Corporate Greenhouse Gas Offsetting Strategy

Summary

Corporate Sustainability Division

Mapfre

Mapfre's corporate GHG offsetting strategy, approved in 2021, is part of a conceptual change: moving from exclusively focusing on climate change to a broader vision centered on the balance of ecosystems and therefore on **natural capital,** understood as the sum of biodiversity, ecosystems, soil, water and ecosystem services essential for life and economic activity.

Mapfre recognizes that its operations depend on natural capital and that the loss of biodiversity is a strategic risk that it must manage to ensure the sustainability of the economy, society and the planet.

Therefore, Mapfre evolves from a compensation model based solely on greenhouse gas emissions to one that incorporates the assessment of **environmental aspects** that prioritize the **preservation of biodiversity and the reinforcement of the use of nature-based solutions**, seeking net environmental benefits in the medium and long term.

This strategy establishes the processes defined at the corporate level to select, annually and objectively, the GHG emissions offset projects for each of the countries subject to the **public commitment to neutrality by 2030:**

2021: Spain, Portugal

2024: Germany, Brazil, Italy, Mexico, Peru, Puerto Rico, Turkey, USA

2025: Colombia, Malta, Panama

2026: Chile, Dominican Republic

2027: Argentina, El Salvador, Honduras

2028: Nicaragua, Venezuela

2029: Costa Rica, Ecuador

2030: Guatemala, Paraguay, Uruguay

Among the **criteria for evaluating the** compensation projects selected by the company are: Mapfre's presence in the country where the project is developed, the impact of the project on the economic and social development of the local community where it is located, the ecological importance of the project area, the diversity of plant species when it comes to reforestation projects, and the project's contribution to environmental risk management for the insurance business.

Within the framework of this strategy, a methodology has also been developed to annually review the **internal price of carbon**, with the aim of stimulating the internal reduction of GHG emissions and aligning it with the evolution of prices in voluntary carbon markets.

Thus, from 2026 onwards, an interval has been defined for the internal carbon price ranging from a minimum price (**€9 per ton of CO_2**), based on market prices, to a maximum price (**€21 per ton of CO_2**), based on the valuation of scientific research and models to determine the real cost of carbon emissions, so that its application ensures alignment with the Paris Agreement, whose objective is not to increase the global temperature by more than 1.5 °C.

In conclusion, this corporate strategy consolidates Mapfre's position as a company that integrates **climate management** with the **preservation of biodiversity and natural capital**, prioritizing nature-based solutions, strengthening the quality of the credits used, and operating with a consistent process in all countries. Thus, the company is committed to real reductions and responsible compensation, anticipating regulatory requirements and societal expectations regarding environmental matters.