



**IGNACIO BAEZA**

**Vice Chairman**

Good morning, ladies and gentlemen.

We would all have liked to present a different account today of what happened in the world in the year 2021. The official figures of the pandemic show that nearly six million people have died worldwide. But we all know that the real impact is much worse. This is especially the case with enormous social cost generated by the virus and the subsequent economic crisis that has continued to define the scenario for the second consecutive year for all people, companies and institutions. Of course, this has also been a constraining factor for the insurance industry in general and, naturally, also for MAPFRE.

We would all have liked to talk about a very different reality where Covid-19 was above all a thing of the past. But this has not been the case and we've all had to learn how to live with it.

For this reason, the results obtained by MAPFRE as a whole in 2021 are of particular value, and I am not only referring to the economic figures. These you are already familiar with – and the company's CFO will talk about them later; rather, I am speaking the business model that has made this possible. A sound, profitable, reliable model that has proven its ability to deal with all kinds of scenarios, including a global pandemic that, for the first time in the history of mankind, brought the planet to a standstill.

The company to which you place your trust has shown once again this year what the main raison d'être of an insurance company should be: to be there when things go wrong, and to always honor its commitments.

In 2021 we have continued to make progress on all our aspirations and all our objectives set out in the Strategic Plan, the cycle of which concluded last year.

This 2019-2021 Strategic Plan was born with the utmost ambition. And although the unexpected pandemic forced us all to change our plans – not only MAPFRE – and to reorient our aspirational goals, we have concluded the three-year period with a high degree of attainment. As you can see on the screen, where all our objectives were successfully achieved: Combined Ratio, Revenue, ROE, % of Disability in the workforce, Culture and Talent index and % of vacancies filled by

women. Especially these last three objectives, which are more related to transformation, have exceeded our own expectations for the end of the Plan.

In the Integrated Report you will find extensive information on the performance of each of these matters that are significant to the company. I will now focus on highlighting some of them.

## PEOPLE

In relation to people, undoubtedly one of our hallmarks, we continue to protect what makes us strong. This includes the diversity that comes from managing an inclusive workforce which comes from 86 different nations and carries the cultural wealth of five generations. A workforce that is also increasingly ready for agile, digital and collaborative ways of working thanks to the pursuit of strategic initiatives such as the Digital Challenge project. Moreover, more than 97% (specifically, 97.3%) of these workers globally enjoy the peace of mind of having a permanent contract. I repeat, 97.3% of our workforce has a permanent contract.

MAPFRE has become a company that is not only capable of engendering loyalty among its talent, but also of attracting it. We are a different company, with a clear purpose, and that allows us to have a meaningful and differential employer brand. It highlights those features that make MAPFRE an excellent place to work, a place “Where every minute you invest makes sense.”

This is the definition of employer branding that I am presenting to you today as another company milestone in talent management. We are a company of opportunities. And the thousands of candidates we have now identified who want to work at Mapfre are seeking out such opportunities to develop their abilities with us.

Our values and commitments are recognized by our stakeholders. We have a corporate volunteering program in which a significant part of Mapfre's workforce actively participates. In fact, before the pandemic, one in every six employees participated in volunteering activities. In 2021 (also in 2020) the limitations brought about by Covid-19 reduced this figure in half. But this has not prevented growth in the number of beneficiaries to more than 169,000 people. In other words, fewer activities, but a greater effort and, as you can see, better results.

## BUSINESS

I would now like to discuss the Business. We have continued to improve our product portfolio, adding innovative solutions tailored to this changing environment and, above all, to the demands of the digital world. In other words, MAPFRE will never lag behind in protecting customer's needs. Faced with a changing world, a fast and flexible response: for example, the launch of the reverse mortgage in Spain, a product that we are developing with one of our bancassurance partners to meet the real need of many seniors to obtain liquidity without having to sell off their equity.

Once again this year, on behalf of the company, I would like to give our thanks for the trust placed in us by the nearly 32 million customers around the world. At Mapfre, we work for them by raising our standards and the quality of our products and services to the highest level. In our constant quest for improvement, we regularly use independent tools to measure customer satisfaction. Here, I am pleased to note that 88.7% of our insurance business outperforms the market average in terms of customer satisfaction. To arrive at this figure, more than 122,000 customers in MAPFRE's 15 core countries around the world were interviewed in two waves last year.

## INNOVATION

At this point, I would also like to emphasize our commitment to innovation as expressed through MAPFRE Open Innovation. We aim to move forward faster with all our internal talent, but also, as is natural, we wish to leverage external talent. Since 2019 we have analyzed more than 2,500 startups, of which 40 have moved ahead with us in our insur\_space fast-track-to-market programs. As is the case with our employees, the best insurtech entrepreneurs in the world are also looking to work with us. For MAPFRE it is an opportunity to quickly add the best market advances to our range of products and services. In addition, we are also active in venture capital investment associated with global innovation in insurance-related startups. And lastly, as I was also saying, we are a world benchmark for all types of mobility solutions through our Mobility Lab R&D center developed through CESVIMAP, our Road Safety and Experimentation Center.

In 2021 alone, nearly 1.6 million customers directly benefited from MAPFRE Open Innovation solutions.

To conclude this section on the business, I would like to thank our collaborators for their work and commitment. We are a multichannel company and it is sometimes surprising to learn that we have more than 50 powerful bancassurance arrangements around the world. But it is no less revealing of our commercial power to note that we also have more than 15,000 offices, and we work directly with nearly 78,000 intermediaries who distribute our products in the 40 countries in which we are present. Also, of importance is the employment and economic activity we stimulate in the more than 150 thousand suppliers we work with to provide better services to our customers.

## SUSTAINABILITY

In sustainability, our previous Plan concluded in 2021, coinciding with the 2019-2021 strategic cycle. The degree of fulfilment was virtually 100% (98% to be exact). The five objectives you can now see on the screen were the main ones we set ourselves and which we have achieved, and even surpassed in some of them. I would like to highlight the record proportion of people with disabilities, which has now reached 3.5% of the workforce. Further, it is no less important to achieve neutrality in MAPFRE's emissions in the Iberian Peninsula, our most important market. And to maintain the ambition to keep on reducing our energy footprint.

We also remain highly committed to the fulfillment of the United Nations 2030 Agenda and, in particular, the Sustainable Development Goals. You all can find ample information in the Integrated Report, but I would like to point to three pieces of information showing how MAPFRE helps generate additional value for society.

The first is the €15.23 billion paid out in claims in 2021. Of course, we know that this is our contractual obligation. But it is more than our obligation. Think for a moment about what it means in terms of economic injection and, above all, the capacity to generate employment and activity among the collaborators and staff who work for Mapfre, and thus contribute to the development of countries and societies.

The second is our tax contribution. In terms of corporation tax, the figure has risen to 329 million euros, which is equivalent to an average effective rate of 23.6 percent paid over to the different Tax Administrations in the countries where we operate.

The third of these facts is that we bring to bear the philosophy of socially responsible investment to the Group's entire balance sheet.

MAPFRE has a [Responsible Investment \(RI\) Framework in place](#), which is reviewed periodically in this area. Currently, around 90% of the assets in our portfolio have high or very high scores in their ESG measurements. As shown in this slide, we seek to ensure that every euro in the portfolio has a positive impact on these goals. This is how we contribute to ending poverty, protecting the planet and improving the lives and outlook for prosperity of all people, everywhere in the world.

Our asset manager, MAPFRE AM, has focused in recent years on the retailing of ESG products and, in particular, those that aim at such a social impact. By the end of 2021, nearly €34 billion was being managed with ESG parameters.

To conclude this section of my presentation and before discussing the Fundación MAPFRE, I would like to talk about you, ladies and gentlemen shareholders. We once again thank you for your trust in this company, the leading Spanish multinational insurance company in the world. We shoulder the full weight of this responsibility and work to meet the challenge of creating sustainable value for our shareholders as well. We have successfully done this for yet another year and we are very proud of it. As you all know, beyond this annual meeting, we have open relationship channels for our shareholders where we provide clear answers to every question they ask us. In 2021, 259 meetings were held with shareholders, investors and analysts, and more than 1,500 queries were handled indirectly. I invite you to participate in the MAPFRE Shareholders loyalty program. It offers a series of benefits in appreciation of the trust you place in the company. Ladies and gentlemen, this is your company, and we sincerely believe that you should be proud to own a company like this one.

## FUNDACIÓN

Let me now turn to the work carried out by our Foundation. Just one year ago, I noted at this same event how the extraordinary and additional 35 million euros to the Foundation's normal annual budget had been successfully managed in nearly 30 countries to help people combat the effects of Covid-19. This work continued in 2021, and Fundación MAPFRE concentrated it especially in Latin America. It earmarked another 10 million euros, in addition to extraordinary and additional funds, to address not only the emergencies of the pandemic itself by providing medical and health supplies, but also the economic and social crisis that has come in its wake. In addition to this special allocation to combat the pandemic, the Foundation, as you well know, aims to help the most vulnerable with essential care such as ensuring nutrition and health care to about 100 thousand people each year. The Foundation is particularly committed to education and aims to overcome the digital divide and continue working on employability as a path to overcoming social exclusion, with a special emphasis on people with disabilities. Now let me tell you about a project that makes us especially proud and excited. You know that malnutrition, especially in the youngest children, is a key constraint in the later growth of adults because it limits the development of persons. Now, in 2021, Fundación MAPFRE distributed through 55 food banks all over Spain an enriched nutritional biscuit that provides at least half of the daily nutrients and vitamins a person needs. As a result, we have improved the nutrition of more than 20,000 families in Spain, and we have begun to develop this powerful social commitment in other equally needy countries such as Mexico and Venezuela.

Another key social commitment is research. In the last decade alone, the Fundación MAPFRE has invested more than 4 million euros in grants to support research. One such project, for example, took 20 years to mature. I am referring to the cell therapy led by Dr. Vaquero. Sadly, he has passed away, but his work is being carried on. This therapy allows certain spinal cord injured patients to recover their mobility. We were proud to learn that, this very week, the Puerta de Hierro Hospital announced that this experimental therapy, which is now a medical treatment, is beginning to be applied to the first patients to improve or reverse their spinal cord injuries.

This year, it is true that the limitations on activities in many countries due to the pandemic have forced us to carry out fewer activities, but we have not reduced our budget. So we carried out around 660 activities that generated more than 12,500 events, doubling our commitment and thus our reach, with more than 9 million people around the world benefiting from the Foundation's work.

Lastly, I would like to say that in 2021 we held the fourth edition of the Awards for Social Innovation, and that we consolidated two projects that I described last year as very exciting for the foundation: The Ageingnomics Research Center and the KBr Photography Center, whose Barcelona headquarters have become a must visit those interested in photography.

In the Canary Islands, my homeland, Fundación MAPFRE Guanarteme is the benchmark for social and cultural commitment in the region. For more than a hundred days the eyes of the world were fixated on a volcano that forever changed the lives of nearby people. The images of the lava devouring houses and dreams were devastating. And we were there too, through the MAPFRE Guanarteme Foundation, distributing personal protective equipment for emergency professionals and for the general public, such as goggles and masks, among other items.

Allow me to conclude.

Fundación MAPFRE has been committed to society for more than 45 years, addressing all kinds of needs and always standing with the most vulnerable. In 2021, in addition to tackling the pandemic, we continued to make significant contributions in social action activities, prevention and road safety, health, dissemination of culture, and also to expanding financial and insurance knowledge. Let us take stock of the past decade. We have invested 555 million in society, reaching millions of people with a hopeful response that is aligned with the values fully shared by the MAPFRE Group. Fundación MAPFRE works by and for society, striving to generate the necessary confidence that can allow us to stand up when things fail.

“Fundación MAPFRE is confident that people can make the world better.”

This is the message of the campaign we broadcast this year in the different media and social media, and which has been very well received, also among our

employees. However, what you are now about to see is part of the internal mobilization that has taken place at MAPFRE, following the challenge launched by the Foundation to express every person's confidence in the capacity of human beings to make the world better. They are not actors. They are MAPFRE employees and collaborators from the countries where we are present.

For my part, I thank you once again for your attention and for the trust you place in MAPFRE.

Ladies and gentlemen, thank you very much.