Spain, Brazil, Colombia and Mexico, which together represent 55.13 percent of total revenue, as well as the following stakeholders: employees, clients, providers and distributors. This year 776,332 evaluations were received from a total of 50,591 unique users, distributed as follows:

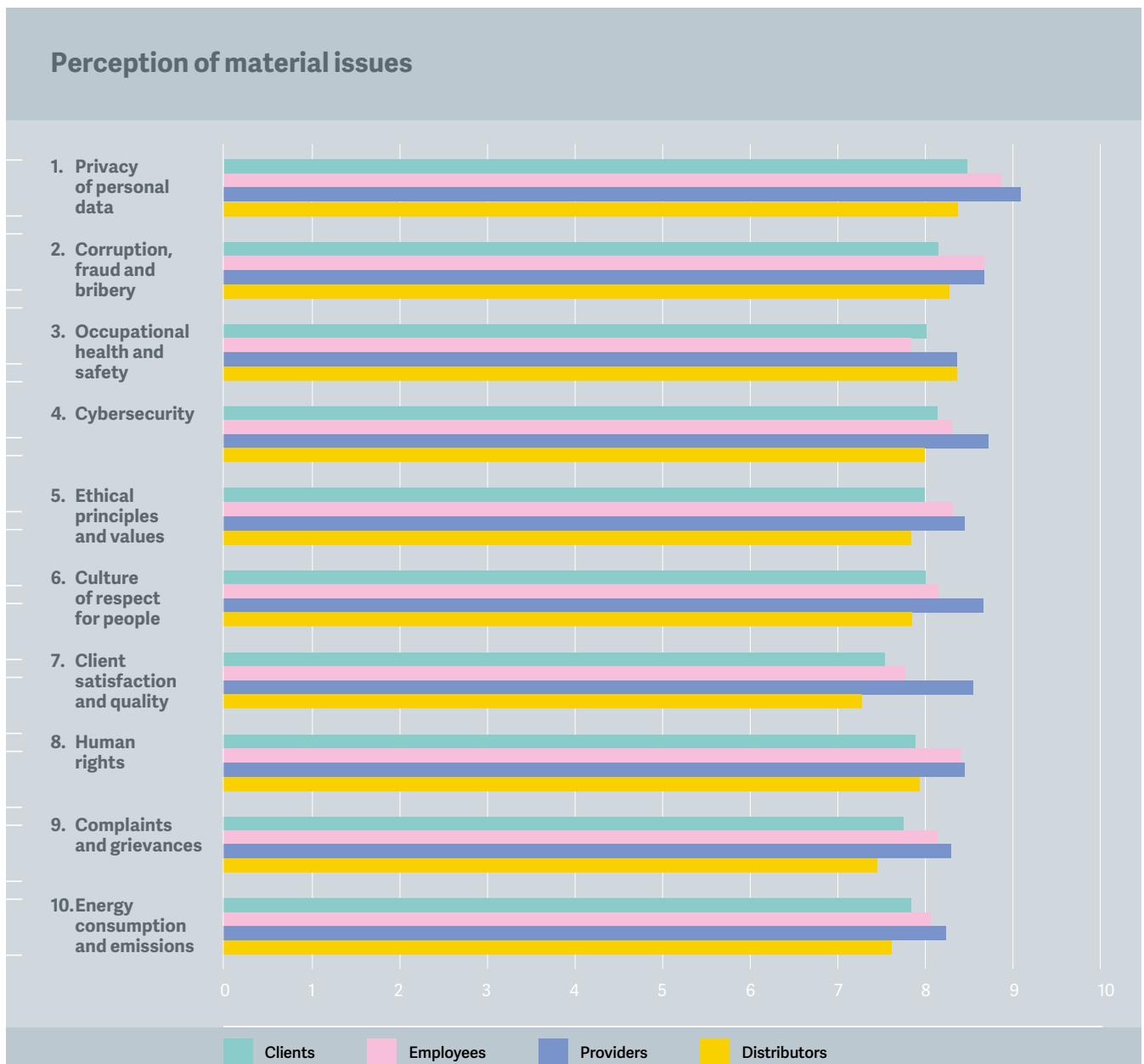
	No. of participants
Clients	38,430
Distributors	3,541
Employees	6,451
Providers	2,169

The external consultation process was carried out by CBI Consulting via an online questionnaire, and their participation again this year guarantees the anonymity and confidentiality of the responses received.

The study includes an analysis of the issues evaluated, based on the following variables: a) the importance of the issue for the specific stakeholder and MAPFRE, and b) how this

stakeholder perceives MAPFRE's handling of the issue. This approach enables the Group to develop improvement plans and actions throughout the year.

This process led to the identification of ten material issues. The accompanying table shows these issues, arranged in descending order of relevance and stakeholder perception on a scale of 1 to 10:



## Main results

The following table illustrates the different issues and the evaluation assigned to each by MAPFRE and each of the stakeholders consulted.

	MAPFRE and its clients	MAPFRE and its employees	MAPFRE and its providers	MAPFRE and its distributors
Privacy of personal data	MAT	MAT	MAT	MAT
Corruption, fraud and bribery	MAT	MAT	MAT	MAT
Occupational health and safety	MAT	MAT	MAT	MAT
Cybersecurity	MAT	MAT	MAT	MAT
Ethical principles and values	MAT	MAT	MAT	MAT
Culture of respect for people	MAT	MAT	MAT	MAT
Client satisfaction and quality	MAT	MAT	MAT	MAT
Human rights	MAT	MAT	MAT	MAT
Energy consumption and emissions	MAT	MAT	MAT	MAT
Complaints and grievances	MAT	MAT	INT	MAT
Dumping and waste	MAT	INT	MAT	INT
Job stability	MAT	INT	MAT	MAT
Climate change	MAT	INT	INT	INT
Sustainable development	INT	INT	INT	INT
Professional development and talent	INT	INT	MAT	INT
Environmental and social risks	INT	INT	INT	INT
Biodiversity	INT	INT	INT	INT
Fiscal responsibility	EXT	EXT	EXT	EXT

	MAPFRE and its clients	MAPFRE and its employees	MAPFRE and its providers	MAPFRE and its distributors
Innovation in products and services	EXT	EXT	EXT	EXT
Adaptation to ESG changes	NM	EXT	NM	NM
Remuneration systems	NM	NM	NM	NM
Promotion of CSR	INT	INT	INT	INT
Stakeholder relations	INT	INT	INT	INT
Integration of environmental and social criteria into the value chain	NM	NM	INT	NM
Transparency	INT	INT	INT	INT
Products and services that generate social and environmental benefits	NM	NM	NM	NM
Good governance	INT	INT	INT	INT
Training and quality in providers	NM	NM	NM	EXT
Training and quality in distributors	NM	NM	EXT	NM

<b>MAT</b>	Material issue for MAPFRE and the stakeholder
<b>INT</b>	Relevant issue for MAPFRE
<b>EXT</b>	Relevant issue for the stakeholder
<b>NM</b>	Non-material issue for MAPFRE nor the stakeholder

This year, analysts specializing in ESG topics analyzed the relevant matters on the basis of the information required for the Dow Jones Sustainability Index (DJSI) and the FTSE4Good Index, as well as for different ESG analysis

agencies. The relevant issues in the environmental, social and governance field are described in the material matters and information contained in this integrated report.

### Table showing location of material issues in report

Material Issue	Chapter of report where response to issue can be found
Privacy of personal data	<b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy / Ethical behavior: Main Compliance and Prevention Measures – Security <b>6.4.</b> Intellectual Capital – Cybersecurity
Corruption, fraud and bribery	<b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy / Sustainability Plan / Ethical behavior: Main Compliance and Prevention Measures – Compliance – Internal Control – Prevention of fraud and corruption – Internal Audit
Occupational health and safety	<b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy <b>6.3.</b> Human Capital – Well-being and Health
Cybersecurity	<b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy / Ethical behavior: Main Compliance and Prevention Measures – Security <b>6.4.</b> Intellectual Capital – Cybersecurity
Ethical principles and values	<b>3.</b> Business model and strategy <b>5.2.</b> Ethics and Social Responsibility – Ethical behavior: Main Compliance and Prevention Measures – Compliance / Code of Ethics and Conduct
Culture of respect for people	<b>5.1.</b> Governance System <b>5.2.</b> Ethics and Social Responsibility – Ethical behavior: Main Compliance and Prevention Measures / Protection of employees from moral and sexual harassment in the workplace <b>6.3.</b> Human Capital
Client satisfaction and quality	<b>6.2.</b> Productive Capital – Quality <b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy / Sustainability Plan
Human rights	<b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy / Sustainability Plan <b>6.5.</b> Social and Relational Capital – United Nations Sustainable Development Goals 2030 and Human Rights <b>Note 5</b> – Human Rights Compliance Measures
Complaints and grievances	<b>5.2.</b> Ethics and Social Responsibility: Social Responsibility Policy / Ethical behavior: Main Compliance and Prevention Measures / Grievances and Complaints
Energy consumption and emissions	<b>6.6.</b> Natural Capital – Climate Change Management

## 7.3. GRI contents index

[102–55]

The figures underpinning this corporate report have been obtained through GRI indicators based in the requirements of Directive 2014/95 using Sygris, our new computerized social responsibility data management tool implemented throughout the Group.



### GRI 102. General content 2016



#### 1. Organizational profile

STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>102–1. Name of the organization</b>	MAPFRE. <b>Page 4.</b>	
<b>102–2. Activities, brands, products, and services</b>	2. MAPFRE Group. <b>Page 8.</b> 3. Business Model and Strategy. <b>Page 22.</b> 4. Business performance. <b>Page 30.</b> 6.4. Intellectual Capital. <b>Page 102.</b> 7.4 Note 4 – Social and environmental products and services. <b>Page 154.</b>	
<b>102–3. Location of headquarters</b>	Madrid	
<b>102–4. Location of operations</b>	2.1. Deployment. <b>Page 12.</b>	
<b>102–5. Ownership and legal form</b>	2. MAPFRE Group. <b>Page 8.</b>	
<b>102–6. Markets served</b>	2.1 Deployment. <b>Page 12.</b> 3. Business Model and Strategy. <b>Page 22.</b> 4. Business performance. <b>Page 30.</b>	
<b>102–7. Scale of the organization</b>	2.1. Deployment. <b>Page 12.</b> 2.2. Key financial figures. <b>Page 16.</b> 6.1. Financial Capital. <b>Page 75.</b> 6.3. Human Capital - General data. <b>Page 90.</b>	
<b>102–8. Information on employees and other workers</b>	6.3. Human Capital - General data. <b>Page 90.</b> / Diversity management. <b>Page 91.</b>	
<b>102–9. Supply chain</b>	6.2. Productive Capital - Providers. <b>Page 85.</b>	
<b>102–10. Significant changes to the organization and its supply chain</b>	4.1. General information – Key events. <b>Page 34.</b> 6.2 Productive Capital - Providers. <b>Page 85.</b>	



## 1. Organizational profile (cont.)

STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>102-11. Precautionary principle or approach</b>	7.1. Bases of preparation and presentation of the report. <b>Page 125.</b> 5.3. Risk Management. <b>Page 71.</b>	
<b>102-12. External initiatives</b>	6.5. Social and Relational Capital - Commitments to sustainability. <b>Page 112.</b>	Principles 1-10 Global Compact
<b>102-13. Membership of associations</b>	6.5. Social and Relational Capital - Commitments to sustainability. <b>Page 112.</b> MAPFRE is also a member of associations which have Sustainability high on their list of priorities, including the CRO Forum - Geneva Association, European Financial Services Roundtable (EFR) Pan-European Insurance Forum, The European Insurance Forum (CFO).	

## 2. Strategy

<b>102-14. Statement from senior decision-maker</b>	1. Letter from the Chairman and CEO. <b>Page 4.</b> 5.1. Governance system. <b>Page 51.</b>	
<b>102-15. Key impacts, risks, and opportunities</b>	5.3. Risk management. <b>Page 71.</b> / Integration and management of ASG risks. <b>Page 71.</b> 7.2. Materiality. <b>Page 126.</b>	

## 3. Integrity and ethics

<b>102-16. Values, principles, standards, and norms of behavior</b>	3.1. Business model. 5.1. Governance system. 5.2. Ethics and Social Responsibility.	
<b>102-17. Mechanisms for advice and concerns about ethics</b>	5.2. Ethics and Social Responsibility - Code of Ethics and Conduct. <b>Page 61.</b> / Ethics committee. <b>Page 62.</b> / Whistle-blower channels. <b>Page 62.</b> <a href="https://www.mapfre.com/corporate/social-responsibility/definition-objectives/">https://www.mapfre.com/corporate/social-responsibility/definition-objectives/</a>	

## 4. Governance

<b>102-18. Governance structure</b>	2. MAPFRE Group. <b>Page 8.</b> 5.1. Governance system. <b>Page 51.</b> 5.2. Ethics and Social Responsibility. <b>Page 61.</b> 6.6. Natural Capital. <b>Page 120.</b>	
<b>102-19. Delegating authority</b>	5.1. Governance system. <b>Page 51.</b> Section C.2.1. of the Annual Corporate Governance Report (ACGR).	
<b>102-20. Executive-level responsibility for economic, environmental, and social topics</b>	5.1. Governance system. <b>Page 51.</b> Section C.2.1. of the Annual Corporate Governance Report (ACGR).	Principles 1-10 Global Compact
<b>102-21. Consulting stakeholders on economic, environmental, and social topics</b>	7.2. Materiality. <b>Page 126.</b>	Principles 1-10 Global Compact



## 4. Governance (cont.)

STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>102-22. Composition of the highest governance body and its committees</b>	5.1 Governance system. <b>Page 51.</b>	
<b>102-23. Chair of the highest governance body</b>	5.1 Governance system. <b>Page 51.</b>	
<b>102-24. Nominating and selecting the highest governance body</b>	Sections C.1.19., C.1.5. and C.1.6. of the Annual Corporate Governance Report (ACGR).	
<b>102-25. Conflicts of interest</b>	Sections D.6. and D.7. and A.1. to A.7. of the Annual Corporate Governance Report (ACGR).	
<b>102-26. Role of highest governance body in setting purpose, values, and strategy</b>	5.1. Governance system. <b>Page 51.</b> Section C.2.1. of the Annual Corporate Governance Report (ACGR). Title I, Chapter II of the Board of Directors Regulation of MAPFRE: "Functions and Responsibilities of the Board"	
<b>102-27. Collective knowledge of highest governance body</b>	Sections C.1.41, C.1.40 of the Annual Corporate Governance Report (ACGR).	
<b>102-28. Evaluating the highest governance body's performance</b>	Section C.1.20. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Title I. Board of Directors and Title II. Committees and Steering Committees	
<b>102-29. Identifying and managing economic, environmental, and social impacts</b>	5.3. Risk Management – Integration and management of ASG risks. <b>Page 71.</b> Sections E.1., E.2. and F.1. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1–10 Global Compact
<b>102-30. Effectiveness of risk management processes</b>	Sections E.2. and E.6. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1–10 Global Compact
<b>102-31. Review of economic, environmental, and social topics</b>	5.3. Risk Management – Integration and management of ASG risks. <b>Page 71.</b> Section E.1. of the ACGR. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1–10 Global Compact



## 4. Governance (cont.)

STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>102-32. Highest governance body's role in sustainability reporting</b>	7.1. Bases of preparation and presentation of the report. <b>Page 125.</b> Section C.2.1. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	Principles 1–10 Global Compact
<b>102-33. Communicating critical concerns</b>	5.2. Ethics and Social Responsibility - SR policy. <b>Page 60.</b> / Code of Ethics and Conduct. <b>Page 62.</b> / Ethics committee. <b>Page 62.</b>	Principles 1–10 Global Compact
<b>102-34. Naturaleza y número total de preocupaciones críticas</b>	Code of Ethics and Conduct: <a href="https://www.mapfre.com/corporate/social-responsibility/definition-objectives/code-ethics-and-conduct.jsp">https://www.mapfre.com/corporate/social-responsibility/definition-objectives/code-ethics-and-conduct.jsp</a> Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	
<b>102-35. Remuneration policies</b>	5.1 Governance system. <b>Page 51.</b>	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
<b>102-36. Process for determining remuneration</b>	6.3 Human Capital – Remuneration and recognition. <b>Page 97.</b>	
<b>102-37. Stakeholders' involvement in remuneration</b>		
<b>102-38. Ratio de compensación total anual</b>	The annual total compensation ratio in Spain is 15.17. This ratio is calculated at Spain level, where the Company's headquarters is located, without including the corporate areas, and is taken as the ratio of the total compensation paid to the highest paid individual in the Company and the average of the annual total compensation of all full-time employees, excluding the highest-paid individual. The resulting data is considered reasonable taking the current workforce structure into account.	Principles 1, 2, 3, 4, 6 and 10 of the Global Compact
<b>102-39. Percentage increase in annual total compensation ratio</b>	This ratio is calculated at Spain level, where the Company's headquarters is located, without including the corporate areas, and is taken as the ratio between the increase in annual total compensation received by the highest paid individual in the Company to the average percentage increase in the total annual compensation of all full-time employees. In 2017, this ratio was 0.77.	



## 5. Participation of stakeholders

STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>102-40. List of stakeholder groups</b>	6.5. Social and Relational Capital – Management of relationship with Stakeholders. <b>Page 108.</b>	Principles 1–10 Global Compact
<b>102-41. Collective bargaining agreements</b>	5.3. Risk Management – Integration and management of ASG risks. <b>Page 71.</b> 6.5 Social and relational capital – Relationship channels. <b>Page 109.</b>	Principles 1, 2, 3, 4, and 6 of the Global Compact
<b>102-42. Identifying and selecting stakeholders</b>	6.5. Social and Relational Capital – Management of relationship with Stakeholders. <b>Page 108.</b>	
<b>102-43. Approach to stakeholder engagement</b>	6.5. Social and Relational Capital – Relationship channels. <b>Page 109.</b> 7.2. Materiality. <b>Page 126.</b>	Principles 1–10 Global Compact
<b>102-44. Key topics and concerns raised</b>	6.5 Social and Relational Capital – Management of relationship with Stakeholders. <b>Page 108.</b> / Relationship Channels. <b>Page 109.</b> 7.2 Materiality. <b>Page 126.</b>	Principles 1–10 Global Compact
<b>6. Practices for drawing up reports</b>		
<b>102-45. Entities included in the consolidated financial statements</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b> Consolidated annual accounts and management report 2017. <a href="https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/">https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/</a>	
<b>102-46. Defining report content and topic Boundaries</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b>	
<b>102-47. List of material topics</b>	7.2. Materiality. <b>Page 126.</b>	Principles 1–10 Global Compact
<b>102-48. Restatements of information</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b> 7.5. External verification report. <b>Page 165.</b>	
<b>102-49. Changes in reporting</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b> 7.5. External verification report. <b>Page 165.</b>	
<b>102-50. Reporting period</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b>	
<b>102-51. Date of most recent report</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b>	
<b>102-52. Reporting cycle</b>	Annual.	
<b>102-53. Contact point for questions regarding the report</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b>	
<b>102-54. Claims of reporting in accordance with the GRI Standards</b>	7.1. Bases of preparation and presentation of the report. <b>Pág. 125.</b>	
<b>102-55. GRI content index</b>	7. Supplementary Information – indicator index. <b>Page 125.</b>	
<b>102-56. External assurance</b>	7.5. External verification report. <b>Page 165.</b>	

## GRI 103. Management approach 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>103-1. Explanation of the material topic and its Boundary</b>	6.5. Social and Relational Capital – Management of relationship with Stakeholders. <b>Page 108.</b> 7.2. Materiality. <b>Page 126.</b>	Principles 1–10 Global Compact
<b>103-2. The management approach and its components</b>	6.5. Social and Relational Capital – Management of relationship with Stakeholders. <b>Page 108.</b> 7.2. Materiality. <b>Page 126.</b>	
<b>103-3. Evaluation of the management approach</b>	7.2. Materiality. <b>Page 126.</b>	

## GRI 201. Economic performance 2016



<b>201-1. Direct economic value generated and distributed</b>	2.2. Key financial figures. <b>Page 16.</b> 4.1. General information. <b>Page 32.</b> 6.1. Financial Capital. <b>Page 75.</b> 6.2. Productive Capital. <b>Page 83.</b> 6.5. Social Footprint. <b>Page 115.</b>	
<b>201-2. Financial implications and other risks and opportunities due to climate change</b>	5.3. Risk management. <b>Page 71.</b> / Integration and management of ASG risks. <b>Page 71.</b> 7.4. Note 4 – Social and environmental products and services.	Principles 7, 8 and 9 of the Global Compact
<b>201-3. Defined benefit plan obligations and other retirement plans</b>	6.3. Human Capital – Remuneration and recognition. <b>Page 154.</b>	Principles 1, 6 and 10 of the Global Compact
<b>201-4. Financial assistance received from government</b>	Consolidated Annual Accounts 2017. Business Units. <a href="https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/">https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/</a>	

## GRI 202. Market presence 2016



<b>202-1. Ratios of standard entry level wage by gender compared to local minimum wage</b>	6.3. Human Capital – Remuneration and recognition. <b>Page 97.</b>	
<b>202-2. Proportion of senior management hired from the local community</b>	6.3. Human Capital - Diversity management. <b>Page 91.</b> / Cultural diversity. <b>Page 93.</b> / Internal mobility. <b>Page 94.</b>	

## GRI 204. Acquisition practices 2016



<b>204-1. Proportion of spending on local suppliers</b>	6.2. Productive Capital - Providers. <b>Page 85.</b>	Principle 10 of the Global Compact
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## GRI 205. Anti-corruption 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>205-1. Operations assessed for risks related to corruption</b>	5.2. Ethics and Social Responsibility – Ethical Behavior: Compliance. <b>Page 60.</b> / Code of Ethics and Conduct. <b>Page 61.</b> / Ethics committee. <b>Page 62.</b> / Whistleblower channels. <b>Page 62.</b>	Principle 10 of the Global Compact
<b>205-2. Communication and training about anti-corruption policies and procedures</b>	7.4. Note 5 – Compliance and prevention measures. <b>Page 159.</b>	Principle 10 of the Global Compact
<b>205-3. Confirmed incidents of corruption and actions taken</b>		Principle 10 of the Global Compact

## GRI 206. Anti-competitive behavior 2016



<b>206-1. Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b>	In 2017, no significant legal actions were taken for anti-competitive behavior, anti-trust, and monopoly practices.	Principle 10 of the Global Compact
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## GRI 301. Materials 2016



<b>301-1. Materials used by weight or volume</b>	7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>301-2. Recycled input materials used</b>	7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact

## GRI 302. Energy 2016



<b>302-1. Energy consumption within the organization</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b> 7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>302-2. Energy consumption outside of the organization</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b> 7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>302-3. Energy intensity</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b> 7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>302-4. Reduction of energy consumption</b>	7.4. Note 1– Environmental information.	Principles 7, 8 and 9 of the Global Compact
<b>302-5. Reductions in energy requirements of products and services</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b>	Principles 7, 8 and 9 of the Global Compact

## GRI 303. Water 2016



<b>303-1. Water withdrawal by source</b>	7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
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## GRI 304. Biodiversity 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>304-1. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</b>	MAPFRE does not have work centers in protected areas or in unprotected high biodiversity areas.	Principles 7, 8 and 9 of the Global Compact
<b>304-2. Significant impacts of activities, products, and services on biodiversity</b>	6.6. Natural Capital – Biodiversity preservation. <b>Page 123.</b>	Principles 7, 8 and 9 of the Global Compact

## GRI 305. Emissions 2016



<b>305-1. Direct (Scope 1) GHG emissions</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b> 7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>305-2. Energy indirect (Scope 2) GHG emissions</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b>	Principles 7, 8 and 9 of the Global Compact
<b>305-3. Other indirect (Scope 3) GHG emissions</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b>	Principles 7, 8 and 9 of the Global Compact
<b>305-4. GHG emissions intensity</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b>	Principles 7, 8 and 9 of the Global Compact
<b>305-5. Reduction of GHG emissions</b>	6.6. Natural Capital - Climate change management. <b>Page 122.</b>	Principles 7, 8 and 9 of the Global Compact

## GRI 306. Effluents and waste 2016



<b>306-2. Wastes by type and disposal method</b>	7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>306-3. Significant spills</b>	During 2017 no significant spills or leaks in establishments or facilities where MAPFRE carries out its activities were registered.	Principles 7, 8 and 9 of the Global Compact
<b>306-4. Transport of hazardous waste</b>	7.4. Note 1– Environmental information. <b>Page 145.</b>	Principles 7, 8 and 9 of the Global Compact
<b>306-5. Water bodies affected by water discharges and/or runoff</b>	The activity carried out by MAPFRE is mainly administrative and, by its nature, has a low environmental impact. This year no significant impacts have been identified in this area.	Principles 7, 8 and 9 of the Global Compact

## GRI 307. Environmental compliance 2016



<b>307-1. Non-compliance with environmental laws and regulations</b>	The company does not have any record of having received a significant environmental fine in 2017.	Principles 7, 8, 9 and 10 of the Global Compact
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## GRI 306. Supplier environmental assessment 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>308–1.</b> New suppliers that were screened using environmental criteria	6.2. Productive Capital – Providers. <b>Page 85.</b>	Principles 7, 8, 9 and 10 of the Global Compact
<b>308–2.</b> Negative environmental impacts in the supply chain and actions taken	6.2. Productive Capital – Providers. <b>Page 85.</b>	Principles 7, 8, 9 and 10 of the Global Compact

## GRI 401. Employment 2016



<b>401–1.</b> New employee hires and employee turnover	6.3. Human Capital – General information. <b>Page 91.</b> / Diversity management. <b>Page 91.</b> 7.4 Note 3 – New hires and departures. <b>Page 153.</b>	Global Compact Principles 1, 2, 3, 6 and 10
<b>401–2.</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3. Human Capital – General information. <b>Page 90.</b> / Compensation and recognition. <b>Page 97.</b>	Global Compact Principles 1, 2, 3, 6 and 10
<b>401–3.</b> Parental leave	6.3 Human Capital – Organization and new ways of working. <b>Page 97.</b> / Health and well-being. <b>Page 98.</b> 7.4 Note 2 – Health and well-being. <b>Page 148.</b>	Global Compact Principles 1, 2, 3, 6 and 10

## GRI 402. Labor/Management Relations 2016



<b>402–1.</b> Minimum notice periods regarding operational changes	6.5. Social and Relational Capital – Employees and their legal representatives. <b>Page 110.</b>	Global Compact Principles 1, 2, 3 and 6
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## GRI 403. Occupational Health and Safety 2016



<b>403–1.</b> Workers' representation in formal joint management-worker health and safety committees	6.3. Human Capital – Health and well-being. <b>Page 98.</b> 7.4. Note 2 – Health and well-being. <b>Page 148.</b>	Global Compact Principles 1, 2, 3 and 6
<b>403–2.</b> Types of injury and rate of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	6.3. Human Capital – Health and well-being. <b>Page 98.</b>	Global Compact Principles 1, 2, 3, 4 and 6
<b>403–3.</b> Workers with high incidence or high risk of diseases related to their occupation	7.4. Note 2 – Health and well-being. <b>Page 148.</b>	Global Compact Principles 1, 2, 3, 4 and 6
<b>403–4.</b> Health and safety topics covered in formal agreements with trade unions	7.4. Note 2 – Health and well-being. <b>Page 148.</b>	Global Compact Principles 1, 2, 3, 4 and 6

## GRI 404. Training and Education 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>404-1.</b> Average hours of training per year per employee	6.3. Human Capital – Learning and knowledge management. <b>Page 94.</b>	Global Compact Principles 1, 2, 3, 4, 6 and 8
<b>404-2.</b> Programs for upgrading employee skills and transition assistance programs	6.3 Human Capital – Internal mobility. <b>Page 94.</b> / Learning and knowledge management. <b>Page 94.</b>	Global Compact Principles 1, 2, 3, 4, 6 and 8
<b>404-3.</b> Percentage of employees receiving regular performance and career development reviews	6.3. Human Capital – Compensation and recognition. <b>Page 97.</b>	Global Compact Principles 1, 2, 3, 4, 6 and 8

## GRI 405. Diversity and Equal Opportunities 2016



<b>405-1.</b> Diversity of governance bodies and employees	5.1 Governance System. <b>Page 51.</b> / Diversity and experience. <b>Page 54.</b> 6.3 Human Capital – Diversity. <b>Page 91.</b>	Global Compact Principles 1, 2, 3, 4 and 6
<b>405-2.</b> Ratio of basic salary and remuneration of women to men	6.3. Human Capital – Diversity. <b>Page 91.</b> / Compensation and recognition. <b>Page 97.</b>	Global Compact Principles 1, 2, 3, 4 and 6

## GRI 406. Non-discrimination 2016



<b>406-1.</b> Incidents of discrimination and corrective actions taken	5.2. Ethics and Social Responsibility - Code of Ethics and Conduct. <b>Page 61.</b> / Ethics Committee. <b>Page 62.</b> / Whistleblower channels. <b>Page 68.</b> / Protection of employees from moral and sexual harassment in the workplace. <b>Page 68.</b> 6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, 4, 6 and 10
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## GRI 407. Freedom of Association and Collective Bargaining 2016



<b>407-1.</b> Operations and providers in which the right to freedom of association and collective bargaining may be at risk	6.5 Social and Relational Capital – Relationship channels. <b>Page 109.</b> / Employees and their legal representatives. <b>Page 110.</b> / SDG and Human Rights. <b>Page 113.</b> 7.4 Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, 4, 6 and 10
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## GRI 408. Child Labor 2016



<b>408-1.</b> Operations and providers at significant risk for incidents of child labor	5.2. Ethics and Social Responsibility - Code of Ethics and Conduct. <b>Page 61.</b> / Ethics Committee. <b>Page 62.</b> 6.2. Productive Capital – Providers. <b>Page 858.</b> 6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, 5, 6 and 10
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## GRI 409. Forced or Compulsory Labor 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>409-1. Operations and providers at significant for incidents of forced or compulsory labor</b>	5.2. Ethics and Social Responsibility - Code of Ethics and Conduct. <b>Page 61.</b> / Ethics Committee. <b>Page 62.</b> 6.2. Productive Capital – Providers. <b>Page 85.</b> 6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, 4, 6 and 10

## GRI 410. Security Practices 2016



<b>410-1. Security personnel trained in human rights policies or procedures</b>	5.2. Ethics and Social Responsibility - Code of Ethics and Conduct. <b>Page 61.</b> / Ethics Committee. <b>Page 62.</b> / Security. <b>Page 62.</b> 5.3. Risk Management. <b>Page 71.</b> /Integration and management of ESG risks. <b>Page 71.</b> 6.2. Productive Capital - Providers. <b>Page 85.</b> 6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, and 10
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## GRI 411. Rights of Indigenous Peoples 2016



<b>411-1. Incidents of violations involving rights of indigenous peoples</b>	6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, and 10
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## GRI 412. Human Rights Assessments 2016



<b>412-1. Operations that have been subject to human rights reviews or impact assessments</b>	6.2. Productive Capital – Providers. <b>Page 85.</b> 6.5 Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.2. Materiality. <b>Page 126.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1-10
<b>412-2. Employee training on human rights policies or procedures</b>	6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1-10
<b>412-3. Significant investment agreements and contracts that include human rights clauses</b>	5.2. Ethics and Social Responsibility - Code of Ethics and Conduct <b>Page 61.</b> / Ethics Committee. <b>Page 62.</b> 6.2. Productive Capital – Providers. <b>Page 85.</b> 6.5. Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4. Note 5 – Human Rights Compliance Measures. <b>Page 159.</b>	Global Compact Principles 1, 2, 3, 4, 5, 6, 7 and 10

## GRI 413. Local Communities 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>413-1</b> Operations with local community engagement, impact assessments and development programs	6.5 Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4 Note 5 – Human Rights Compliance Measures. <b>Page 159.</b> <a href="http://www.fundacionmapfre.org">www.fundacionmapfre.org</a>	Global Compact Principles 1, 2, 3, 4, 5, 6, 7 and 10
<b>413-2</b> Operations with significant actual and potential negative impacts on local communities	6.5 Social and Relational Capital – SDG and Human Rights. <b>Page 113.</b> 7.4 Note 5 – Human Rights Compliance Measures. <b>Page 159.</b> <a href="http://www.fundacionmapfre.org">www.fundacionmapfre.org</a>	Global Compact Principles 1, 2, 3, 4, 5, 6, 7 and 10

## GRI 414: Provider Social Assessment 2016



<b>414-1</b> New providers that were screened using social criteria	6.2 Productive Capital - Providers. <b>Page 85.</b>	Global Compact Principles 1-10
<b>414-2</b> Negative social impacts in the supply chain and actions taken	6.2 Productive Capital - Providers. <b>Page 85.</b>	Global Compact Principles 1-10

## GRI 415. Public Policy 2016



<b>415-1.</b> Political contributions	5.2 Ethics and Social Responsibility - Code of Ethics and Conduct <b>Page 61.</b> / Ethics Committee. <b>Page 62.</b> Institutional, Business and Organizational Principles of the MAPFRE GROUP <a href="https://www.mapfre.com/corporate/institutional-investors/corporate-governance/">https://www.mapfre.com/corporate/institutional-investors/corporate-governance/</a>	Global Compact Principle 10
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## GRI 417. Marketing and Labeling 2016



<b>417-1</b> Requirements for product and service information and labeling	Not available. Varies according to local legislation.	
<b>417-2</b> Incidents of non-compliance concerning product and service information and labeling	5.2 Ethics and Social Responsibility – Grievances and complaints. <b>Page 62.</b>	Global Compact Principle 10
<b>417-3</b> Incidents of non-compliance concerning marketing communications	No significant cases of non-compliance with regulations or voluntary codes assumed by the company were reported in 2017.	Global Compact Principle 10

## GRI 418: Client Privacy 2016



<b>418-1.</b> Substantiated complaints concerning breaches of client privacy and losses of client data	6.4 Intellectual Capital – Cybersecurity. <b>Page 113.</b>	Global Compact Principles 1, 2, 3, and 10
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## GRI 419: Socioeconomic Compliance 2016



STANDARD AND CONTENTS	PAGE No. / INFORMATION	OTHER REFERENCES
<b>419-1. Non-compliance with laws and regulations in the social and economic area</b>	5.2 Ethics and Social Responsibility – Ethical Behavior: Main compliance and prevention measures. <b>Page 60.</b>	Global Compact Principles 1, 2, 3, and 10

## GRI Finance Supplement Indicators

### Impact of products and services



GRI INDICATORS	PAGE No./ INFORMATION	OTHER REFERENCES
<b>G4-FS1</b> Policies with specific environmental and social components applied to business lines	5.1. Governance system. <b>Page 51.</b> 5.2. Ethics and Social Responsibility. <b>Page 61.</b> 5.3. Risk Management. <b>Page 71.</b> 6.6. Natural Capital. <b>Page 120.</b> 7.4. Note 4 – Social and environmental products and services. <b>Page 154.</b>	
<b>G4-FS2</b> Procedures for assessing and screening environmental and social risks in business lines	5.3. Risk Management. <b>Page 71.</b> / Integration and management of ASG risks. <b>Page 71.</b> 6.6. Natural Capital – Climate change management. <b>Page 122.</b>	
<b>G4-FS3</b> Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions with customers	5.2. Ethics and Social Responsibility. <b>Page 61.</b> 5.3. Risk Management. <b>Page 71.</b> / Integration and management of ASG risks. <b>Page 71.</b> 7.4. Note 4 – Social and environmental products and services. <b>Page 154.</b>	
<b>G4-FS4</b> Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	5.2. Ethics and Social Responsibility. <b>Page 61.</b> 6.6. Natural Capital – Strategic environmental model. <b>Page 120.</b> / Biodiversity preservation. <b>Page 123.</b>	
<b>G4-FS5</b> Interactions with clients, investees and business partners regarding environmental and social risks and opportunities	5.3. Risk Management – Integration and management of ASG risks. <b>Page 71.</b> 6.6. Natural Capital – Climate change management. <b>Page 122.</b> 7.2. Materiality. <b>Page 126.</b> <a href="http://mapfre.com">mapfre.com</a> – Group/shareholders and investors corporate information	

## Product portfolio



GRI INDICATORS	PAGE No./ INFORMATION	OTHER REFERENCES
<b>G4-FS6</b> Percentage of the portfolio for each business line by specific region, size and sector	4.3. Information by Business Unit. <b>Page 37.</b>	
<b>G4-FS7</b> Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	7.4. Note 4 – Social and environmental products and services. <b>Page 154.</b>	
<b>G4-FS8</b> Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	7.4. Note 4 – Social and environmental products and services. <b>Page 154.</b>	

## Auditing



<b>G4-FS9</b> Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	5.3. Risk Management – Integration and management of ASG risks. <b>Page 71.</b> 6.6. Natural Capital – Strategic environmental model. <b>Page 120.</b> 7.1. Bases of preparation and presentation of the report. <b>Page 125.</b> 7.4. Note 1– Environmental information. <b>Page 145.</b> / Environmental Audits. <b>Page 146.</b>	
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## Active ownership



<b>G4-FS10</b> Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	This information is not available as of the close of this report.	
<b>G4-FS11</b> Percentage of assets subject to positive and negative environmental or social screening		

## Community



<b>G4-FS13</b> Access points in low-populated or economically disadvantaged areas by type	5.2. Ethics and Social Responsibility. <b>Page 61.</b> 7.4. Note 4 – Social and environmental products and services. <b>Page 154.</b>	
<b>G4-FS14</b> Initiatives to improve access to financial services for disadvantaged people	Annual report of Fundación MAPFRE 2017.	

## Customer health and safety



<b>G4-FS15</b> Policies for the fair design and sale of financial products and services	5.2. Ethics and Social Responsibility. <b>Page 61.</b> 7.4. Note 4 – Social and environmental products and services. <b>Page 154.</b>	
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## Marketing communications



<b>G4-FS16</b> Initiatives to enhance financial literacy by type of beneficiary	Annual report of Fundación MAPFRE 2017.	
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## 7.4. Notes

### Note 1 Environmental Information

#### CO<sub>2</sub>eq CONSUMPTION AND EMISSIONS INVENTORY

Resource consumption	GRI	Unit of Measurement	2017	2016	2015
<b>Scope 1:</b>					
Natural gas consumption	302-1; 302-4; 305-1	m <sup>3</sup>	1,156,730	1,098,991	1,109,618
Oil consumption in buildings		l	441,409	403,204	384,939
Refrigeration gas recharges		kg	941	733	1,041
Consumption of fuel in own vehicles		l	3,164,699	3,677,690	3,728,868
<b>Scope 2:</b>					
Electrical energy consumption	302-1; 302-4	GWh	108,72	115,95	121,64
<b>Scope 3:</b>					
Business travel (*)	302-2	Tm CO <sub>2</sub> eq	8,118	7,480	8,961
Paper consumption (**)		Tm CO <sub>2</sub> eq	1,408	1,369	1,771

(\*) Travel by employees:

**2015:** Data for Spain

**2016:** Data for Spain, Argentina, Brazil, USA

**2017:** Data for Spain, Argentina, Brazil, Chile USA, Peru, Portugal, Puerto Rico, Turkey

(\*\*) Includes emissions avoided by recycling paper

## Waste management

[306-2]

Waste indicators	Unit of Measurement	2017	2016	2015
Paper	Tm	888.54	1,072.11	991.00
Toner	Tm	18.37	14.97	18.30
Computers and electronic equipment managed	Tm	33.66	86.76	61.74
Computers and electronic equipment donated	Tm	8.77	10.57	18.38
Lamps and fluorescent lights at end of useful life	Tm	1.60	4.11	2.19
Batteries	Tm	3.80	2.46	3.40
Hazardous waste in buildings	Tm	5.07	2.40	2.71
Hazardous waste in repair shops	Tm	102.14	89.01	91.00
Non-hazardous waste in buildings and repair shops (*)	Tm	1,585.70	2,352.70	1,250.00
Other non-hazardous waste	Tm	769.89	205.85	213.00
Sanitary waste	Tm	2.78	2.31	2.21
Expired medicines	Tm	0.11	0.16	0.11
X-rays	Tm	0.98	0.87	0.83
Computer media	Tm	2.78	8.62	6.17

## Environmental audits

[FS9]

Auditorías medioambientales de activos	Unit of Measurement	2017	2016	2015
Environmental diagnoses and inspections	Units	9	84	11
Internal environmental audits	Units	44	47	41
Environmental certification audits	Units	36	19	26
Percentage of assets subject to environmental controls	Percentage	31.26	28.61	25.04

## Resource consumption [302-3]

Resource consumption	GRI	Unit of Measurement	2017	2016	2015
Total energy consumption	302-1; 302-4	GWh	125.74	132.06	137.68
Renewable energy consumption	302-1; 302-4	GWh	68.47	64.87	18.77
Total water consumption	303-1	m <sup>3</sup>	615,356	709,834	758,448
Total paper consumption	301-1	Tm	2,136	2,248	2,573
Total certified paper consumption	301-1	Tm	1,311	1,319	1,333
Ecologically-tagged paper/total paper consumed	301-2	%	61	69	52
Toner consumption	301-1	Units	5,455	3,875	9,575
Total waste deposited in landfills (*)	306-2	Tm	398.36	651.34	195.17

(\*) Scope:

**2015:** Data for Spain, Colombia, Mexico, Puerto Rico, Brazil, USA, Portugal.

**2016:** Data for Spain, Colombia, Mexico, Puerto Rico, Brazil, USA, Portugal, Chile.

**2017:** Data for Spain, Colombia Mexico Puerto Rico, Argentina Chile, Venezuela, Turkey.

## Resource consumption indicators

	Unit of Measurement	2017	2016	2015
Total energy consumption/employee	kWh/employee/year	3,680	3,910	3,939
Water per employee	M <sup>3</sup> /employee	18.01	21.02	21.7
Activity consumption	kWh/premium (€'000)	6.5	6.9	7.2

**2015 y 2016.** Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines and Malta.

**2017.** Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy (Direct Line), Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany..

**Note 2**  
**Health and well-being**  
 [401-3, 403-1, 403-3, 403-4]



**WORKPLACE**

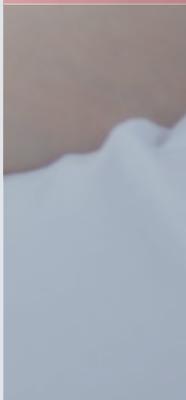
MAPFRE encourages measures to achieve a better workplace, in the broadest sense of the term, as a company that promotes the health of its employees.

		Workplace
	<b>Spain</b>	<ul style="list-style-type: none"> <li>&gt; 49 occupational risk assessments.</li> <li>&gt; Occupational risk prevention training and information were delivered to more than 4,000 employees, representing a total of 10,879 hours.</li> <li>&gt; 5,571 medical checkups.</li> </ul>
	<b>Brazil</b>	<ul style="list-style-type: none"> <li>&gt; 128 occupational risk assessments (safety, hygiene and ergonomics).</li> <li>&gt; 250 psychosocial risk assessments.</li> <li>&gt; 864 hours of training on workstation risks.</li> <li>&gt; 5,999 medical checkups.</li> </ul>
	<b>Colombia</b>	<ul style="list-style-type: none"> <li>&gt; 90 occupational risk assessments (safety, hygiene and ergonomics).</li> <li>&gt; 100 psychosocial risk assessments.</li> <li>&gt; 980 medical checkups.</li> <li>&gt; 60 epidemiological studies.</li> </ul>
	<b>Mexico</b>	<ul style="list-style-type: none"> <li>&gt; 2 occupational risk assessments (safety, hygiene and ergonomics).</li> <li>&gt; Work-related accident prevention and emergency measures, and first-aid and building evacuation plans are in place.</li> </ul>

## HEALTH PROMOTION

The main objective of the health promotion activities is to prevent non-communicable diseases and optimize healthcare by establishing channels

and procedures for providing medical and psychological advice and running global health awareness campaigns.

		Health promotion
	<b>Spain</b>	<ul style="list-style-type: none"> <li>&gt; 68 health promotion activities.</li> <li>&gt; 4 cancer information and prevention campaigns.</li> <li>&gt; 889 flu vaccinations.</li> <li>&gt; 9,911 medical assessments.</li> <li>&gt; World No Tobacco Day (May 31) and World AIDS Day (December 1) were both marked.</li> </ul>
	<b>Brazil</b>	<ul style="list-style-type: none"> <li>&gt; The <i>Cuidar</i> (Care) program offers support to collaborators and relatives of patients undergoing cancer treatment: 12 meetings were held that dealt with matters relating to cancer treatment.</li> <li>&gt; <i>Noviembre Azul</i> (Blue November): various men's health-related actions were carried out during November, including urology checkups.</li> <li>&gt; 11,335 medical checkups, going beyond what is legally established in the country, were carried out: gynecology, dermatology, endocrinology, urology, physiotherapy and nutrition.</li> </ul>
	<b>Colombia</b>	<ul style="list-style-type: none"> <li>&gt; Informational campaigns on the prevention of the main non-communicable diseases.</li> <li>&gt; Campaigns on the prevention of psychoactive substances, tobacco and alcohol consumption.</li> </ul>
	<b>United States</b>	<ul style="list-style-type: none"> <li>&gt; The Employee Counseling Program offers 24/7/365 professional and confidential clinical advice, free of charge, to all employees and members of their families. via telephone or through the website.</li> </ul>
	<b>Mexico</b>	<ul style="list-style-type: none"> <li>&gt; Information campaigns on preventing prostate cancer, breast cancer, cervical-uterus cancer, hypertension, diabetes and tetanus.</li> <li>&gt; Alzheimer's disease information campaign.</li> <li>&gt; 2,326 medical assessments.</li> </ul>
	<b>Other countries</b>	<ul style="list-style-type: none"> <li>&gt; Eln Chile: vaccination campaigns, cardiovascular checkups during Heart Week, and a breast cancer prevention campaign.</li> <li>&gt; In Italy: a conference on the prevention of cardiovascular risks was given by the Monzino Cardiology Center during MAPFRE Health Week.</li> <li>&gt; In Puerto Rico: prevention campaigns for breast cancer, prostate cancer, pancreatic cancer, leukemia, lymphoma and multiple myeloma, ovarian cancer and cardiovascular health. Talks were held on how to cultivate domestic gardens, in order to encourage employees and their families to develop healthier diets at home.</li> <li>&gt; The international consulting firm, Brandon Hall, presented the "Best Wellness and Benefits Program" award to MAPFRE Sigorta (Turkey) for its employee health and well-being program.</li> </ul>

## PHYSICAL ACTIVITY AND DIET

The pillars of good health are physical activity and diet. MAPFRE promotes sports activities among employees and provides information on a healthy, appetizing and fun diet. The following is a selection of the activities conducted:



		Physical activity and diet
	<b>Spain</b>	<ul style="list-style-type: none"> <li>&gt; In-house gyms at the Majadahonda (Madrid) facilities, with a total of 18,718 visits by employees, at the Sant Cugat del Vallés (Barcelona) facilities and the training campus of the Corporate University.</li> <li>&gt; 47 sports activities were promoted with a total of 1,222 participants.</li> </ul>
	<b>Brazil</b>	<ul style="list-style-type: none"> <li>&gt; Weight Watchers - education program aimed at helping collaborators lose weight.</li> <li>&gt; Walk and run program: program with bi-weekly sessions run by a professional at public parks close to the workplace.</li> </ul>
	<b>Colombia</b>	<ul style="list-style-type: none"> <li>&gt; Healthy breakfasting, healthy diet notebook and one-week exercise program, weight watching.</li> <li>&gt; Implementation of the <i>Dinamízate</i> (Get Invigorated) program to encourage more physical activity.</li> <li>&gt; Yoga, rumba therapy, zumba therapy and calisthenics sessions.</li> </ul>
	<b>United States</b>	<ul style="list-style-type: none"> <li>&gt; "Ready, Set, Go" well-being program.</li> <li>&gt; Programs to promote physical activity and exercise, with discounts for gym memberships, creation of a stepometer to monitor exercise done.</li> </ul>
	<b>Mexico</b>	<ul style="list-style-type: none"> <li>&gt; Running club during MAPFRE Week.</li> <li>&gt; Design of well-balanced diets.</li> </ul>
	<b>Other countries</b>	<ul style="list-style-type: none"> <li>&gt; In Paraguay: bi-weekly active breaks, where a trainer visits all work areas and helps employees practice stretching exercises.</li> <li>&gt; In Venezuela: information campaign to raise employee awareness of the importance of a healthy diet, incorporating readily available products.</li> </ul>

## MENTAL WELL-BEING

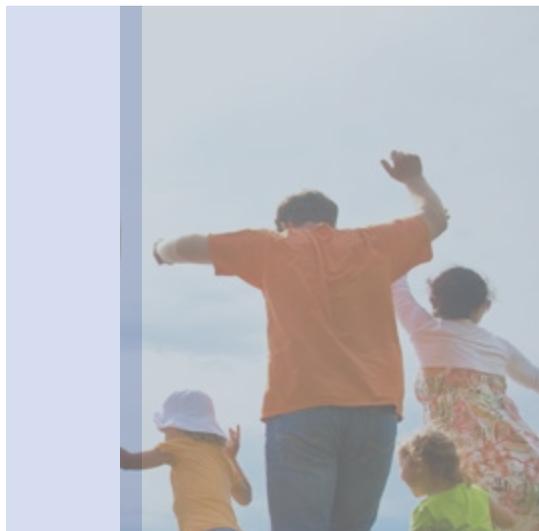
As psychosocial risks and mental illnesses are issues that increasingly affect companies and society in general, MAPFRE believes they should be addressed in the workplace. The company promotes measures to help manage stress and develop positive behavior and personal effectiveness

tools, as well as providing psychological support for employees and their relatives.

		Mental well-being
	<b>Spain</b>	<ul style="list-style-type: none"> <li>&gt; Online training for Stress Management given to more than 1,100 employees, with a total of more than 1,144 hours of training.</li> <li>&gt; During MAPFRE Week, more than 20 activities related to mental well-being were carried out.</li> </ul>
	<b>Colombia</b>	<ul style="list-style-type: none"> <li>&gt; Spa and massage day for employees, talks to help employees handle their emotions, "zero stress" workshops.</li> <li>&gt; Monthly sessions of the <i>Dinamízate</i> (Get Invigorated) program, workshops and creation of a rest area.</li> </ul>
	<b>United States</b>	<ul style="list-style-type: none"> <li>&gt; During the Global Health Week and annual results presentation event, stress-relieving massages were given at the workplace.</li> <li>&gt; Free webinars were offered to employees on "Stress and the immune system" and "Improve your resistance to prevent exhaustion".</li> </ul>
	<b>Mexico</b>	<ul style="list-style-type: none"> <li>&gt; During MAPFRE Week: Meditation and relaxation sessions and talks, focusing on understanding and resilience management, and dealing with adversity from a personal and professional point of view.</li> </ul>
	<b>Other countries</b>	<ul style="list-style-type: none"> <li>&gt; In Peru: individual and voluntary Psychological Counseling Program, with workshops on handling stress and crisis interventions.</li> </ul>

## PERSONAL ENVIRONMENT

These activities are related to the health and well-being of employees and their relatives in their personal lives. The issues addressed include caring for dependents, parenting and prevention of workplace accidents.



		Personal environment
	<b>Spain</b>	<ul style="list-style-type: none"> <li>&gt; 149 assessments provided to employees whose relatives have health problems.</li> <li>&gt; 65 activities were carried out during MAPFRE Week in relation to one's personal environment.</li> <li>&gt; 52 social activities were promoted, with a total of 10,044 participants, including employees and family members.</li> </ul>
	<b>Brazil</b>	<ul style="list-style-type: none"> <li>&gt; All relatives are asked to participate in the <i>Cuidar</i> (Care) program, in São Paulo, and in the <i>Maternidad</i> (Maternity) program, which covers family planning, conferences on pregnancy and taking care of babies, telephone assistance from a team of multidisciplinary health professionals, pregnancy-related matters and returning to work.</li> </ul>
	<b>United States</b>	<ul style="list-style-type: none"> <li>&gt; A funeral planning service is offered, which provides assistance and support to families who suffer the death of a loved one.</li> </ul>
	<b>Other countries</b>	<ul style="list-style-type: none"> <li>&gt; In Argentina: the <i>Pequeñas Visitas</i> (Little Visitors) program is a family event where employees' children share a day at the office with their parents, and donate non-perishable food to selected charities through Fundación MAPFRE.</li> <li>&gt; In Honduras: Family life, stress-relief walking, birthday celebrations, Mother's Day, Father's Day, Christmas.</li> </ul>

**Note 3**  
**New Hires and**  
**Departures in 2017**  
**[401-1]**

New hires and departures occurred during the year for the following reasons:

Reason for new hire	2017	2016
Merger or acquisition	679	0
External recruitment	4,732	5,987
Return after leave of absence	166	156
Return from international posting	7	8
Temporary contract	396	-
Change of company	938	1,142
<b>Reason for departure</b>		
Transfer	0	24
Voluntary	3,232	3,341
Dismissal	2,610	3,878
Leave of absence	178	194
Retirement	95	67
Early retirement	5	19
Death	23	19
Disability	25	24
Termination of temporary contract	340	-
Change of company	1,161	1,111

## Note 4 Social and Environmental Products and Services

[102-2; 201-2, FS1, FS3, FS7, FS8, FS13,  
FS14, FS15]

### PRODUCTS WITH HIGH SOCIAL CONTENT

These are products offering basic coverage (Burial, Homeowners and Life, etc.) that are adapted to very specific local needs, and with low premiums, which help cover the personal risks of different groups, while also promoting an insurance culture.

Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties / beneficiaries
<b>IBERIA TERRITORIAL AREA</b>					
<b>Spain</b>	<b>Health</b>	<b>Health Choice:</b> Health assistance insurance that guarantees primary care and basic diagnosis tests in approved centers. For other medical attention the insured may require, reductions on prices payable by private patients are offered in recommended clinics.	0.18	0.18	8,954
	<b>Life</b>	<b>Essential Burial:</b> based on sliding pricing scale that is adapted to clients who wish to keep their burial insurance in force but face adverse economic circumstances.	3.33	3.33	287,093

Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties / beneficiaries
<b>LATAM TERRITORIAL AREA</b>					
<b>Brazil</b>	<b>Hogar</b>	<b>Telefónica Protected Account Program:</b> financial protection insurance covering the payment of telephone bills in the event of unemployment, disability, etc.	0.04	0.34	62,772
	<b>Life</b>	<b>Crediamigo microcredit program:</b> with death coverage or funeral assistance, in addition to four monthly capitalizations.	0.09	0.54	49,095
		<b>Agroamigo:</b> a new mass insurance solution for micro-entrepreneurs in formal or informal sectors of the economy in rural areas.	0.001	0.08	21,573
		<b>BB Agriculture and Family Life Insurance:</b> insurance for rural loan clients of the <i>Agricultura Familiar</i> (Family Agriculture) programs that guarantees the settlement or surrender of the balance held with Banco do Brasil in the event of the natural or accidental death of the insured.	0.865	16.95	438,156
		<b>Rural Loans Insurance:</b> life insurance for rural loans.	0.008	0.16	1,221,966
		<b>Family Protection Insurance:</b> the insured party must select the type of funeral assistance as the main coverage.	0.003	0.87	542
<b>Dominican Republic</b>	<b>Health</b>	<b>Assistance program for entrepreneurs, SME clients of Banco BHD Leon credit card services:</b> a set of services and assistance for the insured party's business. Services include plumbing, electrical installations, locksmiths, legal assistance.	0.21	1.29	4,199
		<b>Coverage of male cancer victims who are clients of Banco BHD Leon credit card services:</b> coverage guaranteeing that the insured party receives the contracted capital in the event that they are diagnosed for the first time with prostate cancer.	0.09	0.52	2,786
		<b>Assistance granted to the insured party for holding a Banco BHD Leon Woman's credit card:</b> services include assistance for home, traffic, legal and medical emergencies during national and international travel, and personal assistance.	1.52	9.22	40,895
	<b>Life</b>	<b>Education insurance covering the death of the student's father:</b> in the event of the death or total disability of the insured party, the company will pay the agreed amount to the education center which certifies the enrolment of the children of the insured party.	0.75	1.94	30,075

Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties / beneficiaries
Mexico	Accident and Illness	<b>Basic Standardized Personal Accident Insurance:</b> accident insurance that offers indemnity up to 200,000 USD.	0.0002	0.0016	224
		<b>Basic Standardized Medical Expenses Insurance:</b> medical attention at any national or international hospital.	0.0002	0.0019	20
	Automobile	<b>MAPFRE Basic Automobile Insurance:</b> designed to provide the minimum protection required for cars.	0.0015	0.0057	488
	Life	<b>Group Life Insurance:</b> marketed through the Compartamos bank. Aimed at groups for which Company Group Life Insurance products cannot be offered due to their special characteristics.	6.78	30.1	4,710,189
INTERNATIONAL TERRITORIAL AREA					
Puerto Rico	Automobile	<b>Auto Plus:</b> replaces or greatly improves the mandatory insurance for only 36 USD more. Includes roadside assistance, accidental death or dismemberment, medical expenses and legal defense coverage.	0.03	0.09	544
		<b>Roadside and travel assistance product</b> providing the insured party with immediate roadside assistance for only 45 USD for the first vehicle, and 25 USD for subsequent insured vehicles.	0.01	0.02	7,159

## Environmental products and services

The following table shows the main figures for environmental products and services.

ENVIRONMENTAL PRODUCTS AND SERVICES			
Product/Service		2017	2016
Environmental risk coverages	No. of policies	20,705	19,834
Insurance for sustainable projects	Net premiums (€)	120,461,190	82,699,760
Environmental and energy-saving insurance	Revenue (€)	235,177	315,049

Below are the main environment-related insurance products and services:

Country	Type of product or service	% of total premiums	% of line total	No. of insured parties
<b>IBERIA TERRITORIAL AREA</b>				
<b>Spain</b>	<b>Green policy:</b> first comprehensive pay-per-use insurance for electric, hybrid and eco-friendly vehicles.	0.24	0.22	9,076
	<b>P&amp;C and third-party liability insurance:</b> product for solar farms and photovoltaic power stations, wind farms and cogeneration plants.	0.19	1.38	1,508
	<b>Environmental liability cover in general third-party liability policies and multi-peril policies:</b> covers policyholder liability for damage caused due to environmental pollution.	0.74	1.24	1,185
<b>Portugal</b>	<b>Environmental liability:</b> covers the cost of repairs due to accidents or an imminent threat, damage to wildlife and habitats, water and land pollution.	0.1	6.56	778
<b>LATAM TERRITORIAL AREA</b>				
<b>Brazil</b>	<b>Environmental third-party liability:</b> total risk insurance that guarantees indemnization for damages and losses up to the maximum limit stated in the insurance policy. Consists of basic coverage for mandatory requirements, and additional coverages.	0.01	0.13	243
	<b>Wreck Disposal:</b> policy for pleasure and general aviation craft that provides compensation to policyholders to recover damaged property and minimize environmental harm.	0.04	0.45	1,924
	<b>Petroleum risk:</b> offers direct or indirect cover for risks linked to oil or gas prospecting, drilling and/or production activities.	0.64	6.73	2
<b>Mexico</b>	<b>Safe Gas Station:</b> insurance that includes third-party liability coverage against contamination.	0.2	0.6	1,222

Country	Type of product or service	% of total premiums	% of line total	No. of insured parties
<b>LATAM TERRITORIAL ÁREA (cont.)</b>				
<b>Colombia</b>	<b>Climate change insurance:</b> insurance that protects agricultural and livestock producers against the devastating effects of natural events on their plantations, as a consequence of climate change. Provides coverage for natural events such as droughts or floods, frost, strong winds, landslides, hail, avalanches and fires.	2.29	--	2,913
<b>INTERNATIONAL TERRITORIAL AREA</b>				
<b>Puerto Rico</b>	<b>MCS-90:</b> transportation policy that covers repairing damage resulting from contamination due to leaks of hazardous products.	0.05	0.18	290
<b>GLOBAL BUSINESSES</b>				
<b>Damage and third-party liability policy:</b> insurance that covers the different phases (design, construction, commissioning and operation) of large renewable energy thermosolar plants and wind farms. These products are marketed by MAPFRE GLOBAL RISKS.				
Wind farms		3.62		41
Solar energy		0.48		20

The accompanying table shows the main environmental indicators related to the insurance solutions marketed.

In the case of coinsurance, the indicators only include MAPFRE's ownership interest.

Indicator	Unit of Measurement	2017	2016
Environmental third-party liability and multi-peril policies underwritten	No.	10,140	7,877
Wind power facilities insured	MW	12,755.85	24,419.33
Wind turbine generators insured	No.	7,127	16,445
Sustainable forest plantations	ha	17,865	20,426
Green automobile policies	No.	8,809	10,235

Overall, more than 20,700 policies covering environment-related aspects were issued in 2017, representing premium volume of more than 120 million euros and 0.51 percent of the Group's total premiums.

In the case of environmental and energy services, some are directly associated with insurance policy benefits. As proof of this, in 2017, MAPFRE's provider network included 16 fully electric vehicles that can be deployed to provide roadside assistance for owners of electric cars. These assistance vehicles are equipped with a generator that can charge cars anywhere, anytime. As a result, this service reduces carbon footprint, preventing assistance tow trucks from traveling to the breakdown location and towing the vehicle back to a charging station.

In addition, MAPFRE is encouraging its providers to renew their tow truck fleets with hybrid vehicles, and there are already 9 light hybrid tow trucks available for this roadside assistance service.

Other services are related to research on repairs for vehicles involved in accidents, conducted at the Road Safety Experimentation Centers (CESVI) in Spain and the Americas, which contributes to the reduced consumption of pollutants such as paint and solvents and helps minimize the environmental impact of vehicle repairs.

CESVIMAP, through CESVI RECAMBIOS, manages scrapped vehicles. A total of 2,834 scrapped vehicles were managed in Spain and Colombia in 2017, from which 84,531 parts and components were recovered for recycling.

Recovery of vehicle parts	Unit of Measurement	2017	2016
Scrapped vehicles processed	Unit	2,834	3,100
Parts recovered from scrapped vehicles	Unit	84,531	95,879

The environmental services provided by MULTIMAP are mainly targeted at energy savings and efficiency. This company installs charging stations for electric vehicles in the garages of private homes and the parking lots of condominium associations, as well as providing integrated energy efficiency and energy saving services in buildings and facilities. This work produced revenue of 235,177 euros in environmental services.

## Note 5 Human Rights Compliance Measures

[205-1, 205-2, 205-3, 407-1, 408-1, 409-1, 410-1, 411-1, 412-1, 412-2, 412-3, 413-1, 413-2]

The following due diligence measures were identified based on the materiality and using the internal (employees) and external (providers) scopes of action as reference:

Human rights by order of importance in the materiality study	Prevention mechanisms	Internal complaint mechanisms
<b>Elimination of discrimination in respect of employment and occupation</b>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> <li>&gt; Diversity and Equal Opportunities Policy</li> <li>&gt; Promotion, Selection and Mobility Policy</li> <li>&gt; Compensation Policy</li> <li>&gt; Harassment Protocol</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>- Recruitment system</li> <li>- Performance evaluation</li> <li>- Online course on human rights by the Global Compact Spanish Network</li> <li>- Online course on corporate social responsibility</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p> <p>Employees' legal representatives</p>
<b>Right to personal security and privacy</b>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> <li>&gt; Corporate Security Policy</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>- Data confidentiality agreements</li> <li>- Online course on human rights by the Global Compact Spanish Network</li> <li>- Online course on corporate social responsibility</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p> <p>Security and Environment Division</p>

Human rights by order of importance in the materiality study	Prevention mechanisms	Internal complaint mechanisms
<b>Right to a healthy environment</b>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Policy on Health, Well-being and Prevention of Occupational Risks</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Environment Policy</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>– Risk assessments of workplaces, facilities and workstations</li> <li>– Online course on the environment</li> <li>– Online course on human rights by the Global Compact Spanish Network</li> <li>– Online course on corporate social responsibility</li> </ul>	
<b>Access to basic rights for a life with dignity, e.g. family, housing, diet, health, education</b>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> <li>&gt; Diversity and Equal Opportunities Policy</li> <li>&gt; Promotion, Selection and Mobility Policy</li> <li>&gt; Policy on Health, Well-Being and Prevention of Occupational Risks</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>– Training and personal development plans</li> <li>– Talent management</li> <li>– Work-life balance measures</li> <li>– Social benefits for employees</li> <li>– Healthy company model, focused on the individual and structured around four areas of action: work, mental, personal and physical</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p>

EMPLOYEES

Human rights by order of importance in the materiality study	Prevention mechanisms	Internal complaint mechanisms
<p><b>Freedom of thought, culture and religion/worship</b></p>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> <li>&gt; Diversity and Equal Opportunities Policy</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p>
<p><b>Freedom of association and the right to form and be a member of labor unions and to collective bargaining</b></p>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> <li>&gt; Diversity and Equal Opportunities Policy</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>- Recognition of labor union representatives as a stakeholder</li> <li>- Online course on human rights by the Global Compact Spanish Network</li> <li>- Online course on corporate social responsibility</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p>
<p><b>Abolition of child labor</b></p>	<p>Absolute rejection of child exploitation</p> <p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p>

Human rights by order of importance in the materiality study	Prevention mechanisms	Internal complaint mechanisms
<b>Elimination of compulsory or forced labor</b>	<p>Absolute rejection of compulsory or forced labor</p> <p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>– Recognition of labor union representatives as a stakeholder</li> <li>– Online course on human rights by the Global Compact Spanish Network</li> <li>– Online course on corporate social responsibility</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p>
<b>Freedom of assembly and movement</b>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Respect for People Policy</li> <li>&gt; Promotion, Selection and Mobility Policy</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>– Recognition of labor union representatives as a stakeholder</li> <li>– Online course on human rights by the Global Compact Spanish Network</li> <li>– Online course on corporate social responsibility</li> <li>– Over 1,800 promotion and internal mobility processes</li> </ul>	<p>Human Resources departments</p> <p>Ethical Whistleblower Channel</p>

Human rights by order of importance	Prevention mechanisms	Complaint mechanisms
<b>Elimination of discrimination in respect of employment and occupation</b>	<p><b>Internal policies and rules</b></p> <ul style="list-style-type: none"> <li>&gt; Institutional, Organizational and Business Principles</li> <li>&gt; Code of Ethics and Conduct</li> <li>&gt; Corporate Social Responsibility Policy</li> <li>&gt; Purchasing Regulations</li> </ul> <p>Also:</p> <ul style="list-style-type: none"> <li>– New approval process integrating environmental, social and governance aspects.</li> <li>– Online course on human rights by the Global Compact Spanish Network</li> </ul>	<p>Purchasing departments</p> <p>Query mailboxes</p> <p>Whistleblower channel (planned for 2018)</p>
<b>Right to personal security and privacy</b>		
<b>Right to a healthy environment</b>		
<b>Access to basic rights for a life with dignity, e.g. family, housing, diet, health, education</b>		
<b>Freedom of thought, culture and religion/worship</b>		
<b>Freedom of association and the right to form and be a member of labor unions and to collective bargaining</b>		
<b>Abolition of child labor</b>		
<b>Elimination of compulsory or forced labor</b>		
<b>Freedom of assembly and movement</b>		



## 7.5. External verification report

[102-48, 102-49, 102-56]



KPMG Asesores, S.L.  
Pº. de la Castellana, 259 C  
28046 Madrid

### **Independent Assurance Report to the Management of MAPFRE, S.A.**

(Free translation from the original in Spanish.  
In case of discrepancy, the Spanish language version prevails.)

To the Management of Mapfre, S.A.

In accordance with our engagement letter, we performed a limited assurance review on the non-financial information contained in the Integrated Report of MAPFRE, S.A. (hereinafter MAPFRE) for the year ended 31 December 2017 (hereinafter "the Report") including indicators of Argentina, Brazil, Colombia, Spain, United States of America, Italy, Mexico, Peru and Turkey, as set out on this report's Annex and that could be included in the equivalent local Reports of MAPFRE in these countries.

#### **Management responsibilities**

MAPFRE management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with comprehensive option as described in item 102-54 of the GRI Content index of the Report, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for determining MAPFRE's objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

These responsibilities include the establishment of appropriate controls that MAPFRE management consider necessary to enable that the preparation of indicators with a limited assurance review would be free of material errors due to fraud or errors.

#### **Our responsibility**

Our responsibility is to carry out a limited assurance review and issue this report based on the work performed, referring exclusively to the information corresponding to 2017. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (reviewed), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", with ISAE 3410 Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standards Board (IAASB) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement.

KPMG applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on Fundamental Principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

#### **Limited assurance review of indicators with limited assurance engagement**

Our limited assurance engagement consisted of making inquiries to Management and persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

- Verification of MAPFRE's processes for determining the material issues, and the participation of stakeholders therein.
- Interviews with Management and relevant staff at group level and selected business unit level, concerning the existence of sustainability and corporate responsibility strategy and policies for material issues, and the implementation of these across the business of MAPFRE.
- Evaluation through interviews concerning the consistency of the description of the application of MAPFRE's policies and strategy on sustainability, governance, ethics and integrity.
- Risk analysis, including searching the media to identify material issues during the year covered by the Report.
- Review of the consistency of information comparing Universal Standards with internal systems and documentation.
- Analysis of the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Review of the application of the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards) requirements for the preparation of reports in accordance with comprehensive option and with response to the requirements to RDL18/2017 related to non-financial information and diversity.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of MAPFRE.
- Verification that the financial information reflected in the Report was audited by independent third parties.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

**Conclusions**

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Assurance Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the non-financial information contained in the Integrated Report of MAPFRE S.A. for the year ended 31 December 2017 has not been prepared, in all material respects, in accordance with the Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative as described in point 102-54 of the GRI Index, including the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.

Under separate cover, we will provide MAPFRE management with an internal report outlining our complete findings and areas for improvement.

**Purpose of our report**

In accordance with the terms of our engagement, this Independent Review Report has been prepared for MAPFRE in relation to its 2017 Corporate Social Responsibility Annual Report that covers the indicators of Argentina, Brazil, Colombia, Spain, United States of America, Italy, Mexico, Peru and Turkey, as set out on this report's Annex and that could be included in the equivalent local Reports of MAPFRE in these countries. For this reason, this Independent Assurance Report has been prepared for no other purpose or in any other context.

KPMG Asesores, S.L.

*(Signed)*

José Luis Blasco Vázquez

7 February 2018

ARGENTINA INDICATORS						
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS	
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)		
Economic performance	GRI 201-1	Labor practices and decent work		Society		
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1	
	GRI 201-3		GRI 401-2		GRI 413-2	
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1	
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2	
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3	
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1	
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1	
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance	GRI 419-1
	GRI 301-2	GRI 404-1	Diversity and Equal Opportunity		Supplier Assessment for Impacts on Society	GRI 414-1
Energy	GRI 302-1	GRI 404-2		Equal Remuneration for Women and Men	GRI 414-2	
	GRI 302-2	GRI 404-3			Supplier Assessment for Labor Practices	GRI 103-2
	GRI 302-3	Supplier Assessment for Labor Practices	GRI 414-1	Product Responsibility	GRI 417-2	
	GRI 302-4		GRI 414-2		Product and Service Labeling	GRI 102-43 GRI 102-44
	GRI 302-5		Labor Practices Grievance Mechanisms	GRI 103-2	GRI 417-3	
Water	GRI 303-1	Human Rights		Customer Privacy	GRI 418-1	
	Biodiversity	GRI 304-1	Investment	GRI 412-2	Compliance	GRI 419-1
		GRI 304-2	Non-discrimination	GRI 406-1	Financial Services G4 Sector Disclosures	
		GRI 304-3	Freedom of Association and Collective Bargaining	GRI 407-1	Impact of products and services	G4-FS1
GRI 304-4		Child Labor	GRI 408-1	G4-FS2		
Emissions	GRI 305-1	Forced or Compulsory Labor	GRI 409-1	G4-FS3		
	GRI 305-2	Security Practices	GRI 410-1	G4-FS4		
	GRI 305-3	Assessment	GRI 412-1	G4-FS5		
	GRI 305-4	Supplier Human Rights Assessment	GRI 414-1	Product Portfolio	G4-FS6	
	GRI 305-5	Human Rights Grievance Mechanisms	GRI 414-2		G4-FS7	
Effluents and Waste	GRI 306-2	Human Rights Grievance Mechanisms		GRI 103-2	G4-FS8	
	GRI 306-3	Investment		GRI 412-2	Audit	G4-FS9
	GRI 306-5	Non-discrimination		GRI 406-1	Active Ownership	G4-FS10
Compliance	GRI 307-1	Freedom of Association and Collective Bargaining		GRI 407-1	G4-FS11	
Supplier Environmental Assessment	GRI 308-1	Child Labor		GRI 408-1	Local Communities	G4-FS13
	GRI 308-2	Forced or Compulsory Labor		GRI 409-1		G4-FS14
Environmental Grievance Mechanisms	GRI 103-2	Security Practices		GRI 410-1	Client health and safety	G4-FS15
		Assessment		GRI 412-1	Marketing Communications	G4-FS16

BRAZIL INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	GRI 201-1	Labor practices and decent work		Society	
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1
	GRI 201-3		GRI 401-2		GRI 413-2
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance
	GRI 301-2	GRI 404-1	Supplier Assessment for Impacts on Society		GRI 414-1
Energy	GRI 302-1	GRI 404-2	Diversity and Equal Opportunity		GRI 414-2
	GRI 302-2	GRI 404-3		Grievance Mechanisms for Impacts on Society	GRI 103-2
	GRI 302-3	Equal Remuneration for Women and Men	GRI 405-1	Product Responsibility	
	GRI 302-4	Supplier Assessment for Labor Practices	GRI 405-2	Product and Service Labeling	GRI 417-2
	GRI 302-5		GRI 414-1		GRI 102-43
Water	GRI 303-1	GRI 414-2	Labor Practices Grievance Mechanisms		GRI 103-2
	Biodiversity	GRI 304-1	Human Rights	Investment	GRI 417-3
GRI 304-2		GRI 412-2			Customer Privacy
GRI 304-3		Non-discrimination	GRI 406-1	Compliance	GRI 419-1
GRI 304-4		Freedom of Association and Collective Bargaining	GRI 407-1	Financial Services G4 Sector Disclosures	
Emissions	GRI 305-1	Child Labor	GRI 408-1	Impact of products and services	G4-FS1
	GRI 305-2	Forced or Compulsory Labor	GRI 409-1		G4-FS2
	GRI 305-3	Security Practices	GRI 410-1		G4-FS3
	GRI 305-4	Assessment	GRI 412-1		G4-FS4
	GRI 305-5	Supplier Human Rights Assessment	GRI 414-1		G4-FS5
Effluents and Waste	GRI 306-2		GRI 414-2	Product Portfolio	G4-FS6
	GRI 306-3	Human Rights Grievance Mechanisms	GRI 103-2		G4-FS7
	GRI 306-5	Compliance	Supplier Environmental Assessment	Environmental Grievance Mechanisms	Audit
GRI 307-1	Active Ownership				G4-FS9
GRI 308-1					G4-FS10
GRI 308-2	G4-FS11				
Environmental Grievance Mechanisms	GRI 103-2	Local Communities	Client health and safety	Marketing Communications	G4-FS13
					G4-FS14
					G4-FS15
					G4-FS16

COLOMBIA INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	GRI 201-1	Labor practices and decent work		Society	
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1
	GRI 201-3		GRI 401-2		GRI 413-2
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance
	GRI 301-2	GRI 404-1	Supplier Assessment for Impacts on Society		GRI 414-1
Energy	GRI 302-1	GRI 404-2	Diversity and Equal Opportunity		GRI 414-2
	GRI 302-2	GRI 404-3		Equal Remuneration for Women and Men	GRI 103-2
	GRI 302-3	GRI 405-1		Supplier Assessment for Labor Practices	GRI 414-1
	GRI 302-4	GRI 405-2	GRI 414-2	GRI 414-2	
	GRI 302-5	Supplier Assessment for Labor Practices	GRI 103-2	GRI 417-2	
Water	GRI 303-1	Labor Practices Grievance Mechanisms	Human Rights	Product and Service Labeling	GRI 102-43
	Biodiversity	GRI 304-1			Investment
GRI 304-2		GRI 412-2	GRI 417-3		
GRI 304-3		Non-discrimination	GRI 406-1	Customer Privacy	GRI 418-1
GRI 304-4		Freedom of Association and Collective Bargaining	GRI 407-1	Compliance	GRI 419-1
Emissions	GRI 305-1	Child Labor	GRI 408-1	Financial Services G4 Sector Disclosures	
	GRI 305-2	Forced or Compulsory Labor	GRI 409-1	Impact of products and services	G4-FS1
	GRI 305-3	Security Practices	GRI 410-1		G4-FS2
	GRI 305-4	Assessment	GRI 412-1		G4-FS3
	GRI 305-5	Supplier Human Rights Assessment	GRI 414-1		G4-FS4
Effluents and Waste	GRI 306-2	GRI 414-2	GRI 414-2		G4-FS5
	GRI 306-3	Human Rights Grievance Mechanisms	GRI 103-2	G4-FS6	
	GRI 306-5	Human Rights Grievance Mechanisms	GRI 103-2	G4-FS7	
Compliance	GRI 307-1			G4-FS8	
	Supplier Environmental Assessment	GRI 308-1	Human Rights Grievance Mechanisms	G4-FS9	
GRI 308-2		Active Ownership		G4-FS10	
Environmental Grievance Mechanisms	GRI 103-2	Human Rights Grievance Mechanisms	GRI 103-2	G4-FS11	
	Local Communities			G4-FS13	
Client health and safety		G4-FS14	Marketing Communications	G4-FS15	
	G4-FS16				

USA INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	GRI 201-1	Labor practices and decent work		Society	
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1
	GRI 201-3		GRI 401-2		GRI 413-2
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance
	GRI 301-2	GRI 404-1	Supplier Assessment for Impacts on Society		GRI 414-1
Energy	GRI 302-1	GRI 404-2	Diversity and Equal Opportunity		GRI 414-2
	GRI 302-2	GRI 404-3		GRI 405-1	Grievance Mechanisms for Impacts on Society
	GRI 302-3	Equal Remuneration for Women and Men	GRI 405-2	Product Responsibility	
	GRI 302-4	Supplier Assessment for Labor Practices	GRI 414-1	Product and Service Labeling	GRI 417-2
Water	GRI 303-1	GRI 414-2	GRI 102-43		GRI 102-44
	GRI 303-1	Labor Practices Grievance Mechanisms	GRI 103-2		GRI 417-3
Biodiversity	GRI 304-1	Human Rights		Customer Privacy	GRI 418-1
	GRI 304-2	Investment	GRI 412-2	Compliance	GRI 419-1
	GRI 304-3	Non-discrimination	GRI 406-1	Financial Services G4 Sector Disclosures	
	GRI 304-4	Freedom of Association and Collective Bargaining	GRI 407-1	Impact of products and services	G4-FS1
Emissions	GRI 305-1	Child Labor	GRI 408-1		G4-FS2
	GRI 305-2	Forced or Compulsory Labor	GRI 409-1		G4-FS3
	GRI 305-3	Security Practices	GRI 410-1		G4-FS4
	GRI 305-4	Assessment	GRI 412-1		G4-FS5
	GRI 305-5	Supplier Human Rights Assessment	GRI 414-1	G4-FS6	
Effluents and Waste	GRI 306-2		GRI 414-2	G4-FS7	
	GRI 306-3	Human Rights Grievance Mechanisms	GRI 103-2	G4-FS8	
	GRI 306-5			Audit	G4-FS9
Compliance	GRI 307-1			Active Ownership	G4-FS10
Supplier Environmental Assessment	GRI 308-1				G4-FS11
	GRI 308-2			Local Communities	G4-FS13
Environmental Grievance Mechanisms	GRI 103-2				G4-FS14
					Client health and safety
				Marketing Communications	G4-FS16

SPAIN INDICATORS											
ASPECT		INDICATORS		ASPECT		INDICATORS		ASPECT		INDICATORS	
Economic performance indicators			Social performance indicators			Social performance indicators (cont.)					
Economic performance	GRI 201-1		Labor practices and decent work			Society					
	GRI 201-2		Employment			Local Communities			GRI 413-1		
	GRI 201-3		Labor/Management Relations			Anti-corruption			GRI 413-2		
	GRI 201-4		Occupational Health and Safety			Public Policy			GRI 205-1		
Market Presence	GRI 202-1		Training and Education			Anti-competitive Behaviour			GRI 205-2		
Procurement Practices	GRI 202-2		Diversity and Equal Opportunity			Compliance			GRI 205-3		
	GRI 204-1		Equal Remuneration for Women and Men			Public Policy			GRI 415-1		
Environmental performance indicators			Supplier Assessment for Labor Practices			Anti-competitive Behaviour			GRI 206-1		
Materials	GRI 301-1		Labor Practices Grievance Mechanisms			Compliance			GRI 419-1		
	GRI 301-2		Human Rights			Supplier Assessment for Impacts on Society			GRI 414-1		
Energy	GRI 302-1		Investment			Grievance Mechanisms for Impacts on Society			GRI 414-2		
	GRI 302-2		Non-discrimination			Product Responsibility			GRI 103-2		
	GRI 302-3		Freedom of Association and Collective Bargaining			Product and Service Labeling			GRI 417-2		
	GRI 302-4		Child Labor			Customer Privacy			GRI 102-43 GRI 102-44		
	GRI 302-5		Forced or Compulsory Labor			Compliance			GRI 417-3		
Water	GRI 303-1		Security Practices						GRI 418-1		
Biodiversity	GRI 304-1		Assessment			Financial Services G4 Sector Disclosures			GRI 419-1		
	GRI 304-2		Supplier Human Rights Assessment			Impact of products and services			G4-FS1		
	GRI 304-3		Human Rights Grievance Mechanisms			Product Portfolio			G4-FS2		
	GRI 304-4					Audit			G4-FS3		
Emissions	GRI 305-1					Active Ownership			G4-FS4		
	GRI 305-2					Local Communities			G4-FS5		
	GRI 305-3					Client health and safety			G4-FS6		
	GRI 305-4					Marketing Communications			G4-FS7		
	GRI 305-5								G4-FS8		
Effluents and Waste	GRI 306-2								G4-FS9		
	GRI 306-3								G4-FS10		
	GRI 306-5								G4-FS11		
Compliance	GRI 307-1								G4-FS13		
Supplier Environmental Assessment	GRI 308-1								G4-FS14		
	GRI 308-2								G4-FS15		
Environmental Grievance Mechanisms	GRI 103-2								G4-FS16		

ITALY INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	GRI 201-1	Labor practices and decent work		Society	
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1
	GRI 201-3		GRI 401-2		GRI 413-2
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance
	GRI 301-2	GRI 404-1	Supplier Assessment for Impacts on Society		GRI 414-1
Energy	GRI 302-1	GRI 404-2	Diversity and Equal Opportunity		GRI 414-2
	GRI 302-2	GRI 404-3		Grievance Mechanisms for Impacts on Society	GRI 103-2
	GRI 302-3	Equal Remuneration for Women and Men	GRI 405-1	Product Responsibility	
	GRI 302-4	Supplier Assessment for Labor Practices	GRI 405-2	Product and Service Labeling	GRI 417-2
	GRI 302-5	GRI 414-1	GRI 414-2		GRI 102-43
Water	GRI 303-1	GRI 414-2	Labor Practices Grievance Mechanisms		GRI 102-44
	Biodiversity	GRI 304-1	GRI 103-2	Customer Privacy	GRI 418-1
GRI 304-2		Human Rights		Compliance	GRI 419-1
GRI 304-3		Investment	GRI 412-2	Financial Services G4 Sector Disclosures	
GRI 304-4		Non-discrimination	GRI 406-1	Impact of products and services	G4-FS1
Emissions	GRI 305-1	Freedom of Association and Collective Bargaining	GRI 407-1		G4-FS2
	GRI 305-2	Child Labor	GRI 408-1		G4-FS3
	GRI 305-3	Forced or Compulsory Labor	GRI 409-1		G4-FS4
	GRI 305-4	Security Practices	GRI 410-1		G4-FS5
	GRI 305-5	Assessment	GRI 412-1	G4-FS6	
Effluents and Waste	GRI 306-2	Supplier Human Rights Assessment	GRI 414-1	Product Portfolio	G4-FS7
	GRI 306-3	GRI 414-2	GRI 414-2		G4-FS8
	GRI 306-5	Human Rights Grievance Mechanisms	GRI 103-2	Audit	G4-FS9
Compliance	GRI 307-1			Active Ownership	G4-FS10
Supplier Environmental Assessment	GRI 308-1				G4-FS11
	GRI 308-2			Local Communities	G4-FS13
Environmental Grievance Mechanisms	GRI 103-2				G4-FS14
				Client health and safety	G4-FS15
				Marketing Communications	G4-FS16

MEXICO INDICATORS						
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS	
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)		
Economic performance	GRI 201-1	Labor practices and decent work		Society		
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1	
	GRI 201-3		GRI 401-2		GRI 413-2	
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1	
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2	
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3	
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1	
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1	
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance	GRI 419-1
	GRI 301-2	GRI 404-1	Diversity and Equal Opportunity		GRI 405-1	Supplier Assessment for Impacts on Society
Energy	GRI 302-1	GRI 404-2	Equal Remuneration for Women and Men		GRI 405-2	GRI 414-2
	GRI 302-2	GRI 404-3		Supplier Assessment for Labor Practices	GRI 414-1	Grievance Mechanisms for Impacts on Society
	GRI 302-3	Diversity and Equal Opportunity	GRI 414-2	GRI 414-2	Product Responsibility	
	GRI 302-4		Equal Remuneration for Women and Men	GRI 405-2	Product and Service Labeling	GRI 417-2
	GRI 302-5		Supplier Assessment for Labor Practices	GRI 414-1		GRI 102-43
Water	GRI 303-1	Labor Practices Grievance Mechanisms	GRI 103-2	GRI 417-3		
	Biodiversity	GRI 304-1	Human Rights		Customer Privacy	GRI 418-1
GRI 304-2		Investment	GRI 412-2	Compliance	GRI 419-1	
GRI 304-3		Non-discrimination	GRI 406-1	Financial Services G4 Sector Disclosures		
GRI 304-4		Freedom of Association and Collective Bargaining	GRI 407-1	Impact of products and services	G4-FS1	
Emissions	GRI 305-1	Child Labor	GRI 408-1		G4-FS2	
	GRI 305-2	Forced or Compulsory Labor	GRI 409-1		G4-FS3	
	GRI 305-3	Security Practices	GRI 410-1		G4-FS4	
	GRI 305-4	Assessment	GRI 412-1		G4-FS5	
	GRI 305-5	Supplier Human Rights Assessment	GRI 414-1	Product Portfolio	G4-FS6	
Effluents and Waste	GRI 306-2	Human Rights Grievance Mechanisms	GRI 103-2		G4-FS7	
	GRI 306-3				G4-FS8	
	GRI 306-5			Audit	G4-FS9	
Compliance	GRI 307-1			Active Ownership	G4-FS10	
Supplier Environmental Assessment	GRI 308-1				G4-FS11	
	GRI 308-2			Local Communities	G4-FS13	
Environmental Grievance Mechanisms	GRI 103-2				G4-FS14	
				Client health and safety	G4-FS15	
				Marketing Communications	G4-FS16	

PERU INDICATORS						
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS	
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)		
Economic performance	GRI 201-1	Labor practices and decent work		Society		
	GRI 201-2	Employment	GRI 401-1	Local Communities	GRI 413-1	
	GRI 201-3		GRI 401-2		GRI 413-2	
	GRI 201-4		GRI 401-3	Anti-corruption	GRI 205-1	
Market Presence	GRI 202-1	Labor/Management Relations	GRI 402-1		GRI 205-2	
	GRI 202-2	Occupational Health and Safety	GRI 403-1		GRI 205-3	
Procurement Practices	GRI 204-1		GRI 403-2	Public Policy	GRI 415-1	
	Environmental performance indicators		GRI 403-3	Anti-competitive Behaviour	GRI 206-1	
Materials	GRI 301-1		GRI 403-4	Training and Education	Compliance	GRI 419-1
	GRI 301-2	GRI 404-1	Supplier Assessment for Impacts on Society		GRI 414-1	
Energy	GRI 302-1	GRI 404-2	Diversity and Equal Opportunity		Grievance Mechanisms for Impacts on Society	GRI 414-2
	GRI 302-2	GRI 404-3		Product Responsibility		GRI 103-2
	GRI 302-3	Equal Remuneration for Women and Men	GRI 405-1	Product and Service Labeling	GRI 417-2	
	GRI 302-4	Supplier Assessment for Labor Practices	GRI 405-2		GRI 102-43	
	GRI 302-5	Labor Practices Grievance Mechanisms	GRI 414-1	GRI 102-44		
Water	GRI 303-1	GRI 414-2	Human Rights	GRI 417-3		
	Biodiversity	GRI 304-1		Investment	GRI 418-1	
		GRI 304-2	GRI 412-2	Compliance	GRI 419-1	
		GRI 304-4	Non-discrimination	GRI 406-1	Financial Services G4 Sector Disclosures	
Emissions	GRI 305-1	Freedom of Association and Collective Bargaining	GRI 407-1	Impact of products and services	G4-FS1	
	GRI 305-2	Child Labor	GRI 408-1		G4-FS2	
	GRI 305-3	Forced or Compulsory Labor	GRI 409-1		G4-FS3	
	GRI 305-4	Security Practices	GRI 410-1		G4-FS4	
	GRI 305-5	Assessment	GRI 412-1		G4-FS5	
	Effluents and Waste	GRI 306-2	Supplier Human Rights Assessment	GRI 414-1	Product Portfolio	G4-FS6
GRI 306-3		GRI 414-2	GRI 414-2	G4-FS7		
GRI 306-5		Human Rights Grievance Mechanisms	GRI 103-2	G4-FS8		
Compliance	GRI 307-1			Audit	G4-FS9	
Supplier Environmental Assessment	GRI 308-1			Active Ownership	G4-FS10	
	GRI 308-2				G4-FS11	
Environmental Grievance Mechanisms	GRI 103-2			Local Communities	G4-FS13	
					G4-FS14	
				Client health and safety	G4-FS15	
				Marketing Communications	G4-FS16	





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