

ANNUAL REPORT

Corporate Social Responsibility

2016

*Making
our
environment
better*

 **MAPFRE**







Growth →

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01

Letter from the Chairman and CEO

[G4-1, G4-33; FS9]



Dear Reader,

More than fifteen years ago MAPFRE publicly undertook to be a socially responsible company that is committed to the environment and to the communities where it does business. Since then we have taken a variety of actions to fulfill this undertaking, starting with an approach focused on delivering a return to society. This then evolved over the years toward a more collaborative model that considers the creation of value that is shared with our stakeholders, and which is based on a transversal philosophy of sustainable business.

The Profitable Growth strategy for 2016-2018 that is currently being implemented by the company, the success of which can clearly be seen in MAPFRE's results for 2016, is conditioned by our social commitment. We believe there can be no profitability if we do not at the same time take care of the social footprint left by our business. We also understand that if we want to be of significance in the long-term, we must do business by taking care of and promoting people's well-being.

This report that I am introducing to you, drawn up in accordance with the international Global Reporting Initiative (GRI G4) standard, is a clear example of what I have just stated, in that reflects the way in which MAPFRE creates economic and social value by placing the focus on those people who are, or who make up, our principal stakeholders (clients, employees, shareholders, distributors, providers and society at large). All of them form part of our sustainable development.

Before inviting you to continue reading this publication that sets out the actions taken by MAPFRE in 2016 in relation to our CSR commitment, I would first like to share the main highlights with you:

— The finance chapter, which includes the year's main figures, confirms that MAPFRE is a strong and solvent group, with excellent technical and operational management that has

enabled us to improve the Group's principal ratios. Total revenues of 27,092 million euros included 22,813 million euros from premiums. Earnings before tax were up by 18 percent on the previous year to 1,805 million euros, while net earnings stood at 775 million euros.

— We create value for our shareholders: shareholders' equity increased for 2016 was higher than the previous period, and MAPFRE S.A.'s shareholders received dividends totaling 400.3 million euros.

— We also continue to make progress in our compliance with the highest standards of Good Governance. We have reduced the number of Board members to fifteen, we have intensified generational renewal, and we have made headway with the principle of gender equality. Currently, 27 percent of Board members are women, who also take part actively in specific the numerous specific committees on which they have the Board Committees where they play a prominent role.

— We create value for our employees. We have more than 37,000 employees from 78 different nationalities, working day in and day out to achieve the company's objectives. We promote both gender and functional diversity, equal opportunities, and objectivity in promotions and appointments. We are committed to integrating people with disabilities, we promote training, and give our support to talent. We invested 18.3 million euros to ensure that 99.3 percent of the workforce received training in 2016.

— We also look after the health and well-being of MAPFRE employees. In 2016, more than 30,000 employees benefited from some type of work/life balance measure provided by the company. Each year 183 million euros are invested in social benefits; and social engagement is encouraged through MAPFRE's Corporate Volunteering Program that now has 5,756 volunteers worldwide.

— We create value for our more than 37 million clients, who have access to a distribution network of 5,408 branch offices (direct, representative and sub-offices) and more than 84,000 agents and brokers. We have also made further progress in developing our digital business and we are now operating in 22 countries both through MAPFRE, and Verti or InsureandGo, as well as other brands.

— Our company has always been an innovator; we fully understand the challenges and opportunities afforded by the technological and social changes that are transforming society. We have 200 innovation ambassadors from all five continents acting as conduits to convey all the ideas from the rest of the organization to our Innovation and Development Offices, and at the end of 2016 we had over 100 innovation projects in the works, and had launched over 30 insurance products on the market.

— We are a company that is committed to the quality of the service we provide and the products that we offer. That is why we set up our Quality Observatory and why, on a regular basis, we measure Customer Experience using the NPS (Net Promoter Score) methodology.

— We create value for our providers. MAPFRE manages relationships with over 225,000 providers using different technology platforms and tools. Our Corporate Procurement Regulations enable us to establish objective criteria for the selection, approval and procurement procedures. In 2016, we made progress in integrating sustainability criteria into the approval procedures, as a differentiating factor, as well as with the MAPFRE Service Providers initiative, the aim of which is to make our service providers true ambassadors of the MAPFRE brand.

— Our commitment to the environment and particularly to climate change is unquestionable. MAPFRE has a Strategic Plan for Energy Efficiency and Climate Change up to 2020, which includes the commitment to a 20 percent reduction in greenhouse gas emissions with respect to the Group's carbon

footprint in 2013 (involving a reduction of 14,710,519 kWh and 9,924 tonnes of CO₂ eq). MAPFRE also works with an Integrated System of Environmental, Energy, and Carbon Footprint Management (SIGMAYE, in Spanish).

— The Carbon Disclosure Project has acknowledged the MAPFRE Group as a global leader in action against climate change, and has included it in its 'Global Climate A-list'. This is a list of the 113 companies worldwide with the best performance in reducing emissions and combating climate change.

— We create value for society, first through our financial contributions, such as payments made in relation to claims, payments to providers, and the payment of taxes and social security contributions in the countries where we operate. In 2016 alone, MAPFRE paid taxes amounting to 560 million euros, equivalent to a tax rate of 31 percent.

We also contribute with direct and indirect quality employment, with investment in training programs, managing diversity, supporting gender equality plans, promoting work/life balance measures, supporting innovation and also serving as a conduit for our employees to share their sense of solidarity.

But we also create value each year by renewing the commitment we made when we signed up to such important initiatives as the United Nations Global Compact, or the UNEP FI Principles for Sustainable Insurance. Complying with these initiatives helps us to become better every year.

Lastly, I would like to mention that at the Annual General Meeting 2015, which was held on March 11, 2016, we undertook to implement the Group's Sustainability Plan 2016-2018. This Plan, which is now a reality, has three objectives and fifteen lines of work that enable us to expand upon important aspects related to sustainability, including the 2030 Agenda for Sustainable Development, transparency, the management of environmental, social and governance (ESG) factors and risks, both in underwriting and in investment decisions,

supplier management, cyber security, climate change and diversity management.

The Plan sets out our sustainability strategy for the coming years and involves the whole organization. I can tell you that a satisfactory start has been made with it in 2016 and its development objectives are being achieved.

I would like to end by expressing my appreciation to all the stakeholders that have engaged in our project of being a socially responsible and committed company, and to all those who have supported us and placed their trust in us over the past year. We will continue with our efforts as a company to focus on both economic growth and sustainable development.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. S.', with a large, stylized flourish underneath.



02

General Information

[G4-3, 5-8]

Commitment
to constant
improvement

2.1. International presence

MAPFRE is a global company principally engaged in insurance and reinsurance activities.

The Group's holding company is MAPFRE S.A., and its shares are listed on the Madrid and Barcelona Stock Exchanges, and are also components of the IBEX35, Dow Jones STOXX Insurance, MSCI Spain, FTSE All-World Developed Europe Index, FTSE4Good and FTSE4Good IBEX indexes.

MAPFRE S.A.'s majority shareholder is Fundación MAPFRE, which holds 68.7 percent of the shares, guaranteeing the company's independence and institutional stability. Fundación MAPFRE engages in activities of general interest in the fields of Social Action, Insurance and Social Protection, Culture, Accident Prevention and Road Safety, and Health Promotion.

The Group comprises four business units (Insurance; Assistance, Services and Specialty Risks; Global Risks; and Reinsurance), three main territorial areas (IBERIA, LATAM and INTERNATIONAL), and seven regional areas: Iberia, LATAM North, LATAM South, Brazil, North America, EMEA and APAC.

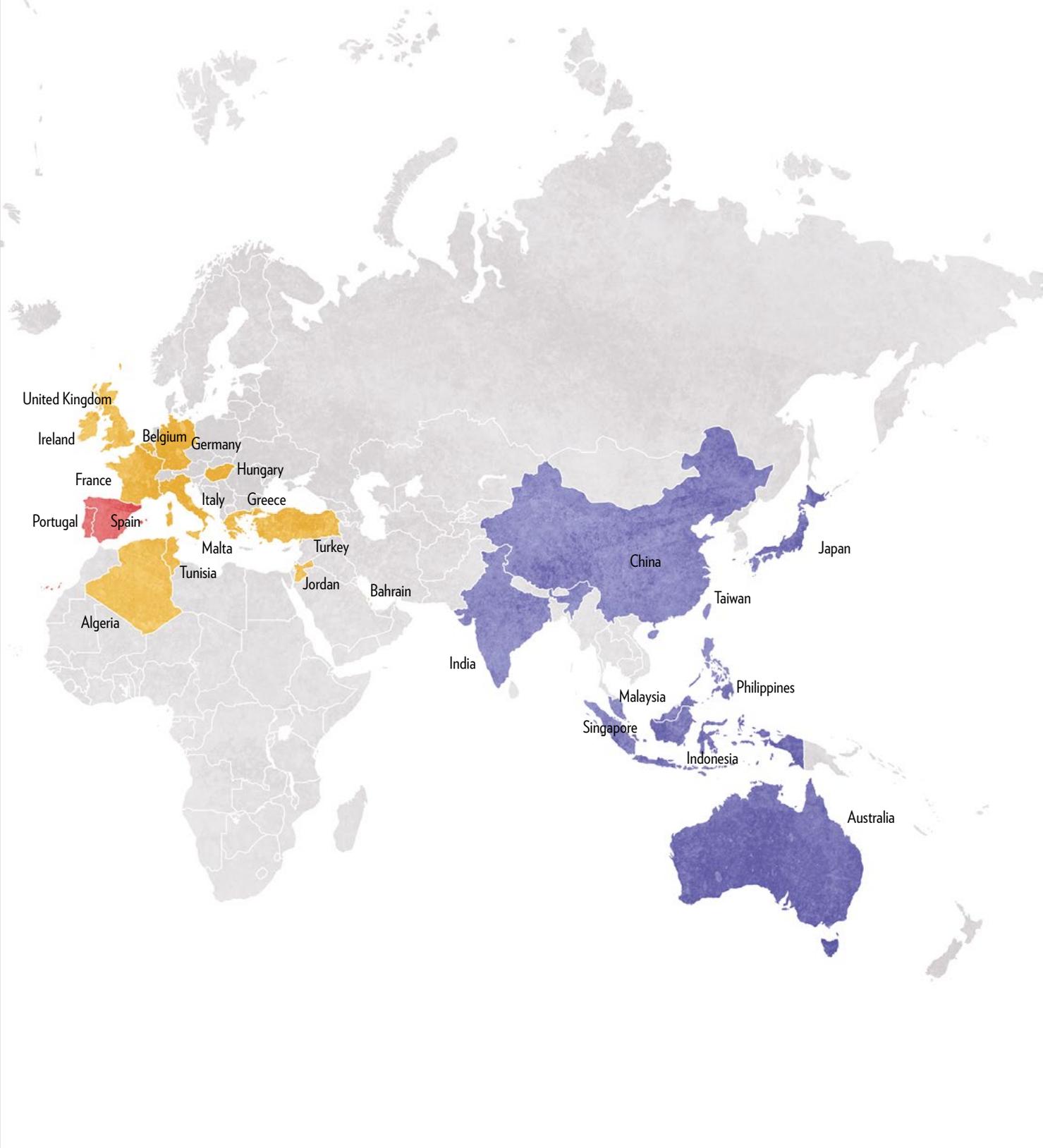
MAPFRE has an extensive international presence and is the largest Spanish insurance company in the world. According to the latest available data, as at the close of the 2015 fiscal year, MAPFRE was ranked tenth in the European insurance market, where it was also the sixth-largest Non-Life company. It held first position in this segment in Latin America, and is the third-largest insurance group in the region.

MAPFRE operates in 45 countries through 232 companies. At the end of the 2016 fiscal year, it had 5,408 own offices worldwide. The Group also distributes its products through 9,028 branches of banking institutions and other points of sale that market MAPFRE insurance products through partnership agreements. The company has a network of more than 84,000 agents and intermediaries, of which around 7,700 operate in the United States and more than 23,000 in Brazil.

In insurance activities, MAPFRE is the largest Spanish insurance company in the world and the tenth-largest insurance company in Europe. It is present in nearly every country in Latin America (a region where it ranks third among insurance groups and is the leader in Non-Life insurance), as well as in the USA (where it is one of the top 20 automobile insurers), Germany, Italy, Malta, the Philippines, Portugal, and Turkey.

In the Assistance segment, MAPFRE operates in 41 countries and is the world's fourth-largest company in this sector. Furthermore, the Group's professional reinsurance company (MAPFRE RE) ranks among the top 16 reinsurers worldwide, and conducts its activities around the globe through 19 offices and two subsidiary companies. The Group's specialized company MAPFRE GLOBAL RISKS manages global insurance programs.

International presence





→ DIRECT INSURANCE

↔ ASSISTANCE

🌐 GLOBAL RISKS

↻ REINSURANCE

TERRITORIAL AREA

IBERIA

Iberia

9,313 employees

Spain → 🌐 ↻

Portugal → ↔ ↻

Corporate Areas and Central Services

1,856 employees



TERRITORIAL AREA

LATAM

Brazil

6,956 employees

Brazil → ↔ ↻

LATAM North

3,534 employees

Costa Rica → ↔

El Salvador → ↔

Guatemala → ↔

Honduras → ↔

Mexico → ↔ ↻

Nicaragua → ↔

Panama → ↔

Dominican Rep. → ↔

LATAM South

6,481 employees

Argentina → ↔ ↻

Chile → ↔ ↻

Colombia → ↔ ↻

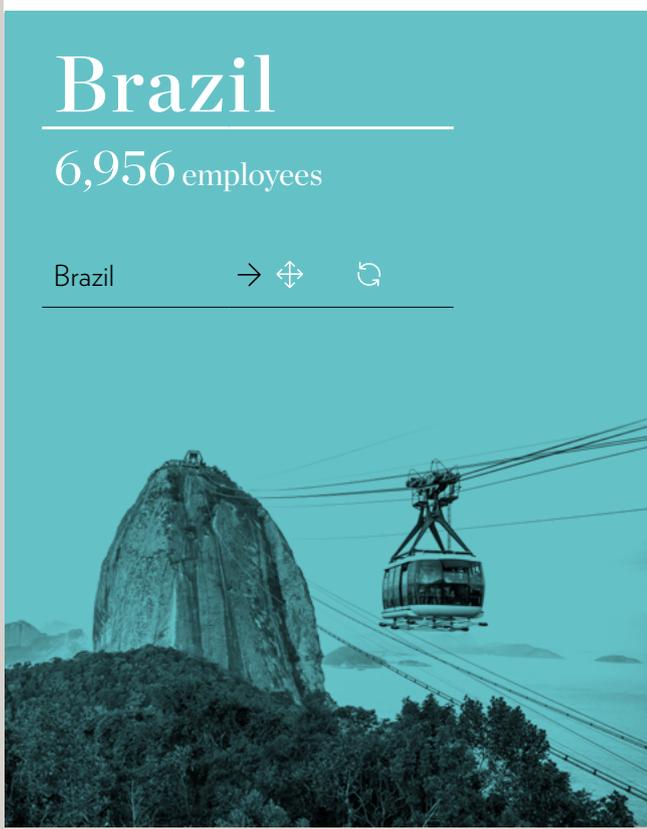
Ecuador → ↔

Paraguay →

Peru → ↔

Uruguay → ↔

Venezuela → ↔ ↻



leadership (2)

→ DIRECT INSURANCE

↕ ASSISTANCE

🌐 GLOBAL RISKS

↻ REINSURANCE

TERRITORIAL AREA

INTERNACIONAL

North America

3,688 employees

Canada ↕ ↻

USA → ↕ ↻

Puerto Rico → ↕

APAC

993 employees

Australia ↕

China ↕ ↻

Philippines → ↕ ↻

India ↕

Indonesia ↕

Japan ↕

Malaysia ↻

Singapore ↻

Taiwan ↕

EMEA

4,199 employees

Germany → ↕ 🌐 ↻

Algeria ↕

Bahrain ↕

Belgium ↕ ↻

France ↕ 🌐 ↻

Greece ↕

Hungary ↕

Ireland ↕

Italy → ↕ 🌐 ↻

Jordan ↕

Malta → ↕

United Kingdom ↕ 🌐 ↻

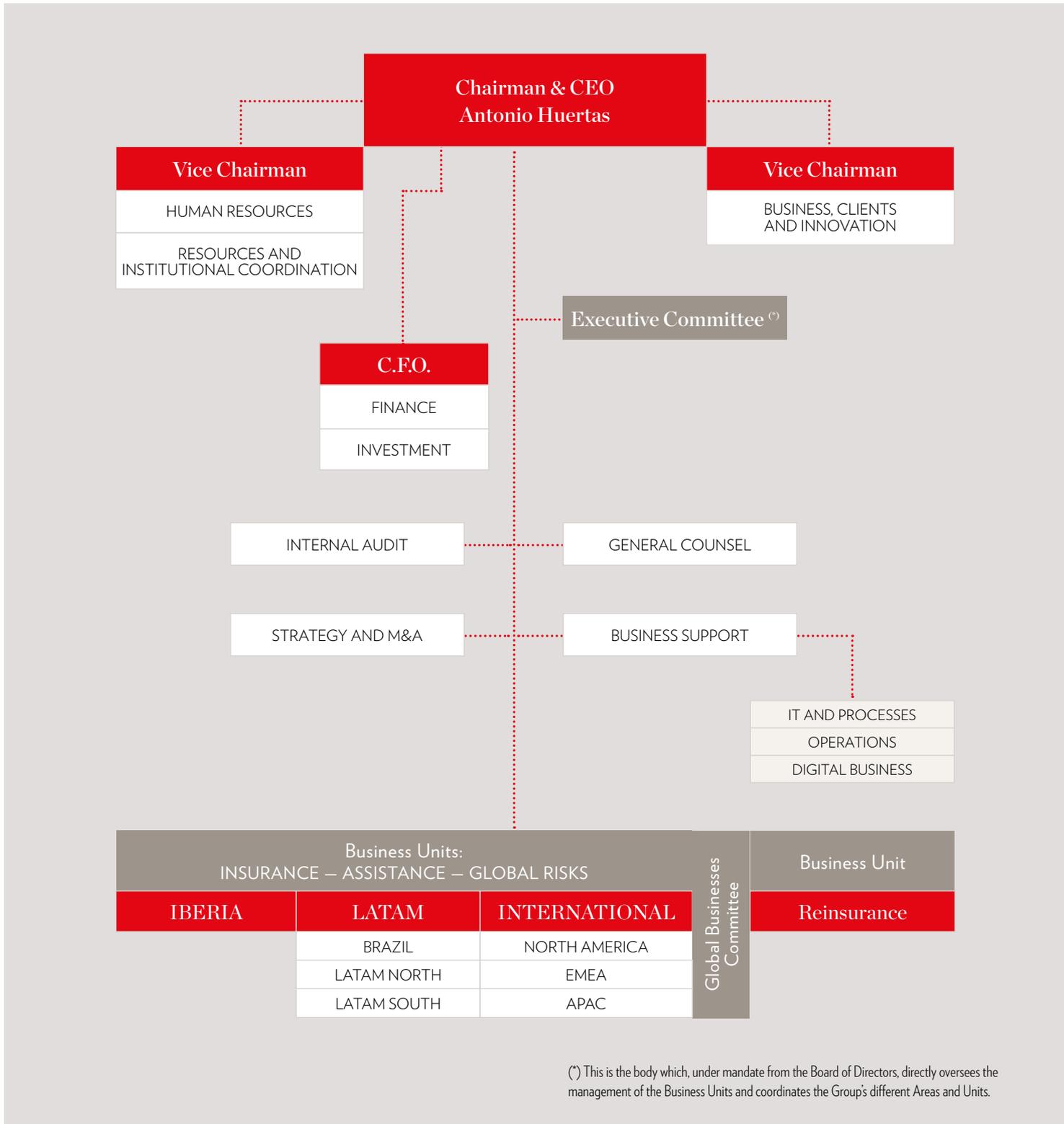
Tunisia ↕

Turkey → ↕



2.2. Corporate organization chart 2016

MAPFRE S.A.'s Board of Directors approved the following corporate organization chart on September 29, 2016, which took effect on January 1, 2017.



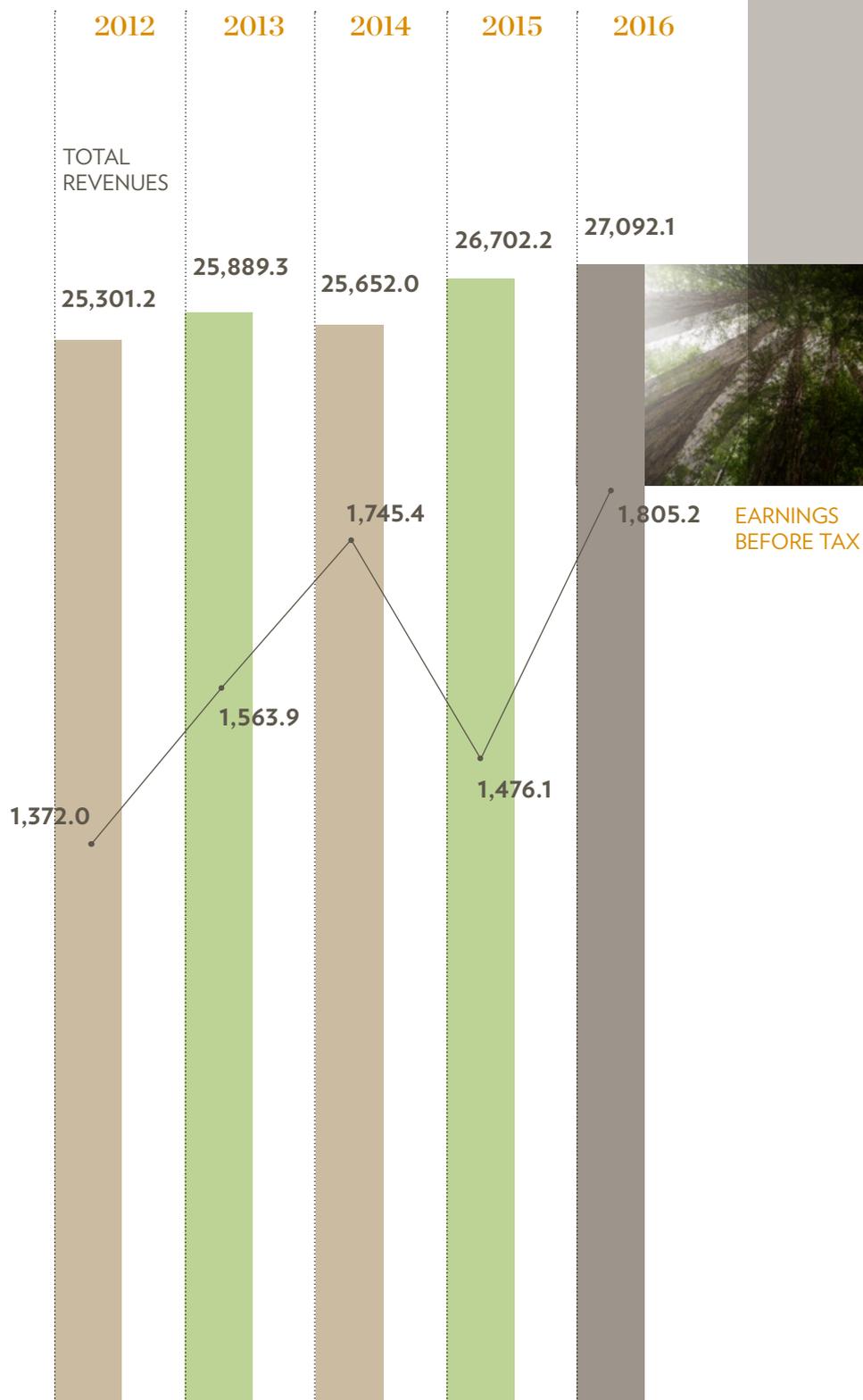
(*) This is the body which, under mandate from the Board of Directors, directly oversees the management of the Business Units and coordinates the Group's different Areas and Units.

2.3. Key financial figures

[G4-9]

Revenues and Earnings

Figures in millions of euros



Profitable / Responsible  (3)



MAPFRE's total revenues rose

to **27,092**
MILLION EUROS



Written and accepted premiums totaled

22,813
MILLION EUROS



INCOME STATEMENT	2012	2013	2014	2015	2016
Total Income	25,301.2	25,889.3	25,652.0	26,702.2	27,092.1
Written and accepted premiums	21,579.8	21,835.5	21,815.5	22,311.8	22,813.2
Non-Life	15,478.5	16,277.7	16,370.1	17,441.3	17,699.8
Life	6,101.3	5,557.8	5,445.4	4,870.5	5,113.3
Non-Life business earnings	1,237.2	1,150.4	1,243.2	911.0	1,191.8
Life business earnings	414.5	498.9	660.3	699.2	746.9
Earnings from other activities	(279.7)	(85.4)	(158.0)	(134.1)	(133.5)
Earnings before tax	1,372.0	1,563.9	1,745.4	1,476.1	1,805.2
Net earnings	665.7	790.5	845.1	708.8	775.5
Managed savings	31,035.1	33,614.1	40,817.5	37,917.3	38,488.3

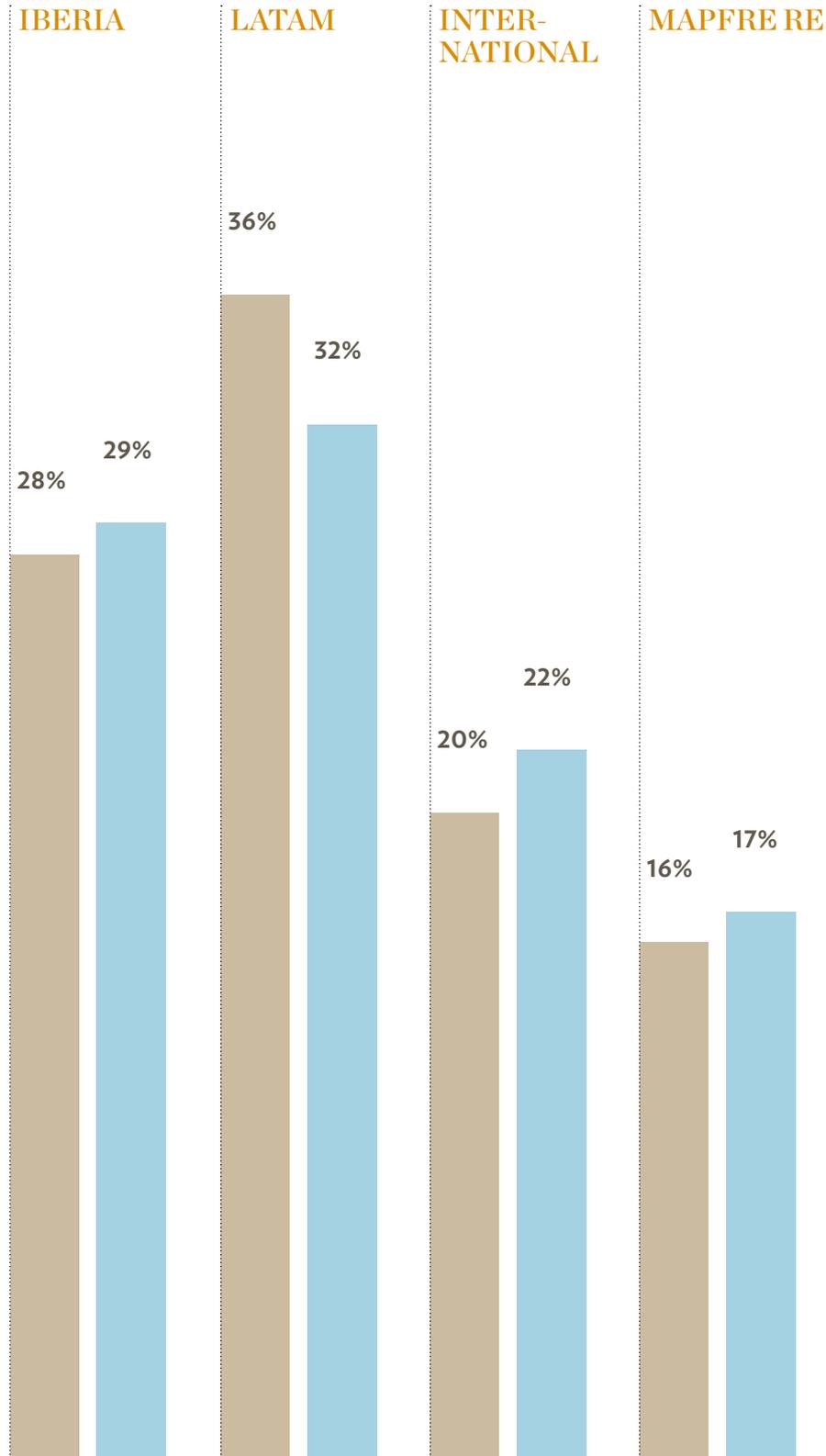
Figures in millions of euros

MARKET SHARES	2015	2016
Spain (premiums)		
Automobile	20.4%	19.9%
Health	6.2%	6.4%
Other Non-Life	15.7%	15.0%
Life	6.8%	6.3%
Total	11.3%	10.5%
Spain Life (technical provisions)	10.7%	9.9%
Latin America (Non-Life premiums)	8.2%	n.a.

Regional distribution of business by premiums

Figures in millions of euros

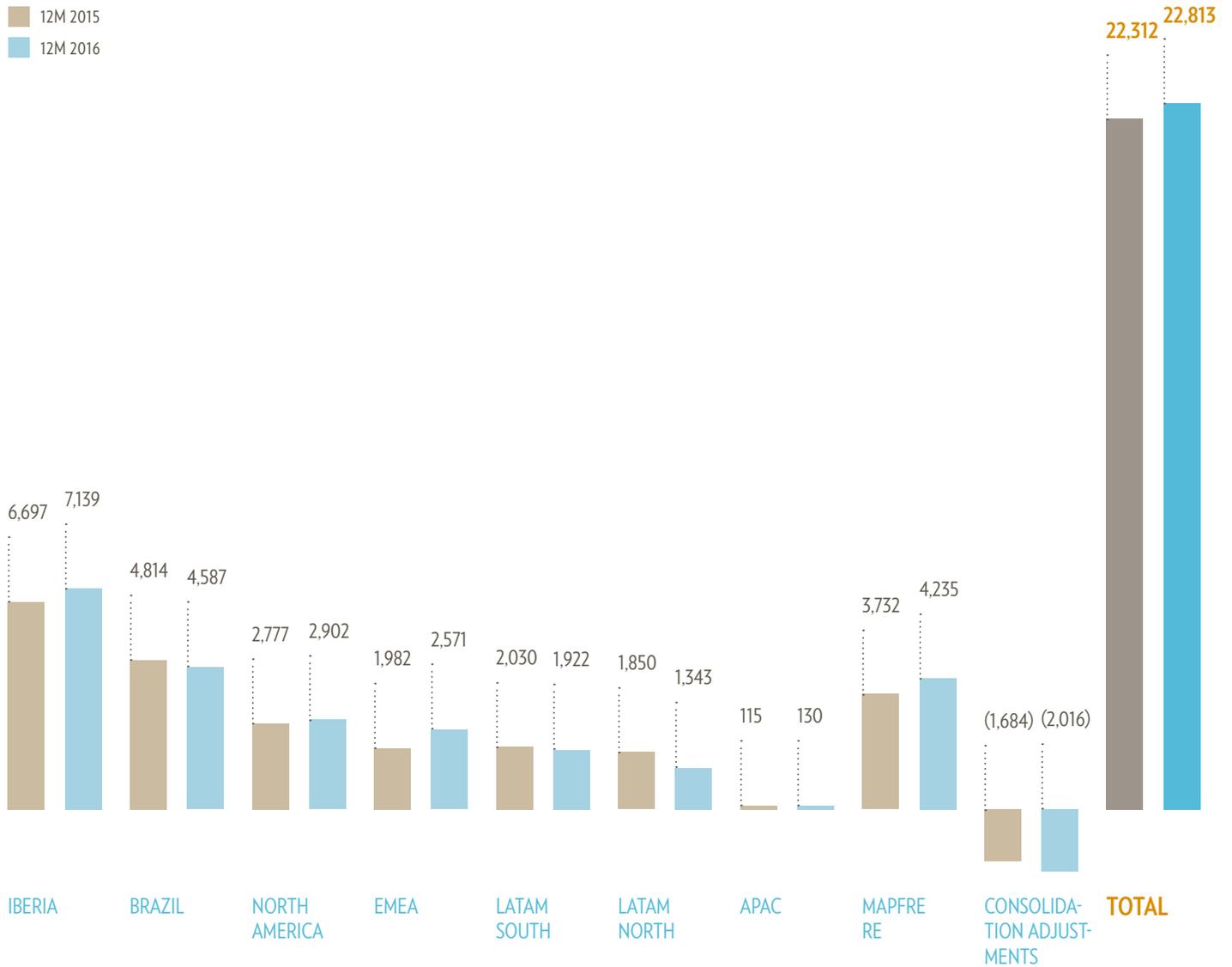
■ 2015
■ 2016



(100) ↑ ↑

Breakdown of premiums by territorial area

Figures in millions of euros





Contribution to consolidated results

Figures in millions of euros

■ 12M 2015
■ 12M 2016





2.4. Governing bodies

In accordance with the legal and statutory provisions, the Board of Directors is the body charged with managing, administering and representing the Company. Consequently, it has full powers of representation, disposition and management, and its acts are binding to the Company, with no further limitation than the express powers of the Annual General Meeting according to the law and corporate bylaws.

The Board of Directors acts as the Company's main decision-making and supervisory body, as well as the supervisory body of all subsidiary companies. 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.

This body may delegate as many powers as it deems necessary, with the exception of those that may not be delegated due to legal or statutory constraints, as indicated in Article 2 of MAPFRE S.A.'s Regulations of the Board of Directors. Those powers that may not be delegated include, among others:

- Determining the Company's general policies and strategies, specifically: a) The objectives and strategic plans for their achievement b) The annual revenue, expenditure and earnings estimates, and the annual forecasts for financial and asset positions c) The definition of the Group's structure d) The investment and financing policy e) The policy on the identification, management and control of risks, including tax risks, and supervision of internal information and control systems f) The corporate governance policy of the Company and the Group g) The corporate social responsibility policy h) The dividend policy i) The treasury stock policy j) The determination of the Company's tax strategy.
- Approving the financial information which the Company must release periodically due to its status as a listed company.
- Approving the creation or acquisition of shares in special purpose entities, or entities domiciled in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature.
- Authorizing transactions that the Company or companies in the Group conduct with Directors or shareholders in conflict of interest situations, following the preparation of a report by the Audit Committee, in accordance with the terms established by current legislation.



- Preparing the Group's Annual Corporate Social Responsibility Report for each financial year, as well as the reports which it must formulate and which cannot be delegated, in accordance with the law and corporate bylaws (Annual Accounts and Management Report, Corporate Governance and Remuneration of Directors Reports).
- Authorizing all investments or operations that are of a strategic nature or involve special tax risks due to their size or specific characteristics, unless the approval of such transactions corresponds to the Annual General Meeting.
- Promoting the approval of the Regulations of the Board of Directors, in the case that they are modified.
- Calling the Annual General Meeting, preparing the meeting agenda and incorporating the proposals corresponding to various matters that fall within the scope of its responsibility.
- Adopting decisions regarding its own organization and functioning.
- Supervising the effective functioning of Committees that have been constituted and the actions of delegate bodies and executives who have been appointed.
- Granting authorization for or exemption to the obligations deriving from the duty of loyalty of Directors, if applicable, in accordance with current legislation.
- Appointing and dismissing the members of delegate bodies and, if applicable, the Managing Directors and executives who are under the direct supervision of the Board of Directors or any of its members, and establishing their contractual conditions, including remuneration.
- Adopting decisions regarding the remuneration of Directors within the statutory framework and compensation policy approved by the Annual General Meeting.
- Guaranteeing compliance with the MAPFRE Group's Institutional, Business and Organizational Principles.

Structure of the Board of Directors*:

The Board of Directors is currently made up of 15 members, of whom 4 are executive directors, 5 are nominee directors and 6 are independent directors.

* Is taken as a reference the composition of the governing bodies resulting from the resolutions that are expected to be adopted on March 10, 2017:

The large number of companies belonging to the MAPFRE Group and its multinational nature, with a presence on all five continents, together with its financial and corporate relevance, justifies the number of members of the Board of Directors, which is appropriate for effective and participatory operation.

Diversity and experience:

MAPFRE S.A.'s Board of Directors approved the Directors Selection Policy on July 23, 2015. This policy stipulates that when in the process of selecting directors, any kind of implicit risk that may involve discrimination and, in particular, risks that may interfere with the selection of women, must be avoided. The policy also sets down that female directors should represent at least 30 percent of the total members of the Board of Directors by 2020.

Currently, female directors account for 27 percent of the total members of the Board of Directors. The majority participate in the Board of Directors' specific committees and/or hold prominent positions:

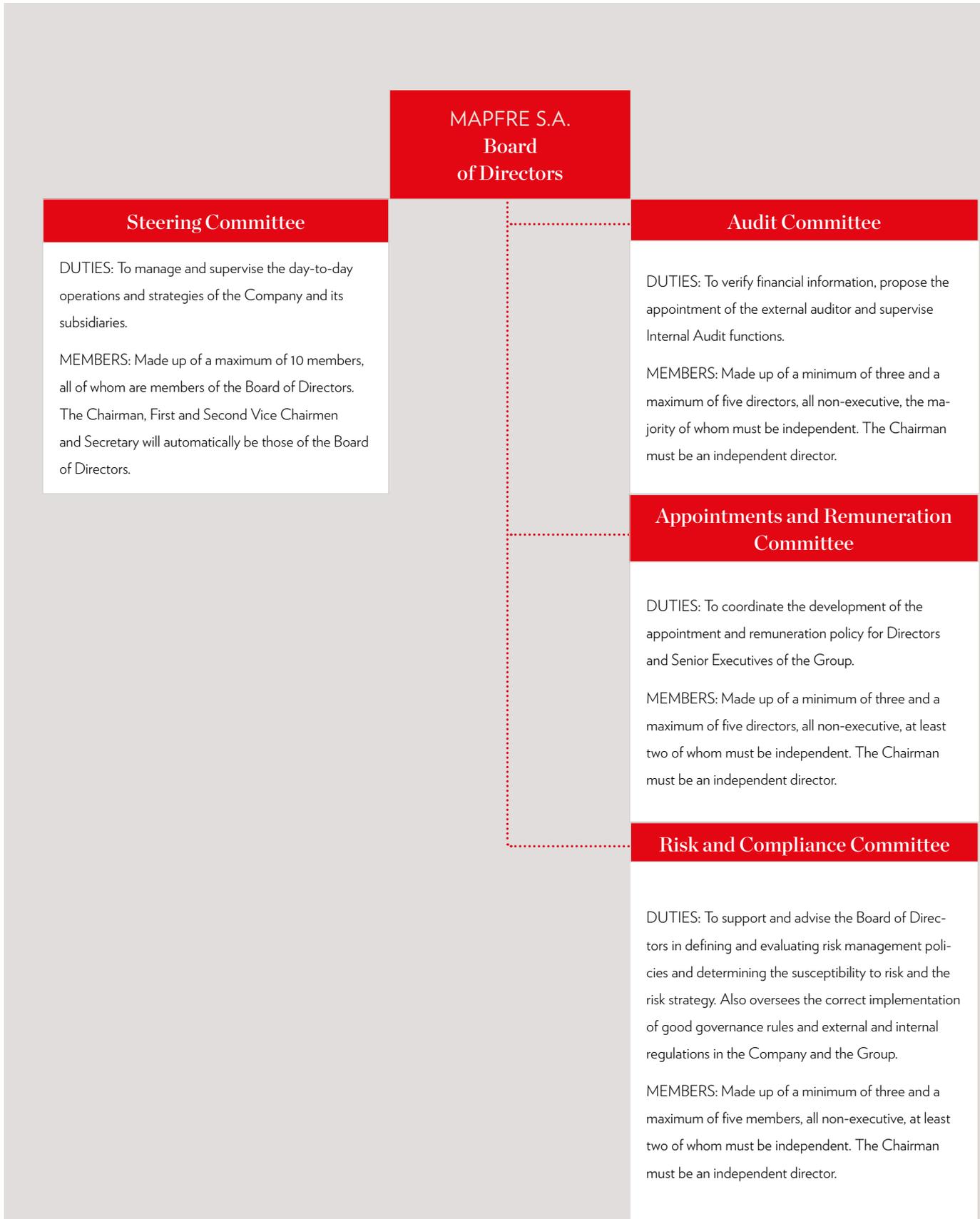
- Catalina Miñarro Brugarolas: Second vice chairwoman of the Board of Directors and the Steering Committee, chairwoman of the Appointments and Remuneration Committee, member of the Audit Committee and independent coordinating director.
- Adriana Casademont i Ruhí: Member of the Appointments and Remuneration Committee, and the Audit Committee.
- Ana Isabel Fernández Álvarez: Member of the Risks and Compliance Committee.

In addition, geographic and cultural diversity can also be found in the composition of the Board of Directors, with the inclusion of members of three nationalities - Spanish, Brazilian and German.

Similarly, in accordance with the provisions of MAPFRE S.A.'s Regulations of the Board of Directors, candidates' skills, knowledge and experience will be evaluated in the selection of candidates for the Board of Directors. Currently, this body is made up of 15 members, who together possess knowledge, qualifications and experience on the following subjects: insurance and financial market, business strategy and business model, governance systems, financial and actuarial analysis, and regulatory frameworks.

strengths

MAPFRE's current governing bodies as of 2016 are illustrated in the chart below:



The Board of Directors has proposed to the Annual General Meeting to modify the articles of association in order to assign to the Audit Committee the compliance competences previously assigned to the Risks and Compliance Committee, such that they be renamed Audit and Compliance Committee and Risks Committee respectively.

There is more information about the members and duties of the Board of Directors and other MAPFRE S.A. governing bodies available in the following public documents, which can be accessed by clicking on the following link:

<https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/>

REGULATIONS OF THE BOARD OF DIRECTORS

BOARD OF DIRECTORS

STEERING COMMITTEE AND OTHER COMMITTEES

ANNUAL CORPORATE GOVERNANCE REPORT

ANNUAL GENERAL MEETING (notice and other documentation)





03

MAPFRE and Corporate Social Responsibility (CSR)

[G4-56]

SUSTAINABLE VALUE CREATION
MODEL FOR THE MAPFRE GROUP

Good governance

Social and
environmental
responsibility

Contribution
to society

This chapter includes information about general CSR issues that MAPFRE has worked on in 2016.

3.1. Sustainable value creation model and relationships with stakeholders

[G4-56]

In 2015, the MAPFRE CSR model was revised and adapted, taking as reference the Group's evolution and maturity in this field, resulting in the model that is represented graphically below:

– To guarantee compliance with all legal obligations and commitments made in the CSR field.

– To promote ethical behavior in organizational management and business development.

– To ensure transparency, as a way of conveying and generating trust and credibility with our stakeholders.

– To maintain corporate governance practices based on ethics, business transparency and diversity.

– To establish equitable relationships with stakeholders, mainly those included in the company's mission statement.

– To manage the commitments made by signing the company up to initiatives, both international and local, which are considered benchmark sustainable development projects.

– To take responsibility for the impact generated by the Group's activity on society and the environment, through proper management of environmental, social and governance (ESG) risks.

– To promote the Group's active involvement in environmental issues in order to help preserve the environment within which it operates.

– To be transparent about CSR activity, reporting annually on the performance of initiatives in this field, using international standards for this purpose.

– Clearly understanding the Group's role in society, beyond its commercial activity, MAPFRE promotes and collaborates in general interest not-for-profit activities, chiefly carried out with Fundación MAPFRE.



However, this model cannot be understood without the internal context in which it fits and without the external context in which it is set:

– **Internal Context:** the model is aligned with MAPFRE’s vision, mission and values, as well as its Institutional and Business Principles, and, through the CSR Policy and the 2016-2018 Group Sustainability Plan, it is integrated in the business model.

As such, CSR complies with principal objectives:

- To reconcile the company’s corporate purpose with the legitimate interests of the various stakeholders who may be affected, while taking responsibility for the impact of the company’s activities on the community as a whole and on the environment.
- To establish a reference framework from which any MAPFRE Group company can develop and strengthen socially responsible behavior, regardless of the manner, conventional and/or digital, in which the business is carried out and the country in which it operates, locally adapting any initiatives that are necessary for compliance with it.

– **External Context:** the economic, social and political conditions of the countries in which MAPFRE is present, technological changes, social issues such as demographic changes, etc., environmental challenges (climate change, biodiversity, etc.) and legislative/regulatory changes, are factors that affect the business; they may represent risks, but may also afford opportunities to adapt processes, or develop new products and services suited to the needs of the client and of society in general.

It is in this (internal and external) context that the model makes it possible to create sustainable value for the company and for stakeholders with whom it has a relationship and/or on whom it impacts.

External Context

- Economic, social and political conditions
- Technological changes
- Social issues (demographic changes, aging population, etc.)
- Environmental challenges (climate change, biodiversity, etc.)

Internal Context

Vision

MAPFRE aims to be the most trusted global insurance company.

Mission

We are a multinational team striving constantly to provide ever better service and to develop the best possible relations with our clients, distributors, suppliers, shareholders and society.

Values

Solvency

- Financial strength with results that are sustainable over time and full capacity to comply with all our obligations to our stakeholders.

Integrity

- Ethical action as the axis that governs the behavior of everyone (managers, employees, agents and collaborators), with a socially responsible focus in all our activities and long-term commitments.

Vocation for service

- Permanent quest for excellence in carrying out our activities and continuous initiative aimed at caring for our client relationships.

Innovation for leadership

- Differentiation as a key aspect for constant growth and improvement, with technology serving businesses and their objectives.

Committed team

- Full involvement of employees, managers, agents and other collaborators in the MAPFRE project, with constant training and development of the team's skills and abilities.

Business Model

- Activities
- Planning
- Processes
- Management
- Control

Sustainability Model

- Good Governance
- Social and Environmental Responsibility
- Contribution to society

Sustainability

CREATION OF VALUE FOR THE COMPANY AND ITS STAKEHOLDERS

(3)

The relationship with stakeholders

[G4-24, G4-25, G4-27, G4-58]

Stakeholders participate in the development of MAPFRE's sustainable value creation model, especially those defined in the mission statement: employees, shareholders, providers, distributors and society.

In order to secure their involvement and commitment it is necessary to build relationships that establish trust between the parties. Multiple factors are involved in this process, such as, for example, appropriate relationship channels (communication and dialogue channels) for each type of stakeholder, making it possible to share reliable information, and also to comply with the commitments the company has made to them.

Corporate stakeholder map





- _ Senior Executives
- _ Management
- _ Department Heads and Management Positions
- _ Technicians
- _ Administrative and support staff
- _ Workers' Legal Representation

EMPLOYEES

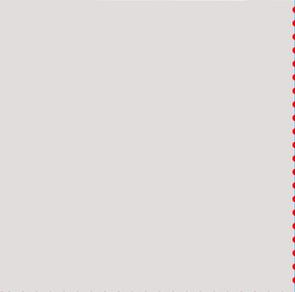


- _ Journalists
- _ Influencers

MEDIA

REGULATORY AND SUPERVISORY BODIES

- _ National and international insurance and financial regulators and supervisors
- _ Other national and international regulators and supervisors



- _ Private client
- _ Corporate client

CLIENTS AND INSURED PARTIES



SOCIETY

- _ Third Sector - social: NGOs, foundations, social associations, etc.
- _ Civil society
- _ Communities



DISTRIBUTORS, INTERMEDIARIES, COLLABORATORS

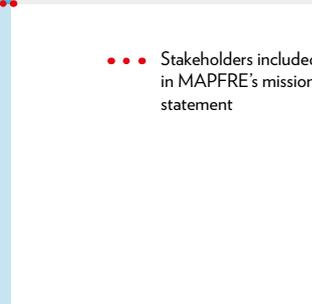
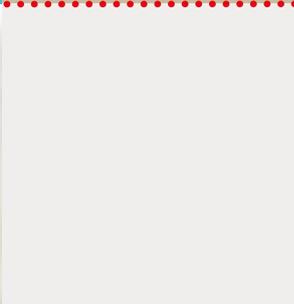
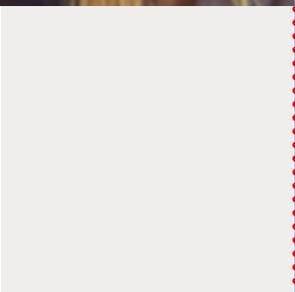
PROVIDERS

SHAREHOLDERS, INVESTORS AND PARTNERS

- _ Agents
- _ Delegates
- _ Brokers
- _ Other commercial collaborators

- _ Support providers
- _ Business providers

- _ Shareholders and investors:
 - Individual
 - Institutional



••• Stakeholders included in MAPFRE's mission statement

- _ Analysts: financial, ratings agencies
- _ Partners: Joint venture, Holding, etc.

Some of the main relationship channels that MAPFRE has established with its strategic stakeholders are listed below.

Shareholders and Investors

Investor Relations Unit: this is the communication channel that is permanently open between the company and its shareholders for dealing with their queries and requests for information.

- Specific face-to-face days: “Investor Day”.
- Shareholder Service Office: this office can be contacted via the email address relacionesconinversores@mapfre.com, the toll-free telephone number 900 10 35 33 and the query form on the corporate website.
- Shareholders’ electronic forum.
- Spanish National Securities and Exchange Commission (the CNMV) and other official bodies where information is collected on the evolution of the company’s business and activities and relevant facts about it.
- Shareholder communication plan, which aims to improve the quality of the information about the company and increase communication with the shareholders.

MORE INFORMATION IS AVAILABLE IN THE CHAPTER “MAPFRE AND ITS SHAREHOLDERS”.

Insured parties and clients

MAPFRE communicates with its clients through the following channels:

- The Group’s own distribution network, consisting of 5,390 offices (direct and delegate), 9,028 bank offices and also through more than 84,000 representatives, agents and brokers.
- MAPFRE Portal and MAPFRE Internet Office, where it is possible to take out products, view policy terms and conditions, report incidents, change personal or bank data, request document duplicates, consult communications or collection notices, among other actions.
- More than 50 Contact Centers in the world, which provide a 24-hour service, 365 days a year.

- Social networks, which allow queries to be made and facilitate access to claims resolution platforms, among other functions.

- Claims and complaints, corresponding to the internal conduit for out-of-court defense of their rights arising from contracts.

MORE INFORMATION IS AVAILABLE IN THE CHAPTER “MAPFRE AND ITS CLIENTS”.

Employees and their legal representatives

Permanent dialogue with employees is maintained, so as to inform them of any relevant business development aspects and to listen to their opinions via the following communication channels:

- The Corporate Intranet
- In-house magazines (The World of MAPFRE, the global magazine for all employees around the world, and the in-house magazines published in the different countries).
- Mailboxes, blogs and forums where comments and suggestions are put forward and the company responds.
- In-house surveys to find out the importance employees give to those issues that MAPFRE considers relevant
- Organizational environment surveys such as Great Place to Work (GPTW), which measures employee satisfaction and commitment.

- At MAPFRE, 20,109 employees are covered by collective bargaining agreements in 23 countries, which means that 54.3% of the workforce avails of union representation, and employee relations are facilitated via:

- Company participatory bodies with the legal representatives of the workers and formal Commissions.
- Periodic meetings agreed by both parties.
- Specific email accounts or Intranet spaces, and resources for meetings or assemblies, which the company facilitates for communication and dialogue with its employees.

MORE INFORMATION IS AVAILABLE IN THE CHAPTER “MAPFRE AND ITS EMPLOYEES”.

Distributors

- Online tools that harness the Internet in sales management.
- Social networks and applications used to share experiences and exchange information with intermediaries and to conduct special campaigns.
- Specific meetings and video conferences with brokers and intermediaries.
- Broker portals, which are operating platforms that encourage the development of intermediaries' sales activity.
- Specialist journals

MORE INFORMATION IS AVAILABLE IN THE CHAPTER "MAPFRE AND ITS DISTRIBUTORS".

Providers

Relationships with providers revolve around:

- Web platforms and specific portals, such as the corporate purchasing platform.
- In-house or outsourced call centers
- Social networks
- Specific bulletins
- Work groups and specific provider managers for each business area and for technology goods and services, who manage these relationships.
- Mobile phone applications

MORE INFORMATION IS AVAILABLE IN THE CHAPTER "MAPFRE AND ITS PROVIDERS".

Social Networks

Social networks play an important role as a relationship channel for the MAPFRE Group.

The brand's presence on social networks, operating globally, has already accumulated more than 2,400,000 followers, distributed as follows:

Facebook
2,100,000
followers

Twitter
175,000
followers

YouTube
20,000
followers

LinkedIn
129,000
followers

Instagram
19,000
followers

Facebook, the biggest social network in the vast majority of countries in which the Group has a presence, is home to the largest community of MAPFRE users, and as such it has also become the main interaction platform with users for the Group's brands. Twitter is proving to be a key platform for user service, while LinkedIn stands out for the transmission of corporate messages and as a source of attracting talent, as well as being a platform for contact among the organization's own employees.

The main objectives pursued on these platforms are as follows:

- **Image:** focused on the transmission of values, reinforcing the commitment that clients already have to the Group's brands, and making MAPFRE's values known to other stakeholders.
- **Guidance:** both for clients and for employees, providing valuable tools and content for both groups of people.
- **Innovation:** bringing new trends to the community of followers of the organization, in order to offer them new ways to consume content or provide them with services.

To cover these objectives, MAPFRE's strategy on social networks is based on two fundamental pillars:

- **Content:** based on projects for image unification and creation of digital items that have repercussions worldwide, seeking to convey the MAPFRE values in each interaction. These global contents generate greater links with MAPFRE.
- **Client service:** optimizing the internal processes that enable the teams to deal with any queries and complaints that are made. In 2016 progress has also been made in self-service tools and technology, which speed up these procedures, such as the introduction of chatbots.

MAPFRE's strategy on social networks is aimed at offering value to the followers in any profile, with service platforms that improve the brand's relationship with its main stakeholders.

Commitments to stakeholders

Another of the factors that helps to create trust is the fulfillment of the commitments that the company makes to its stakeholders.

In this respect, the Group's Corporate Social Responsibility Policy lays down the principles that determine the way in which MAPFRE wishes to build these relationships, and the commitments it has undertaken vis-à-vis its priority stakeholders, understood as those listed in the company's mission statement.

Below is an outline of the commitments made in the CSR policy:

Commitments made in the CSR policy



EMPLOYEES

- a) To consolidate a culture of respect for people and behavior that is favorable and open to diversity before any of the company's stakeholders.
- b) To guarantee the right to effective equal opportunities and dealings with all workers, which allows them – without exception – to develop personally and professionally.
- c) To avoid any type of occupational discrimination in the areas of access to employment, promotion, professional classification, training, remuneration, work-life balance and other working conditions.
- d) To help maintain work environments 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.
- e) To achieve an optimal level of occupational safety and a work environment that allows MAPFRE professionals to carry out their work under the best conditions, in physical, psychological and well-being terms.
- f) To promote the establishment of remuneration conditions that guarantee a decent salary, acknowledging the effort and contribution of employees to the company profits.
- g) To offer employees the opportunity to channel and develop their most charitable side through Corporate Volunteering, in accordance with MAPFRE's General Volunteering Plan.

CLIENTS AND INSURED PARTIES

- a) To provide clients and insured parties with honest advice and comprehensive information regarding the characteristics and qualities of MAPFRE products and services before they sign up for them.
- b) To provide an accessible, quality service within the agreed time frame, following up on the experience of clients through surveys to gauge their satisfaction, as well as by other means and systems that allow for permanent, active listening to clients throughout all those processes and operations in which they interact with the company.
- c) To maintain due confidentiality when processing their data.
- d) To manage and resolve their claims in the shortest time possible.
- e) To maintain adequate and efficient channels of communication using the most appropriate means.
- f) To continually innovate so as to provide value-added services and products, facilitating and promoting access to insurance for the greatest number of groups.
- g) To respect and comply with the rules governing communications and marketing activities, and adopt the voluntary codes that lend transparency and truth to these initiatives.

Commitments undertaken as part of the CSR policy

PROVIDERS	SHAREHOLDERS
<ul style="list-style-type: none"> a) To adopt responsible practices that generate mutual value, in addition to focusing on efficiency and the quality of products and/or services rendered by MAPFRE providers. b) To ensure that the value chain complies with MAPFRE's values and principles, with the Code of Ethics and Conduct and the principles established in this policy c) To guarantee compliance within the Group with both the Corporate Procurement Regulations and the General Guidelines for the Service Providers Management Model and Policies. 	<ul style="list-style-type: none"> a) To promote the informed participation of shareholders at the annual general meetings, treating all of them in a similar fashion.
DISTRIBUTORS/ INTERMEDIARIES	SOCIETY
<ul style="list-style-type: none"> a) To maintain permanent dialogue using the specific platforms and commercial structures created for this purpose. b) To ensure selection and remuneration processes that allow professional skills and competencies to be valued, along with other aspects of interest that ensure the quality of the service provided. c) To implement a training model adapted to the needs of each distributor, paying special attention to training focused on compliance with MAPFRE values and strategy and the CSR policy. 	<ul style="list-style-type: none"> a) To take responsibility for the impact that our activity generates in society, assessing and managing the non-financial, ethical, governance, reputational, social and environmental risks, and those related to human rights. b) To commit ourselves to those social initiatives or activities that benefit society. MAPFRE considers that its priority areas of social action are: disability, road safety and accident prevention, promotion of the insurance culture, health promotion, the environment and corporate volunteering. c) To work in close collaboration with Fundación MAPFRE, which carries out its activities in accordance with the terms established by its Board of Trustees and corporate bylaws. d) To consider that, through the sponsorship it promotes in accordance with the corporate sponsorship manual, it is contributing to organizing activities that are beneficial to society as a whole.

To fulfill and develop these commitments appropriately, the CSR policy is developed and complemented with other specific corporate policies and internal development rules and is based on the MAPFRE Group 2016-2018 Sustainability Plan.

3.2. Commitment to sustainable development

[G4-15, G4-16; HR5-HR7, HR9, HR10; SO3-SO5]

MAPFRE is committed to sustainable development, not only by signing up to benchmark international and local initiatives in this field, but also by integration of this concept in the business, though the MAPFRE Group 2016-2018 Sustainability Plan.

3.2.1. Sustainability Plan

The MAPFRE Group 2016-2018 Sustainability Plan is a means of contributing to the sustainable development of the company, acting in various different fields (economic/good governance, social and environmental) starting from its own principles and values, and going beyond that established by the law in this respect.

It does this by developing concrete actions related to fundamental matters: human rights and the 2030 Sustainable Development Agenda, transparency, the environment, cybersecurity, diversity, the fight against corruption and fraud, the incorporation of environmental, social and governance aspects in the supply chain, in underwriting and in investment decisions, among others.

The Plan facilitates improvement in the company's performance in these areas and a deepening of the relationship with different groups (stakeholders) with which the Group has a special bond, such as shareholders, employees, providers and clients, not forgetting all the other groups with which the company has a relationship or upon which it has an impact.

The 2016-2018 Sustainability Plan is structured around three main objectives, incorporating fifteen lines of work. Each one of them includes specific projects, people responsible for their development and metrics for monitoring them.





BASIC OUTLINE OF THE PLAN:			
Objectives		Lines of work	
<p>1. To be perceived by our stakeholders as a company which is transparent in its action, ethical and committed to the environment in which it performs its activity, and innovative in its actions.</p>		<p>L1 Human rights and 2030 Sustainable Development Agenda L2 Transparency L3 Private shareholders and investors specializing in sustainability - ESG * L4 Integration of social and environmental aspects in the innovation of insurance solutions L5 Reputational, financial and ESG * opportunities and risks in the taking of decisions prior to underwriting the risk. Developing and attracting new sustainable businesses. L6 Information security and cybersecurity. L7 Environment: climate change L8 Incorporating ESG * criteria in investment decisions L9 Promoting behaviors and attitudes that avoid corruption <small>* ESG: environmental, social and governance</small></p>	
<p>2. To be perceived by our organization as an ethical, attractive company, which generates opportunities and cares about its diversity, and with values of solidarity that have an effect on society in general.</p>		<p>L10 Diversity, equality and non-discrimination (mainly with regards to women and people with disabilities) L11 Volunteering</p>	
<p>3. To be perceived by clients and providers as a company that honors its commitments and acts with integrity in the development of its relationships.</p>		<p>L12 Client satisfaction L13 Social and environmental criteria as positive factors in the process of approval and selection of providers L14 Digitization of the processes of allocation, sending and control of automobile and household service providers L15 Global Procurement Process</p>	
Specific projects	People responsible for their development	Identification of stakeholders upon whom they have an impact	Monitoring indicators

The Corporate Social Responsibility Committee carries out monitoring of the Plan and reports to the Executive Committee. All the proposed lines and projects have started and are developing within the anticipated margins of execution, so it can be affirmed that the plan has got off to a very satisfactory start.



3.2.2. Commitments to international initiatives

MAPFRE is committed to the International Initiatives it has signed up to, and participates actively in their development and fulfillment.

	<p>United Nations Global Compact, which entails integrating within its management the ten 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.</p> <p>In 2016, the MAPFRE Progress Report has been recognized by the United Nations with the highest rating - "Advanced".</p> <p>In the Additional Information section, page 184, the reference table on the principles of the Global Compact and the GRI G4 Indicators applicable to MAPFRE has been included.</p>	<p>United Nations Environment Program Finance Initiative (UNEPFI), which develops and promotes links between the environment, sustainability and financial performance, identifying and promoting the adoption of best environmental and sustainability practices at all levels of a financial institution's operations.</p>	
	<p>MAPFRE is a signatory to the Carbon Disclosure, Water Disclosure and Carbon Action Programs belonging to the Climate Disclosure Project (CDP) Initiative, having been included on this initiative's Global A-List in 2016, for achieving the highest rating (A) as regards performance in mitigation and adaptation to climate change, and transparency of information reported.</p>	<p>Principles for Sustainable Insurance (PSI), specifically for the insurance industry, aimed at incorporating in business management, as a risk and as an opportunity, environmental aspects; social aspects; and corporate governance aspects.</p> <p>Progress made in the integration of these principles in the business is reported annually, and the report may be consulted on the official PSI website (www.unepfi.org/psi) and on MAPFRE's own website. Also, in the Additional Information section, page 186, a table has been included which illustrates how MAPFRE is working on in the integration of these PSI principles in the business and the GRI G4 indicators associated with those principles.</p> <p>Within this framework, MAPFRE has signed up to the general commitment of the insurance industry to support the United Nations Disaster Risk Reduction initiative (United for disaster resilience).</p>	
	<p>Paris Pledge for Action, whereby the signatories affirm their commitment to achieving a safe and stable climate in which temperature rises are limited to under 2°C, as well as undertaking immediate steps to reduce their greenhouse gas emissions to a safe level.</p>		

3.2.3. Environmental, social and governance factors and risks (ESG)

[G4-2, 14, 16, 45, 47; EC-2; HR5-HR7; FS5, FS9]

MAPFRE takes responsibility for the impact of its business activity on the environment and society in general. Its social responsibility model and policy and the MAPFRE Group 2016-2018 Sustainability Plan, facilitate the integration of environmental, social and governance (ESG) aspects into its business.

Technological changes, social issues (demographic changes, migratory movements, inequalities, etc.), environmental challenges (climate change, natural disasters, biodiversity, etc.), the economic situation or legislative/regulatory changes, are factors that affect the business; they may represent risks, but may also afford opportunities to adapt processes, or develop new products and services suited to the needs of the client and of society in general.

The following table shows details of some of these ESG factors that we have identified, taking as a reference, among others, the material issues and those of internal and external relevance in the 2016 Materiality Studio on page 53.



^ (b)

TABLE OF MAPFRE ESG FACTORS [G4-15, 16]

TABLE OF ESG FACTORS	
ENVIRONMENTAL	<ul style="list-style-type: none"> – Climate change – Eco-efficiency: resource optimization – Preservation of biodiversity and degradation of terrestrial and marine ecosystems
	<p>SOCIAL</p> <p>Work environment</p> <ul style="list-style-type: none"> – Employment – Diversity, equality and non-discrimination – Inclusion of vulnerable groups and others at risk – Training and professional development – Decent salary – Work-life balance – Managing internal talent and attracting external talent – Technology: new knowledge and collaboration environments <p>Health and Safety</p> <ul style="list-style-type: none"> – Prevention: accidents, sick leave, etc. – Health: promotion of healthy environments – Safety: guarantee a safe and reliable workplace <p>Responsibility to clients:</p> <ul style="list-style-type: none"> – Responsible marketing – Channels for claims/complaints and follow-up – Security and privacy of personal data and cybersecurity – Portfolio of products and services: <ul style="list-style-type: none"> • Innovation: products designed to generate social and environmental benefits • Social and demographic issues: aging population, quality of life. – Technology: new relationship environments, new management systems, new risks and new products. – Promoting insurance culture <p>Value chain (providers, subcontractors, etc.)</p> <ul style="list-style-type: none"> – Integrated procurement policy and procedures: select, approve and hire taking into account social responsibility and environmental criteria – Technology serving the management: procurement platform – Incorporation of social (labor rights, health and safety, human rights, etc.) and environmental aspects in the processes of selection and approval
	<p>GOVERNANCE</p> <p>Ethics, Integrity and principles:</p> <ul style="list-style-type: none"> – Governing bodies: <ul style="list-style-type: none"> • Diversity • Board Leadership • Anti-corruption and anti-bribery • Transparency • Regulations/ Codes of Ethics and Conduct: monitoring, compliance, evaluation, whistleblowing mechanisms – Protection of shareholder rights

Proper tracking of the ESG aspects makes it possible for the organization to obtain additional information about these potential risks, and gain better understanding of social movements and transformations, and the expectations of its stakeholders (investors, clients, regulatory bodies, distributors, general public, employees, etc.).

In this context, ESG management risks helps in decision-making on important issues such as underwriting, investment, innovation in products and services, and reputation management, this last being essential to gaining the trust of our stakeholders.

By integrating the management of these risks with the more traditional risks inherent in insurance activity, we can develop and promote more responsible and sustainable businesses.

Even though these risks sometimes require unconventional assessment techniques, the assurance mechanisms (i.e. techniques for transferring risks to a third party subject to payment of a premium) are similar to those used in the insurance industry, which has always proved capable of anticipating, integrating and providing cover for emerging risks.

MANAGEMENT AND CONTROL OF ESG RISKS

[G4-HR5 - HR7; SO3-SO5; FS1-FS3]

MAPFRE has approved two major policies with regard to this issue:

- The Group’s Risk Management Policy, which has the following objectives:
 - To establish general guidelines, basic principles and the general framework of action for risk management.
 - To promote a solid culture and an effective system of risk management.
 - To ensure that risk analysis forms part of the decision-making process.
 - To preserve the Group’s solvency and financial strength.
- The Group’s Compliance Function Policy, the main objective of which is to minimize the likelihood of any legal or compliance risk from materializing. To this end, it defines effective prevention and control mechanisms, encourages specialized staff training and promotes an ethical and compliance culture across the organization.

Additionally, the framework set by the Risk Management Policy states that the Group’s governing bodies (Board of

Directors, Steering Committee, Audit Committee and Risk and Compliance Committee) are chiefly responsible for identifying, measuring, supervising, managing and mitigating risks.

There are also other collegiate bodies that give support to the governing bodies in matters of risk management:

- Safety/Security and Environment Committee
- Security Committee, for monitoring insurance and reinsurance company counterparts.

Within this framework, the MAPFRE structure consists of areas which, in their respective fields of competence, independently supervise the risks accepted. These areas are the following: Actuarial, Compliance, Risk Management, Internal Control, Security and Environment, and Internal Audit.

The risk policy and the systems in place to manage and control risks are discussed in greater detail in the Consolidated Annual Accounts and Management Report in note 7, and in the 2016 MAPFRE Integrated Report.

Many of the ESG Factors listed in the table (page 39) are specifically analyzed by the aforementioned areas; also, they are mainly grouped into Operational Risks, Strategic and Corporate Governance Risks, Legal and Non-compliance Risks, and Security and Environment Risks.

I. Operational Risks: this type of risk is inherent in the performance of any activity, and its occurrence may give rise to a loss and/or an adverse impact on business results. Therefore the management of this type of risk, as well as being critical, aims to mitigate actual and potential losses arising from the inadequacy or failings of processes, personnel and internal systems, or the occurrence of external events.

MAPFRE has an Operational Risk Management Policy whose objectives include establishing the general guidelines, basic principles and the general framework for operational risk management in order to ensure their consistent application throughout the Group.

II. Strategic and Corporate Governance Risks: which include risks related to business ethics and Good Corporate Governance, organizational structure, alliances, mergers and acquisitions resulting from the regulatory environment and, lastly, competition.

Also, the Risk and Compliance Committee is responsible for supporting and advising the Board of Directors in defining and evaluating the risk management policies and determining the

susceptibility to risk and the risk strategy, and overseeing the correct application of the good governance rules and external and internal regulations in the Company and in the Group.

Furthermore, apart from its Institutional, Business and Organizational Principles, MAPFRE has a series of corporate policies, as well as a Code of Ethics and Conduct which reflects its corporate values and principles of action, and has the Ethics Committee which is the body responsible for the application, supervision and control of the Code, which contributes to minimizing risks in this area.

III. Legal and Noncompliance Risk: which includes the risk of regulatory or legal sanctions, material financial losses or loss of reputation that may affect the company as a result of not complying with the law, regulations, rules, internal and external standards or administrative requirements applicable to its business activity. This risk is managed by those responsible for Compliance in the companies, in keeping with their Compliance Policy and the guidelines handed down by the management of the Group's Compliance Area and by those areas with responsibilities for specific Compliance questions.

The initiatives taken for the management of legal and noncompliance risks are reflected annually in the Activities Report presented to the company's Administrative Body, either directly or through its Steering Committee.

Overseeing compliance with the internal and external regulations at Group level corresponds to the Risk and Compliance Committee, as the steering committee of MAPFRE's Board of Directors.

IV. Security and Environmental Risk: these risks are identified, divided into types, assessed and tracked by the Corporate Security and Environment Division and the Corporate Security and Environment Committee. The Committee is responsible for ensuring that the Group's security and environment risks are managed correctly and in line with the company's business objectives and needs.

MAPFRE has taken the measures below to manage Security and Environment risks related to ESG factors:

– Privacy protection with regard to data of employees, clients, collaborators and other stakeholders: the company has controls in place that aim to preserve the confidentiality, integrity and availability of the information it handles and the underlying information systems. Maximum priority is given to the protection of the personal details of its employees, clients, collaborators and other stakeholders. To do so, among other specific measures, it is setting up a Corporate Office for Data Protection and Privacy, designed to provide the Group with

capabilities, processes and global, standardized mechanisms in this field. And it also has monitoring and response capabilities (via the CCG-CERT General Control Center) to thwart cyber attacks seeking to compromise the confidentiality of the information that the company stores and/or manages. In 2016, MAPFRE participated once again in the cyber-exercises organized by the Spanish Industry and Interior Ministries, which seek to assess the capability of Spain's major enterprises in the face of a massive cyber attack.

– Protection of persons: the company has drawn up Emergency and Self-protection Plans, deployed safety and fire protection systems and implemented specific protocols that aim to prevent personal injuries to people (and damage to their property) on its premises or during events organized by the company. In addition, training and informative initiatives are carried out to prevent security risks in employees' and collaborators' private spheres, in particular via giving useful advice related to traveling on vacation, business trips, etc.

– Survival of the operations in case of disaster or catastrophe: the company develops, implements, tests and updates business continuity plans with the purpose of ensuring that MAPFRE services will still be available to its clients even in the event of disasters or catastrophes.

– Collaboration in the detection and investigation of criminal acts: the company works closely with Security Forces and Organizations, answering their requests for information in due time and in the appropriate fashion. In Spain, MAPFRE is a direct participant of the "Coopera" (Civil Guard) and "Red Azul" (National Police) programs. Furthermore, the company forms part of the international networks FIRST and CERT, which seek to prevent, detect and respond to computer crimes. As a result of this collaboration, MAPFRE contributes to the general security of every environment where it operates, including cyberspace.

– Environmental protection: MAPFRE has an Integrated Environmental, Energy and Carbon Footprint Management System (SIGMAYE) in place, which identifies, assesses and minimizes environmental risks caused by its activity. This system helps to prevent indiscriminate or excessive energy and supply consumption by implementing eco-efficiency measures. With respect to climate change, MAPFRE is executing the 2020 Strategic Plan for Climate Change and Energy Efficiency. This plan defines specific measures for adapting, mitigating and committing to reducing greenhouse gas emissions (a 20 percent decrease in emissions by the year 2020), relating to biological and epidemic plagues, and natural or catastrophic risks.

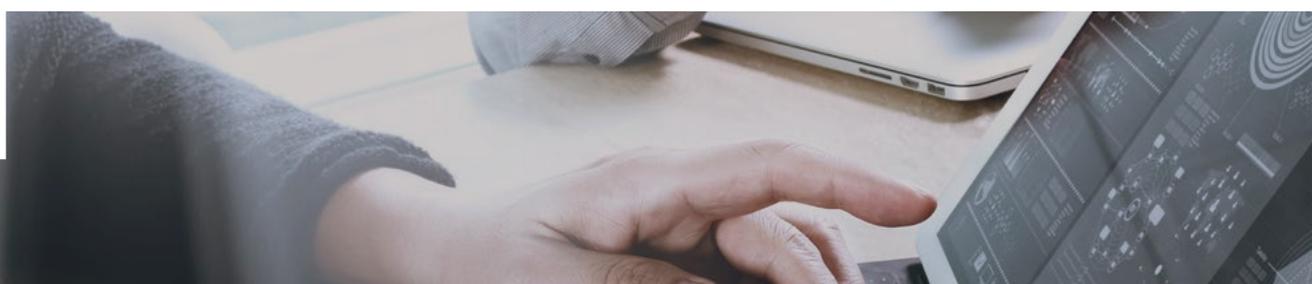
RISK CONTROL

The aim of risk control is to discover the true level of risks and the adequacy of the controls, thus permitting increased efficiency of operations and attaining the pursued objectives and goals with reasonable assurance, at both the company and Group level.

Among other aspects, this includes monitoring the controls put in place, responding adequately to the risk, assessing the effectiveness of such controls and establishing corrective measures, whenever needed. Such action, already applied uniformly throughout the companies of the Group through Riskm@p, allows for the identification of opportunities for improvement in the efficiency of operations, in the integrity of the information and regulatory compliance.

The established risk control model is based on a dynamic analysis of processes at the different business units, in such a way that the managers of each area or department identify and assess those aspects that could affect the attainment of the objectives for each process, as well as the potential risks. The conclusions are shown for each business or support process analyzed via the control and risk maps (commercial activities, customer service, coinsurance/reinsurance, commission, product development, issuing, administrative management, investment, technical provisions, human resources, claims / benefits and technology systems) grouped into 10 areas of risk (actuarial, legal, technological, personnel, collaborators, procedures, information, fraud, market and material assets).

The following table shows the aspects related to the ESG factors, grouped according to the MAPFRE risk areas:



NAME	DESCRIPTION
ACTUARIAL	Inadequacy or failings caused by: <ul style="list-style-type: none"> – incorrect definition of the policy for reinsurance and the issues arising from noncompliance – inappropriate pricing of products and review of rates
LEGAL	Inadequacy or failings caused by: <ul style="list-style-type: none"> – lack of knowledge about or failure to apply the legal, fiscal or specific regulations governing the activity, or conducting operations that violate the country's local laws – non-existence of contracts maintained by the entity, errors in drawing them up, failure to review them – incorrect handling of claims and complaints and suspicious operations and mandatory anti-money laundering operations
TECHNOLOGY	Inadequacy or failings caused by: <ul style="list-style-type: none"> – inconsistent technology network and lines of communication (RCCM, ADSL, telephone, fax, LAN/WAN, etc.) – inadequate security and protection of technology systems and computer applications, access (passwords) or data encryption – non-existence of applications (software), failure to adapt these to the needs of the areas, and insufficient integration between the different applications
PERSONNEL	Inadequacy or failings caused by: <ul style="list-style-type: none"> – lack of training, experience, and skills among company employees and the non-alignment of staff with the corporate vision, mission and values. This includes aspects related to the size of departmental workforces
COLLABORATORS	Inadequacy or failings caused by: <ul style="list-style-type: none"> – lack of training, experience and skills of the company's commercial structure or external professionals hired by it – non-alignment of the commercial network or external professionals with the corporate vision, mission and values – inadequate size of the commercial structure or external professionals/collaborators
PROCEDURES	Inadequacy or failings caused by: <ul style="list-style-type: none"> – inconsistent design of policies, procedures, plans and internal regulations governing the different management processes – incorrect execution of the above



NAME	DESCRIPTION
INFORMATION	Inadequacy or failings caused by: <ul style="list-style-type: none"> – incorrect communication or transmission of information – lack of confidentiality in processing information – insufficient, unreliable or inaccurate information
FRAUD	Inadequacy or failings caused by: <ul style="list-style-type: none"> – lack of tools and procedures to detect and prevent fraudulent actions committed by people outside the organization or by people who belong to it
MARKET	Inadequacy or failings caused by: <ul style="list-style-type: none"> – lack of knowledge about the local market – inability to react to changes that occur in markets – damage to the company's reputation in the eyes of society and markets
MATERIAL ASSETS	Inadequacy or failings caused by: <ul style="list-style-type: none"> – lack of technical and material resources (including hardware) – inappropriate asset management and protection

THE IMPORTANCE OF TURNING RISKS INTO BUSINESS OPPORTUNITIES

Insurance companies play an important role in addressing the global sustainability challenges that have a significant effect on the sustainability of economic and business models, etc. These companies have the ability to project the knowledge and experience acquired for their own protection toward protecting the interests of clients and third parties. Thus, the development of certain insurance products constitutes not just a business opportunity but also a chance to protect and benefit society at large.

MAPFRE's Innovation model (see page 92) enables the company to integrate ESG aspects and identify opportunities for innovation in products, services and processes that respond to clients' needs. In 2016 MAPFRE launched more than 30 products on the market, in the following lines: automobile, life, assets, health or funeral expenses.

MAPFRE also has a portfolio of products with basic covers and reduced premiums, for low-income groups, for automobile, life, household and health insurance.

In the environmental field, the initiatives aimed at clients can be grouped into three categories:

- Environmental risk management, which includes cover for damage, third-party liability and environmental liability; services for the identification, analysis, evaluation and control of risks; and the review and follow-up of the development of risks and corrective measures.
- Insurance products for sustainable renewable energy projects, forestry projects, and initiatives related to energy efficiency and savings.
- Services that favor environmental protection and the saving of resources.

The management of ESG risks also makes it possible to identify and promote more responsible and sustainable businesses, for example, through the Group's investment decisions or the relationship with start-ups.

Moreover, it is considered necessary to foster an insurance culture among clients and the public in general, so as to promote the benefits and advantages of being insured, not just to protect assets, but also to mitigate the impact of a possible incident hitting their activity – commercial and/or personal – thus benefiting society as a whole.

MAPFRE promotes insurance culture and risk management knowledge for both clients and non-clients, by means of specific publications and specialist training courses, forums and international seminars. MAPFRE RE's activities in 2016 in this respect are worthy of mention:

- A year marked by significant losses caused by the El Niño atmospheric disturbance, which affected the agricultural sector both in Pacific and Atlantic regions. For this business line, MAPFRE RE held or sponsored training seminars in Turkey and Colombia, and also sponsored the seminar of the International Association of Agricultural Insurers (AIAG), held in Holland, and attended by adjusters/appraisers from the European market.
- Furthermore, for developing personal lines, courses and seminars have been held on processes, selection and underwriting of risks in Mexico, Panama, Chile, Colombia, Argentina, Italy and Malta, attended by 300 people.

- MAPFRE RE collaborates actively by speaking at market events organized by different institutions, and has participated in conferences on topics such as insurance innovation and medicine in Italy and France and has sponsored the biannual conference of the European Life & Health Underwriting Association held in Madrid.

- An actuarial tool has been developed for analysis of the Group's catastrophic damage risk, vis-à-vis the current reinsurance protections.

- During 2016 the Innovation Area was set up, to identify trends and changes that represent business opportunities for our clients and partners.

- The traditional International Forum was held in Madrid, with 13 participants from 12 countries, of which five were European and seven from the Asia-Pacific region. A portal has also been set up on the website for online client training.

- Employees at the new office in Singapore received technical training courses on standardizing underwriting criteria.

All these actions are evidence of MAPFRE RE's technical commitment, dedication to service and close links with its international clients.

Furthermore, in Spain, the Corporate Security and Environment Division (DISMA) collaborates by organizing specialized courses and master degrees in the security and environment disciplines. As an example, we should mention the Master in Risk and Insurance Management run by ICEA.

3.2.4. Prevention measures and compliance [G4-57, 58; LA-16, HR2-HR7; HR12; SO3-SO5; PR8; FS9]

The Group's Institutional, Business and Organizational Principles determine its conduct as a company and help to develop sustainable businesses in every country where the company operates. These principles are embedded in the company through its core values (solvency, integrity, commitment to service, innovation for leadership and committed team) and developed through the fulfillment of the international and local commitments, as well as the policies, standards and action protocols adopted by the organization. All this enables the company to act under the due diligence principle to prevent, detect and eradicate irregular behavior, whatever its nature, which could have a negative effect on the company and on the environment in which it operates.

The company makes available to employees a set of policies, regulations, procedures, protocols and other reference documents, both corporate and local, 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 on its website (www.mapfre.com) and makes them available to all its stakeholders



- Institutional, Business and Organizational Principles
- Code of Ethics and Conduct
- Treasury Stock Policy
- Dividends Policy
- Corporate Governance Policy
- Corporate Tax Policy
- Policy on the Management of Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Executive and Managerial Officers
- Director 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

There now follow some of the most important procedures and systems, which we permanently use to prevent and mitigate conduct contrary to the company's principles, values and policies:

ETHICS COMMITTEE:

MAPFRE has an Ethics Committee, responsible for ensuring the implementation of the Code of Ethics and Conduct, which lays down the rules of conduct that must govern the behavior and actions among employees and their relationship with third parties, always based on mutual respect for all people they

^ ^ 3x

interact with; commitment to their work and to the company; responsibility, solidarity and cooperation; and integrity and respect for the law, so that a climate of trust is created in the workplace that allows personal and professional development, respect for basic human and labor rights, free from any type of exploitation, intimidation, harassment and discrimination. Compliance with this Code is mandatory throughout the Group.

The Committee comprises members of the Group's senior management and its role is consultative, decisive, supervisory and to promote the Code.

This Committee reports annually to the Steering Committee on the activity carried out each year.

Furthermore, in order to allow all employees, regardless of their place of work, to lodge queries and possible complaints about the Code, the Committee has a channel for conveying ethical queries and complaints.

During the 2016 financial year, the Ethics Committee received two complaints regarding the Code of Ethics and Conduct, via the channels established for this purpose. During the same period, no queries were received in connection with this procedure.

<p>1. Relationships with and among employees:</p>	<p>2. Relationships with third parties</p>
<ul style="list-style-type: none"> - Labor rights - Commitment, efficiency and professional development - Respect for others - Equal opportunities and non-discrimination - Work-life balance - Occupational risk prevention - Protection and appropriate use of the company's property - Confidentiality of information and protection of personal data 	<ul style="list-style-type: none"> - Business branding and image - Service quality, customer service and fair competition - Relationship with providers - Relationship with partners - Conflicts of interest - Anti-corruption and anti-bribery
<p>3. Social responsibility: performance policy, environmental policy, information transparency</p>	
<p>4. Compliance with the Code of Ethics and Conduct: Ethics Committee: competences, composition and operating rules.</p>	

WHISTLEBLOWER CHANNEL FOR FINANCIAL AND ETHICAL COMPLAINTS:

MAPFRE has established two types of channels, accessible to employees:

— The Financial and Accounting Whistleblower Channel (www.mapfre.com/CDF) enables Group employees to confidentially report any potentially significant financial and accounting irregularities they observe within their company to the Audit Committee of MAPFRE S.A.

— The Ethical Whistleblower Channel (www.mapfre.com/Etica), enables any MAPFRE employee who has queries about the application of the Code, or who observes a situation that might involve a breach or violation of any of the ethical or conduct principles and standards established in the Code, to report it to the Ethics Committee, with a cast-iron guarantee of confidentiality.

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

MEASURES TO PROTECT EMPLOYEES AGAINST MORAL AND SEXUAL HARASSMENT IN THE WORKPLACE.

In 2015 the Board of Directors approved a Policy of Respect for people that expressly states that respect for others should be a basic element of employee behavior. MAPFRE therefore rejects any manifestation of workplace harassment, and any other behavior that is violent or offensive to the rights and dignity of people, given that these situations contaminate the work environment and have negative effects on the health, well-being, confidence, dignity and performance of those who suffer it.

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

Therefore, MAPFRE is expressly opposed to, and will not tolerate, situations of harassment at work, regardless of who the victim or the harasser is in the situation reported, and any member of the company is entitled to report harassment if it occurs.

MAPFRE's 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 moral, 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 place in every country where it is present to help prevent harassment situations and, should they arise, it also has suitable procedures for dealing with and rectifying the problem.

During this financial year, 10 harassment claims were made in the Group, and were resolved using the in-house procedures put in place for this purpose. All the members of the teams providing instruction on this topic first received specific training themselves.

INTERNAL CONTROL

Internal Control involves everyone, irrespective of their professional grade within the organization, and it seeks to improve internal operations by promoting the management of potential risks that could affect the achievement of the established strategic objectives.

Within the framework of the principles and values set forth in the Institutional, Business and Organizational Principles, the aim is to make reasonably sure that the objectives of the Group are achieved with regard to operational efficiency and effectiveness, confidence in the accounting and financial records, and compliance with both external and internal rules and regulations.

PREVENTION OF MONEY LAUNDERING

MAPFRE is permanently vigilant so as to detect and inform the appropriate bodies of any suspicious operation carried out with the aim of laundering resources derived from criminal activities. Accordingly, it has established appropriate human and organizational resources, the actions of which are supervised by the Group's Committee for the Prevention of

Money Laundering, all in accordance with the provisions of Law 10/2010 and its implementing Regulations.

In 2016, more than 16,897 hours of training in the prevention of Money Laundering were given to 14,442 employees.

COMPLIANCE:

The Group permanently assumes the institutional commitment to conduct all of its activities and business in accordance with strict standards of ethical conduct and zero tolerance to noncompliance with regulations. In line with this premise, it pursues a global environment of compliance, including all laws and other regulations, as well as internal and external rules and standards.

Zero tolerance to noncompliance is complemented by preventive initiatives organized by the Compliance Area of the MAPFRE Group in order to mitigate the risk of potential noncompliance.

This function helps the Group to minimize this risk, raises awareness about the need to comply with internal and external regulations, and ensures that compliance is fully integrated into the corporate culture and all of the Group's activities. It is also important to underscore that every member of staff is responsible for adhering to the compliance culture.

Effective management of the compliance risk is regarded as a basic booster to sustainable and profitable growth. It also helps protect MAPFRE's solvency, integrity and reputation while supporting the Group in achieving its strategic objectives.

PREVENTION OF FRAUD AND CORRUPTION

[G4-SO4]

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

MAPFRE collaborates fully with the security forces and implements early warning mechanisms to detect potentially fraudulent anomalous situations, through the use of computer tools harmonized at the corporate level.

Furthermore, MAPFRE is a member of the Subcommittee for Anti-Corruption Management Systems of the AENOR

(Spanish Association for Standardization and Certification), and worked to create the future standard ISO PC 278 Anti-Bribery Management Systems, which will lead to the international standard on the subject. The establishment of auditable standards in this field will help to improve the control environment at the companies.

SECURITY

[G4-PR8]

Among other issues, MAPFRE focuses on protecting workers, safeguarding client and other stakeholder information, and ensuring the sustainability of its operations and the services it provides.

- Workers are protected by providing a safe work environment, achieved through the preventive maintenance of the facilities, the implementation of self-protection plans in workplaces, the design of specific measures for business travel and trips (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 is materialized through aspects such as high standards of compliance with data privacy and protection regulations. Therefore, various safeguard measures have been established, ensuring the necessary confidentiality and integrity and thus honoring the trust placed in our company by clients, shareholders and other stakeholders. The issues related to cybersecurity which are developed in the following section are worthy of special mention.

- In terms of availability, business continuity solutions are designed and implemented which ensure maintenance of the services provided to clients in the event of serious contingencies, thus contributing to the sustainability of the operations.

Likewise, any new corporate initiatives and information systems incorporate security criteria from the very outset, designed to minimize risks, protect data privacy and increase capacity for detecting and responding to incidents.

To facilitate all of these actions, security training and certification are promoted among workers to help them carry out their duties and as a guarantee of the quality of the services provided. In this context, in 2016 the staff responsible for different security processes attended more than 14,087 hours of training. Also, the number of individual qualifications and certifications that endorse and vouch for the expertise of



its professionals rose to 281. Furthermore, 63 percent of security personnel are trained in the organization's policies and rules on human rights that apply to the duties they have to perform.

CYBERSECURITY AND PRIVACY

In order to protect both the trust placed in the company by the different stakeholders, and its corporate reputation, MAPFRE's absolute priority is to safeguard the security of:

- The information that its clients and stakeholders entrust to it so that it can provide them with services and properly execute its business activity.
- The information owned by MAPFRE and which underpins its competitive advantage and brand value.
- The information systems that form the basis of the company's business processes.

This protection must be carried out in a hyperconnected and digitally disruptive environment, in which there has been an exponential increase in cyber attacks and security and privacy incidents.

Conscious of this reality, MAPFRE has defined a series of guidelines for its action with regard to cybersecurity.



CYBER RISK MANAGEMENT	<ul style="list-style-type: none"> – Evaluation and improvement of the mechanisms of prevention, detection and response to cyber incidents. – Continuous evolution of the mechanisms of protection of information systems and communication networks. – Evaluation and improvement of the disaster recovery mechanisms.
PROACTIVE PRIVACY	<ul style="list-style-type: none"> – Early conformity with the European Data Protection Regulation – Centralization and concentration of capabilities in the Corporate Office for Data Protection and Privacy (OCPPD) – Integration of privacy in the life cycle of the new initiatives that handle personal data.
CYBERSECURITY CULTURE	<ul style="list-style-type: none"> – Awareness raising actions for employees, clients and providers. – Training and capacity-building actions for employees and intermediaries.
CYBERSECURITY RIGHT FROM THE START	<ul style="list-style-type: none"> – Integration of cybersecurity in the life cycle of the company's new technological initiatives. – Evaluation of cybersecurity and privacy in the processes of purchasing technology solutions and contracting technology services.

The lines of action include the protection of information when it is collected, transmitted, stored or processed, and facilitate diligent action in the establishment of preventive measures and in the detection of and response to cyber attacks or business interruption events. Furthermore, they include the identification of and response to the three external factors that may modify the asset protection environment:

- Cyber threats, with the increasingly frequent appearance of broad spectrum zero-day vulnerabilities and advanced attacks.
- Changes in rules or regulations, such as the new European Data Protection Regulation or the new privacy or data protection laws in different countries where MAPFRE is present.
- Business initiatives, highlighting the actions associated with the digital transformation of the company.

In order to implement its strategy on this subject, MAPFRE, through the Corporate Security and Environment Division, has advanced capabilities aimed at increasing the company's cyber resilience. These capabilities include:

- Highly specialized certified staff, in charge both of identifying, defining, designing and, where appropriate,

installing and operating the different security controls and the technological tools intended to protect the company's digital assets, and of incorporating cybersecurity requirements, controls and functionalities (including privacy) in the company's new initiatives.

- Specific protection technologies, integrated in the corporate technology platform.
- Tools, methodologies and specialists dedicated to continuous evaluation of the cybersecurity level of the company's information systems, with early identification of deficiencies.
- A General Control Center (CCG-CERT), integrated in the FIRST network, which performs ongoing monitoring (24/7) both on the information stored in MAPFRE's own technological platform and on all the information it owns which may be accessible in systems belonging to third parties, which enables both the early detection of any cyber incidents and a flexible response to them.
- Plans, with systematic updating and training, for response to incidents and crisis situations.

Specifically with regard to protection of the privacy of data entrusted by clients and stakeholders, MAPFRE has a Corporate DPO (Data Protection Officer), and a specific

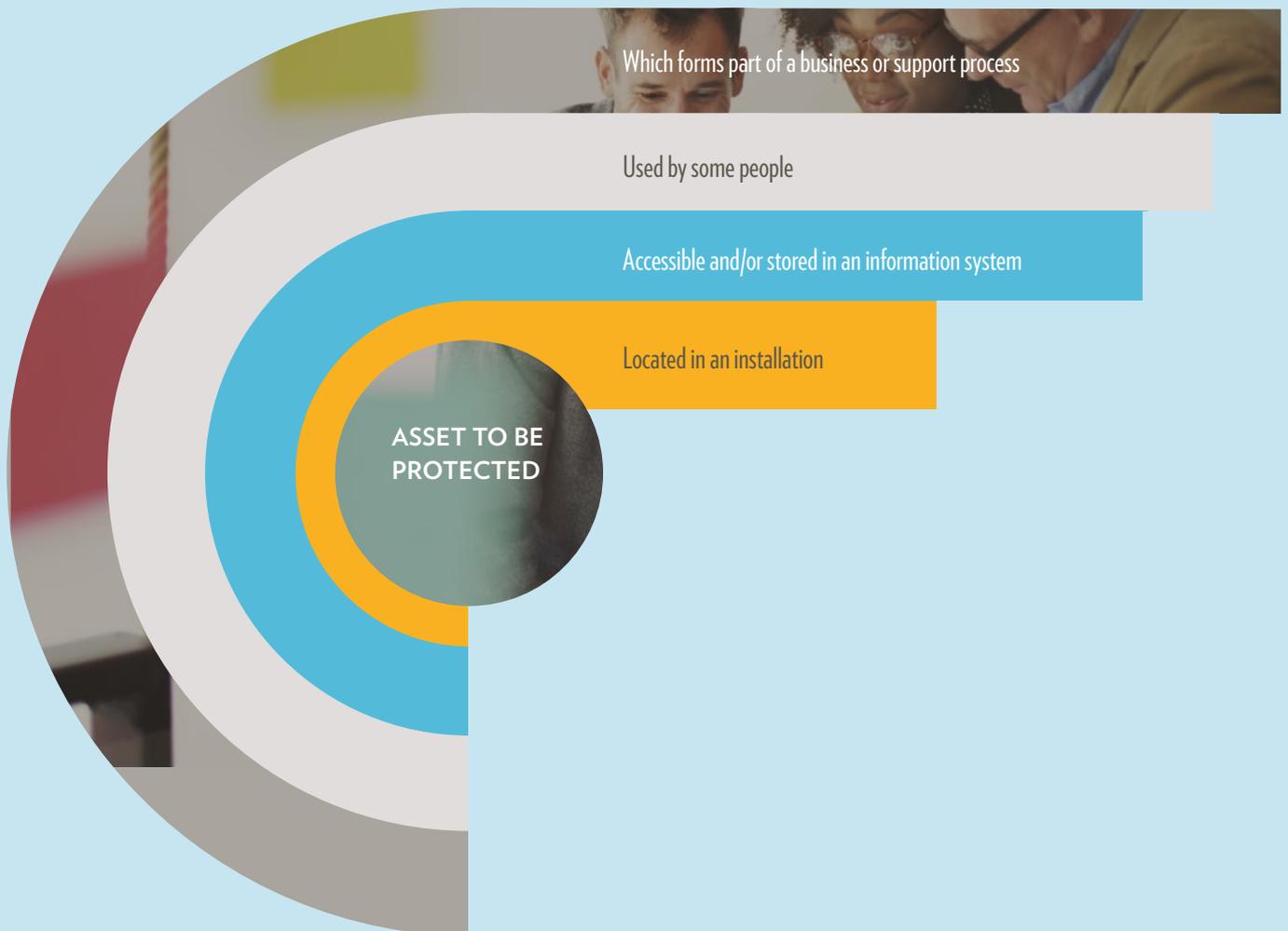
Area within the Corporate Security and Environment Division, in charge of ensuring compliance with the existing regulations on the subject of privacy and protection of personal data.

Within the same organizational structure, throughout 2016 there has been progress in the implementation of the Corporate Office for Data Protection and Privacy (OCPPD), whose mission is to be the reference point for all activities relating to privacy and data protection within the MAPFRE Group, providing a single, global vision of the matter and fostering homogeneity in all processes and criteria relating to this matter whilst improving its efficiency.

Furthermore, in order to meet the new requirements established by the European Data Protection Regulation, and to guarantee homogeneity and the harnessing of synergies, a

corporate working group has been set up aimed at ensuring that MAPFRE is ready in good time and with a transversal and proactive focus, for the new requirements.

It is also important to point out that MAPFRE's action on the subject of cybersecurity is integrated in the corporate security model, based on risk management and on the integral protection of tangible and intangible assets, through the establishment of measures associated both with the value of the assets and the set of elements that interact with them.



INTERNAL AUDIT

MAPFRE considers that the Internal Audit function, which guarantees assurance and consulting, and which is developed with independence and objectivity, helps the organization to meet its objectives by contributing a systematic and disciplined focus in order to evaluate and improve the efficacy of the processes of risk management, internal control and corporate governance.

In general terms, the Internal Audit area is charged with the following functions:

- To supervise the efficiency and suitability of the internal control system and other elements of the governance system.
- To ensure compliance with the annual internal audit plan, reporting in each audit the deficiencies that have been detected, recommending how to resolve them and following up on such recommendations.
- To evaluate the reliability and integrity of individual and consolidated accounting and financial information and other economic information (forecasts, projections, capital models, embedded value, etc.) prepared by MAPFRE S.A., its dependent companies, business units, territorial areas, regional areas and global corporate areas, as well as the validity, sufficiency and application of accounting and legal principles and rules.
- To coordinate effectively the communication of information between the Board of Directors, via the Audit Committee, and the internal and external auditors.
- To carry out ongoing monitoring and face-to-face Internal Audit actions in acquisitions, new businesses and activities being developed, as key risk elements of the strategic plan.
- To support the organization in the fulfillment of its objectives, providing professionals in matters for which an independent opinion may be required or support for their development (internal control, risk management, organization, analysis of financial statements, analysis of investments, etc.).
- To coordinate the work of external auditors and the analysis of their conclusions before they are made final.
- To collect the information that is necessary to support the MAPFRE S.A. Audit Committee, and other audit committees that are established by legal obligation or voluntarily in the subsidiaries, and the MAPFRE executive presidency.

SOCIAL RESPONSIBILITY AUDITS

In 2016, the MAPFRE Internal Audit General Management carried out 159 special audits across the Group on different aspects related to social responsibility. These audits explored aspects such as human resources, internal control, prevention of money laundering, customer service, complaints management, fraud prevention, review of ethical and social compliance, and the Corporate Social Responsibility Report.

3.2.5. Materiality Study 2016

[G4-18, G4-19, G4-20, G4-21]

The identification of relevant topics, through the materiality process, is a dialogue exercise carried out by the company that makes it possible to identify the expectations and interests of the stakeholders with which the company has the closest relationships.

In this financial year, MAPFRE has replaced the global materiality matrix with an individualized materiality analysis for each stakeholder group. Thus, personalized management and relationship actions can be established and developed.

Main innovations for 2016:

When identifying topics of general interest related to the environment of sustainability, new external sources have been taken into account, including European Directive 2014/95/EU on disclosure of non-financial and diversity information. Internal sources have also been taken into account, including this year the MAPFRE Group 2016-2018 Sustainability Plan. This has made it possible to incorporate new topics in the process.

The stakeholder group of analysts and investors has been added to the external consultation.

Personalized treatment of materiality has been performed for each stakeholder group. The differences between these groups mean that when their opinions and expectations are all lumped together, there is a loss of richness in the responses. So, specific issues have been identified for each one, and transversal issues, common to all of them. This affects the presentation of the results, as it does not incorporate a global matrix.

Scope of the study: MAPFRE in Spain, Brazil, Colombia, Mexico and Puerto Rico.

PHASES OF THE MATERIALITY STUDY

[G4-26]

The materiality study was initiated in 2014. To implement it, the following phases have been followed:

PHASE 1: In-house analysis of the issues identified

Specific issues have been determined for each stakeholder group, and transversal issues, among which the most prominent ones are transparency, human rights, innovation, information security or the environment.

These issues have been subjected to analysis and evaluation by the main areas with which we collaborated – Relationship with Investors, Innovation, Human Resources, Providers, Environment, Clients, Corporate Governance, Regulatory Compliance, Social Responsibility and Accounting Coordination, both at a corporate level and in the five countries that participated (Brazil, Colombia, Spain, Mexico and Puerto Rico).

The evaluation process includes the “maturity” variable, which makes it possible to analyze the relationship of the relevant topics to the guidelines and strategic plans of each area.

PHASE 2: Stakeholder consultation

The study incorporates two variables in the consultation: the importance of the issue for the stakeholder and the stakeholder’s perception of how MAPFRE is tackling the issue.

Employees, clients, providers and distributor, analysts and investors participated.

The external consultation process was carried out by CBI Consulting, by means of an online questionnaire; their participation guarantees anonymity and the confidentiality of the answers, for another year.

PHASE 3. Presentations of results:

Generally speaking, the scores given for the issues were high. MAPFRE considers four levels of results:

Material issue: those in which there are coincidences in the high score level and consideration of the issues, both for MAPFRE and for the stakeholders consulted.

External relevance: we only considered those topics that obtained a high score from the stakeholders, but not from the company.

Internal relevance: we only considered those issues that obtained a high score from MAPFRE, but not from the stakeholders.

Non-material: those issues that received the lowest scores from both the company and the stakeholders.

+ (0,2,1) ↑ ↑

MATERIAL ISSUES FOR MAPFRE ACCORDING TO THE STAKEHOLDERS WHO PARTICIPATED:

MAPFRE and its Employees MATERIAL TOPICS FOR MAPFRE AND ITS EMPLOYEES, IN ORDER OF IMPORTANCE	EMPLOYEES' PERCEPTION: Scale from 1 to 5 (where 1 is the lowest score and 5 is the highest)
To reject discrimination, consolidating a culture of respect based on equality and the diversity of people.	4.23
To manage the waste and rubbish generated efficiently.	4.26
To manage energy consumption to reduce emissions into the environment.	4.09
To maintain a safe and healthy working environment that allows all employees to carry out their work in the best conditions.	4.04
To promote opportunities for employees' development, identifying and managing their talent.	3.44
To guarantee the privacy of the personal data held by the company.	4.49
To have protocols and mechanisms to guarantee respect for human rights and rectify possible damage done.	4.28
To allocate financial, human and technological resources for the promotion of a culture of innovation in the company.	3.91

MAPFRE and its Distributors MATERIAL TOPICS FOR MAPFRE AND ITS DISTRIBUTORS, IN ORDER OF IMPORTANCE	DISTRIBUTORS' PERCEPTION: Scale from 1 to 5 (where 1 is the lowest score and 5 is the highest)
To efficiently manage the waste and rubbish generated.	3.95
To manage energy consumption to reduce emissions into the environment.	3.83
To offer innovative products and services, in comparison with other insurance companies.	3.71
To carry out initiatives and actions aimed at promoting and raising awareness of environmental responsibility.	3.83
To guarantee the privacy of the personal data held by the company.	4.26
To make an effort to be digitally secure.	4.02
To promote corporate social responsibility and perform actions that have a positive impact in the economic, social and environmental fields.	3.96
To comply with its ethical principles and values and to have the necessary mechanisms for their application.	3.94

MAPFRE and its Providers MATERIAL TOPICS FOR MAPFRE AND ITS PROVIDERS, IN ORDER OF IMPORTANCE	PROVIDERS' PERCEPTION: Scale from 1 to 5 (where 1 is the lowest score and 5 is the highest)
To efficiently manage the waste and rubbish generated.	4.23
To guarantee the privacy of the personal data held by the company.	4.54
To carry out initiatives and actions aimed at promoting and raising awareness of environmental responsibility.	4.15
To incorporate flexible and innovative processes in its relationship with providers.	3.94
To promote corporate social responsibility and perform actions that have a positive impact in the economic, social and environmental fields.	4.11
To comply with its ethical principles and values and to have the necessary mechanisms for their application.	4.29
To make an effort to be digitally secure.	4.41

MAPFRE and its Clients

MATERIAL TOPICS FOR MAPFRE AND ITS CLIENTS, IN ORDER OF IMPORTANCE

CLIENTS' PERCEPTION:
Scale from 1 to 5
(where 1 is the lowest score and 5 is the highest)

To efficiently manage the waste and rubbish generated.	4.03
To manage energy consumption to reduce emissions into the environment.	3.97
To guarantee the privacy of the personal data held by the company.	4.28
To offer innovative products and services, in comparison with other insurance companies.	3.86
To carry out initiatives and actions aimed at promoting and raising awareness of environmental responsibility.	3.93
To have protocols and mechanisms to guarantee respect for human rights and rectify possible damage done.	3.91
To make an effort to be digitally secure.	4.10
To aim for maximum client satisfaction through the quality of the services offered.	3.86
To promote corporate social responsibility and perform actions that have a positive impact in the economic, social and environmental fields.	3.90
To comply with tax obligations in accordance with the tax legislation of the countries in which it operates.	4.25
To comply with its ethical principles and values and to have the necessary mechanisms for their application.	3.99
To develop products and services that generate an environmental benefit.	3.97
To use simple language and take care to ensure that the information on contracting products and services is understandable.	3.90

MAPFRE and its Shareholders/Analysts

MATERIAL TOPICS FOR MAPFRE AND ITS SHAREHOLDERS/ANALYSTS, IN ORDER OF IMPORTANCE

SHAREHOLDERS/ANALYSTS' PERCEPTION:
Scale from 1 to 5
(where 1 is the lowest score and 5 is the highest)

To evaluate and manage the environmental risks arising from its business activity.	3.60
To have protocols and mechanisms to guarantee respect for human rights and rectify possible damage done.	4.00
To have appropriately sized governing bodies, with defined functions and responsibilities.	3.80
To transfer full and understandable information on financial and non-financial results and indicators in a format that is easy to analyze.	3.90
To promote corporate social responsibility and perform actions that have a positive impact in the economic, social and environmental fields.	3.86
To comply with tax obligations in accordance with the tax legislation of the countries in which it operates.	4.40
To make an effort to be digitally secure.	4.00
To have systems for evaluation of the reputational risks arising from its activity.	4.25

SUMMARY TABLE OF THE RESULTS
OF THE TRANSVERSAL ISSUES:

The results presented show the scores obtained for the transversal issues (human rights, transparency, security, compliance, innovation, CSR, governance and ESG risks) for MAPFRE and the stakeholders who have participated.

MAT	Matter of significance for MAPFRE and for the stakeholders
INT	Relevant matter for MAPFRE
EXT	Relevant matter for the stakeholders
NM	Non-material issue for MAPFRE and for the stakeholders

TRANSVERSAL ISSUES		MAPFRE AND ITS STAKEHOLDERS				
		Employees	Clients	Providers	Distributors	Analysts
HUMAN RIGHTS	To have protocols and mechanisms to guarantee respect for human rights and rectify possible damage done.	MAT	MAT	INT	INT	MAT
TRANSPARENCY	To make an effort to be transparent and proactive in meeting the expectations of the stakeholders on this subject.	EXT	MAT	INT	INT	MAT
SECURITY	To guarantee the privacy of the personal data held by the company.	MAT	MAT	MAT	MAT	MAT
	To make an effort to be digitally secure.	EXT	MAT	MAT	MAT	INT
COMPLIANCE	To comply with its ethical principles and values and to have the necessary mechanisms for their application.	EXT	MAT	MAT	MAT	INT
	To comply with the international commitments made voluntarily related to CSR.	NM	NM	NM	NM	EXT
	To comply with tax obligations in accordance with the tax legislation of the countries in which it operates.	EXT	MAT	EXT	EXT	MAT
	To fight against corruption, fraud and bribery through preventive measures and action for any cases that may arise.	EXT	EXT	EXT	EXT	NM
CSR	To promote corporate social responsibility and perform actions that have a positive impact in the economic, social and environmental fields.	INT	MAT	MAT	MAT	MAT
INNOVATION	To offer innovative products and services, and strive for innovation in the management of its business.	MAT	MAT	MAT	MAT	INT

TRANSVERSAL ISSUES		MAPFRE AND ITS STAKEHOLDERS				
		Employees	Clients	Providers	Distributors	Analysts
ENVIRONMENT	To evaluate and manage the environmental risks arising from its business activity.	INT	INT	INT	INT	MAT
	To control potential impacts that it may have on biodiversity.	NM	NM	NM	NM	EXT
	To efficiently manage the waste and rubbish generated.	MAT	MAT	MAT	MAT	INT
	To manage energy consumption to reduce emissions into the environment.	MAT	MAT	INT	INT	INT
	To carry out initiatives and actions aimed at promoting and raising awareness about environmental responsibility.	INT	MAT	MAT	MAT	INT
	Development of products and services that generate an environmental benefit.	NM	MAT	EXT	NM	INT
CORPORATE GOVERNANCE	To have appropriately sized governing bodies, with defined functions and responsibilities.	NM	INT	INT	NM	MAT
	To have remuneration systems aimed at promoting long-term profitability and sustainability.	NM	NM	NM	NM	EXT
	To have and promote policies of diversity and equality in the governing bodies.	NM	NM	NM	NM	NM
ESG RISKS	To have systems for evaluation of the social and environmental risks arising from its activity.	INT	INT	INT	INT	INT
	To have systems for evaluation of the reputational risks arising from its activity.	NM	INT	NM	NM	MAT

**TABLE FOR LOCATING THE RELEVANT INFORMATION
IN THE REPORT**



SPECIFIC TOPICS		CHAPTER OF THE REPORT IN WHICH THE INFORMATION IS FOUND
EMPLOYEES	To maintain a safe and healthy working environment that allows all employees to carry out their work in the best conditions.	<ul style="list-style-type: none"> – MAPFRE and its Employees
	To reject discrimination, consolidating a culture of respect based on equality and the diversity of people.	
	To promote opportunities for employees' development, identifying and managing their talent.	
	To promote a stable working environment and a continuing working relationship.	
CLIENTS	To aim for maximum client satisfaction through the quality of the services offered.	<ul style="list-style-type: none"> – MAPFRE and its Clients
	To interact with the client, encouraging listening and favoring long-term relationships.	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and its Clients
	To encourage the creation of products aimed at specific groups such as disabled people, elderly people and those on low incomes.	<ul style="list-style-type: none"> – MAPFRE and its Clients
	To assess social and environmental risks in the underwriting of its products.	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and its Clients

(100) ↑ ↑

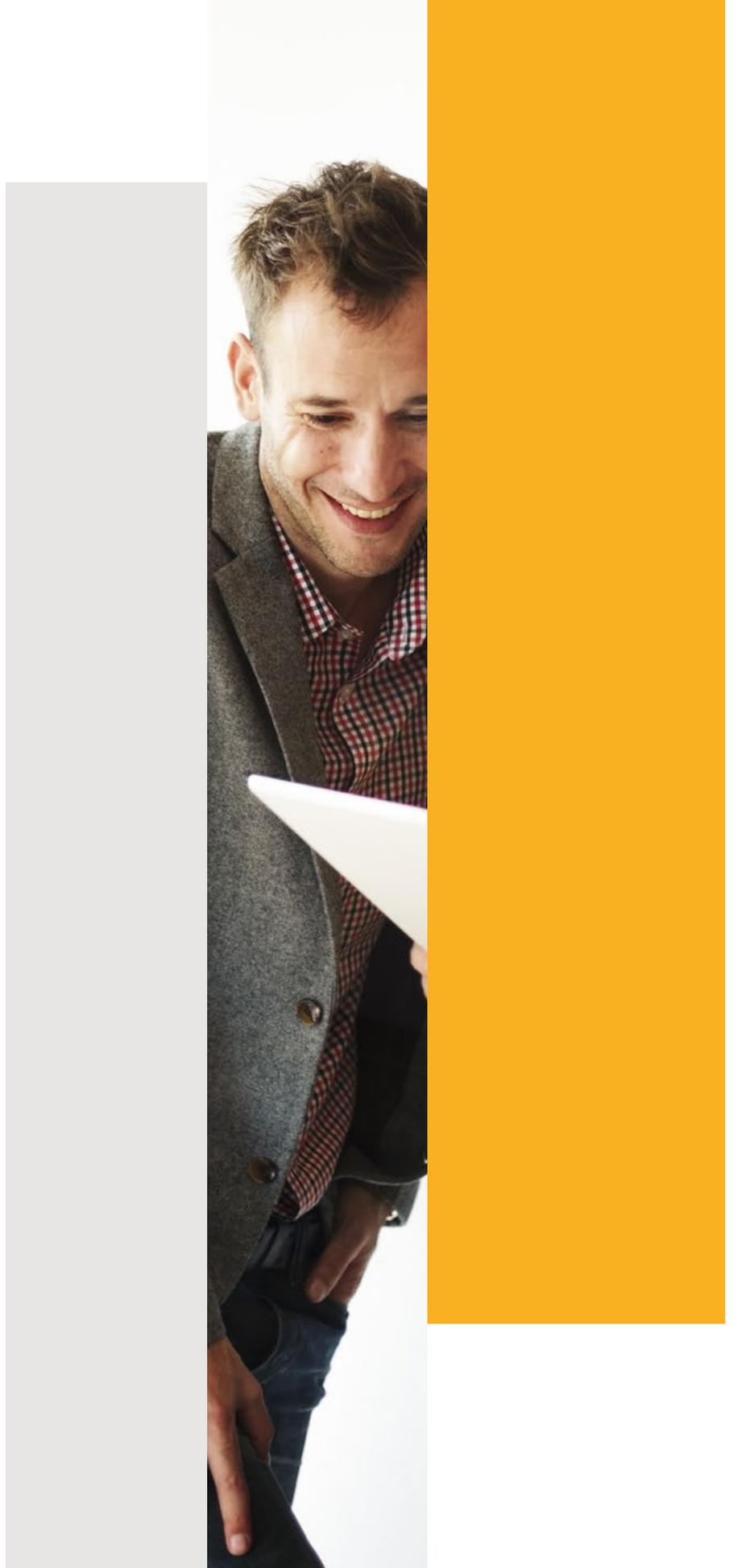
SPECIFIC TOPICS		CHAPTER OF THE REPORT IN WHICH THE INFORMATION IS FOUND
PROVIDERS	To apply sustainable approval criteria that assess issues such as health and safety at work, equality and reconciliation, anti-corruption practices, etc.	– MAPFRE and its Providers
	To encourage interaction and dialogue with providers, favoring long-term relationships.	– MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and its Providers
	To encourage training for providers as a key element of improvement in the quality of the service offered.	– MAPFRE and its Providers
	To evaluate social and environmental aspects of the providers as a differentiating factor, as well as the quality of the service.	
DISTRIBUTORS	To encourage interaction and dialogue with distributors, favoring long-term relationships.	– MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and its Distributors
	To encourage training for distributors as a key element of improvement in the quality of the service offered.	– MAPFRE and its Distributors
	To share its principles, values and policies for action with the distributors.	– MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and its Distributors
SHAREHOLDERS	To have adequate communication channels	– MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and its Shareholders



TRANSVERSAL ISSUES		
HUMAN RIGHTS	To have protocols and mechanisms to guarantee respect for human rights and rectify possible damage done.	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR) – MAPFRE and Society
TRANSPARENCY	To make an effort to be transparent and proactive in meeting the expectations of the stakeholders on this subject.	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR)
SECURITY	<p>To guarantee the privacy of the personal data held by the company.</p> <p>To make an effort to be digitally secure.</p>	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR)
COMPLIANCE	<p>To comply with its ethical principles and values and to have the necessary mechanisms for their application.</p> <p>To comply with the international commitments made voluntarily related to CSR.</p> <p>To comply with tax obligations in accordance with the tax legislation of the countries in which it operates.</p> <p>To fight against corruption, fraud and bribery through preventive measures and action for any cases that may arise.</p>	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR)
CSR	To promote corporate social responsibility and perform actions that have a positive impact in the economic, social and environmental fields.	<ul style="list-style-type: none"> – MAPFRE and Corporate Social Responsibility (CSR)
INNOVATION	To offer innovative products and services, and strive for innovation in the management of its business.	<ul style="list-style-type: none"> – MAPFRE and its Clients

—
(0,2,1)

TRANSVERSAL ISSUES		
ENVIRONMENT	To evaluate and manage the environmental risks arising from its business activity.	<ul style="list-style-type: none"> — MAPFRE and Corporate Social Responsibility (CSR) — MAPFRE's Environmental Dimension
	To control potential impacts that it may have on biodiversity.	<ul style="list-style-type: none"> — MAPFRE's Environmental Dimension
	To manage the waste and rubbish generated efficiently.	
	To manage energy consumption to reduce emissions into the environment.	
	To carry out initiatives and actions aimed at promoting and raising awareness of environmental responsibility.	
	To develop products and services that generate an environmental benefit.	<ul style="list-style-type: none"> — MAPFRE and its Clients — MAPFRE's Environmental Dimension
CORPORATE GOVERNANCE	To have appropriately sized governing bodies, with defined functions and responsibilities.	<ul style="list-style-type: none"> — MAPFRE and Corporate Social Responsibility (CSR)
	To have remuneration systems aimed at promoting long-term profitability and sustainability.	
	To have and promote policies of diversity and equality in the governing bodies.	
ESG RISKS	To have systems for evaluation of the social and environmental risks arising from its activity.	<ul style="list-style-type: none"> — MAPFRE and Corporate Social Responsibility (CSR)
	To have systems for evaluation of the reputational risks arising from its activity.	





04

MAPFRE's Social Dimension

4.1. MAPFRE and its employees

Managing people acquires special relevance in a global company such as MAPFRE, with 37,020 employees of 78 nationalities. For that reason, some of the most significant aspects of people management include:

- The integration of different generations of employees who work together in the company, making the most of the skills that each of them have; for example, experience in those who have been with the company for many years, and new knowledge among younger employees.
- Taking advantage of new technologies and social networks in human resources processes.
- Strengthening internal communications to ensure that all employees are aware of MAPFRE's strategy, objectives, culture and values.
- Designing professional career plans, a joint commitment between the company and its employees in which the company is committed to the professional development of its employees, and the employees are committed to the organization's strategy and values.
- Encouraging the functional and geographic mobility of employees, with the objective of developing global and versatile teams.



All the above is materialized in three main lines of action and two company-wide aspects that form part of the development and implementation of all human resources policies:

PROFESSIONAL DEVELOPMENT	FLEXIBILITY AND AGILITY	EMPLOYEE EXPERIENCE (Commitment + Well-being)
Digital transformation		
Generational and cultural diversity		
TALENT MANAGEMENT <ul style="list-style-type: none"> – New Leadership – Strategic talent – Generational handover plan. – Career plans (Underwriters, Actuaries, Sales Technicians) 	MORE FLEXIBLE AND AGILE ORGANIZATIONS <ul style="list-style-type: none"> – Standardization of Structures and Dimensioning of the Workforce 	The Company... <ul style="list-style-type: none"> – Culture and values – Objectives – CSR – Social Action The supervisor... <ul style="list-style-type: none"> – Communication – Assessment – Recognition – Development The individual... <ul style="list-style-type: none"> – Well-being – Health – Flexibility – Volunteering
MOBILITY AND INTERNAL PROMOTION <ul style="list-style-type: none"> – Portal for Publishing Vacancies – Technical and Management Career – Task force, international careers. 	COMPENSATION AND RECOGNITION <ul style="list-style-type: none"> – Compensation Policy – Management by Objectives – New Evaluation and Recognition Systems 	
KNOWLEDGE PATHWAYS <ul style="list-style-type: none"> – Technical Knowledge Schools. (Corporate University) – Knowledge management – Training schedules 	NEW WAYS OF WORKING <ul style="list-style-type: none"> – Flexible hours and spaces. – Technological mobility – Collaborative work – Intranet 	



EMPLOYMENT POLICY: Key data

[G4-9,10; LA1, 12; HR5,HR6]

The employment policy encourages permanent over temporary contracts, seeking a stable environment and continuity in the employment relationship.

	Women	Men
Executives	38.6%	61.4%
New hires	56.9%	43.1%
Average age	39.5	40.4
Average length of service	8.6	9.6
Permanent contract	96.2%	96.9%
Unwanted turnover	9.5%	8.1%



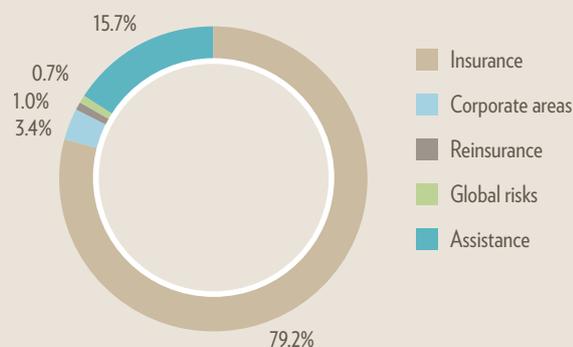
Workforce
December 2016

37,020

Average workforce
2016

37,763

Workforce by business line



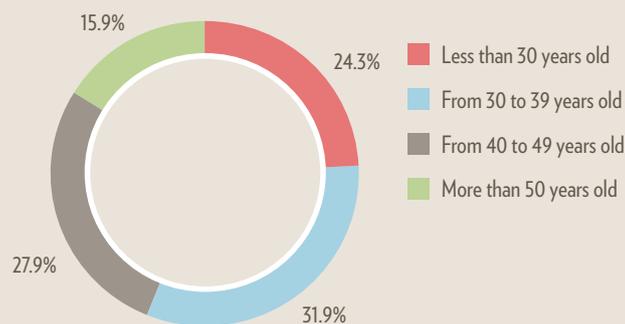
Workforce by country



Workforce by job position level



Workforce by age





Key figures

37,020 employees
work at MAPFRE

The average age of employees is
40, and their average length of service
at the company is
9.1 years

The percentage of permanent staff
during 2016 was
96.5%

Unwanted staff turnover levels remain similar
to other years, that is to say at levels considered
by the company to be low

Increases and decreases in the workforce occurred during the year due to the following reasons:

INCREASES	2016	2015
Merger or acquisition	0	1,589
External recruitment	5,987	6,330 ⁽¹⁾
Return after leave of absence	156	127
Return after overseas posting	8	16
Change of company	1,142	540 ⁽¹⁾

⁽¹⁾ In 2015, the external recruitment data included information regarding changes of company. This year, these figures are broken down in different sections. The information from 2015 has been verified.

DECREASES	2016	2015
Transfer	24	6
Resignation	3,341	3,562
Dismissal	3,878	2,916 ⁽²⁾
Leave of absence	194	156
Retirement	67	77
Early retirement	19	4
Death	19	21
Disability	24	25
Change of company	1,111	483 ⁽²⁾

⁽²⁾ In 2015, the dismissal data included information regarding changes of company. This year, these figures are broken down in different sections. The information from 2015 has been verified.

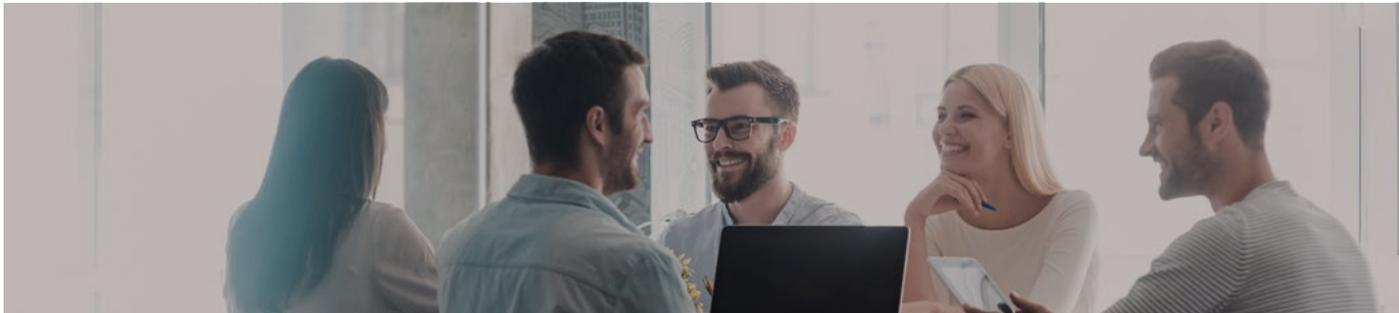
I. Company-wide management aspects: diversity [G4-EC6; LA12]

MAPFRE's Diversity and Equal Opportunities Policy, approved in 2015 by the Board of Directors, is based on respect for people's individuality, the acknowledgment of their heterogeneity and the elimination of any exclusionary or discriminatory conduct.

It also establishes the Group's general principals in this area, which are as follows:

1. To reject any form of discrimination due to race, age, sex, marital status, nationality, beliefs, or any other physical or social condition between employees, and to consider diversity a value, as it enables different points of view to be compared and contributes to greater creativity and innovation.
2. To consolidate a culture of respect for people and behavior that is favorable and open to diversity in relation to any of the Company's stakeholders.
3. To guarantee the right to effective equal opportunities and treatment of all employees and collaborators which enables them, without exception, to develop themselves personally and professionally, and be able to give their best. Furthermore, to avoid any type of occupational discrimination in the areas of access to employment, promotion, professional classification, training, compensation, work-life balance and other employment conditions.

To implement these principles, MAPFRE has undertaken eight specific commitments:



1. To develop the principle of equal opportunities, establishing the necessary measures and actions to achieve real equality of treatment and opportunities among all professionals and avoiding both direct and indirect discrimination in all levels of the organization.

Respect for diversity and the principle of equal opportunities must be present in people management processes, such as access to employment, promotion, professional development, compensation, training, performance evaluation and communication.

2. To establish action plans that promote effective gender equality, guaranteeing their professional development with equal opportunities.

3. To create integration plans for other specific groups, especially people with disabilities.

4. To encourage knowledge of different cultures and ways of doing things among its professionals in the countries in which the Company operates.

5. To promote geographic mobility and language learning among its professionals to increase their multiculturalism.

6. To facilitate collaboration between people of different generations so that all may contribute to and enrich the work with their different perspectives.

7. To be committed to diversity throughout the entire organization, both in relationships between employees regardless of their position in the company, and in relationships between employees and clients, suppliers, collaborators and other stakeholders.

8. To inform the entire workforce about the diversity policy and its commitments in this area.

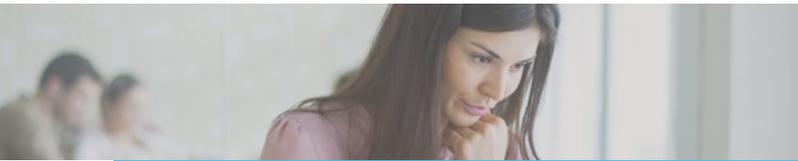
For this reason, diversity is one of the company-wide lines of action in human resources management which is present in the policies and processes that it implements:

GENDER DIVERSITY
[G4- LA10]

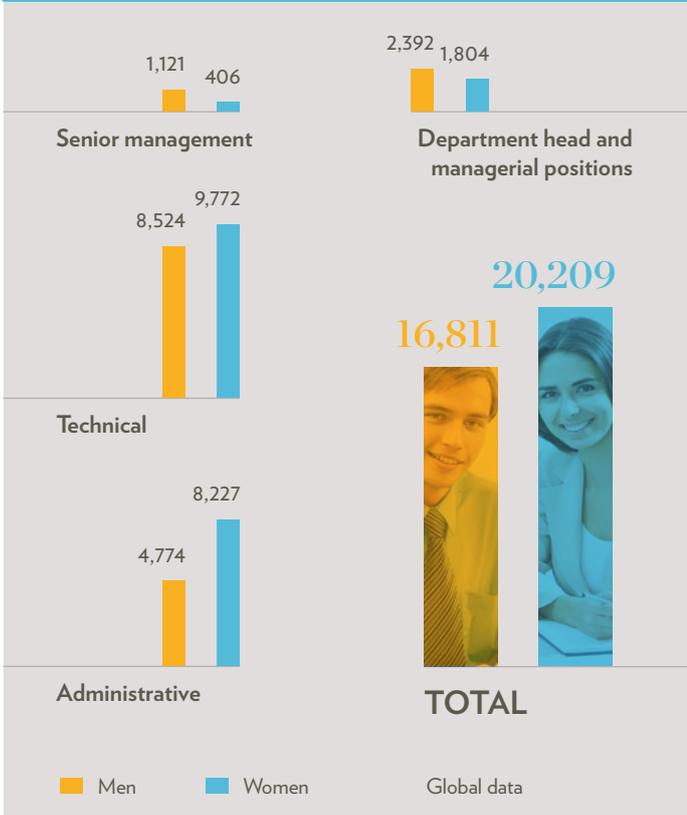
MAPFRE has set the target of 40 percent of management and head of department positions being held by women by 2018.

For this purpose, a global action framework on the subject of gender diversity has been developed which establishes the principal lines of action, based on which 27 countries have developed their local plans.

Workforce distribution by gender and job level is shown below:



**Workforce
by gender / job position level**



In 2016

56.9%

of new hires to the workforce were women.

38.6%

of employees with managerial/head of department positions are women, with a 8.7% increase over the last 3 years.

54 women

occupy senior management positions or positions on the Board of Directors. The MAPFRE S.A. Board of Directors includes four women, accounting for

27% of the members.

12%

of employees in head of department / management positions considered to be senior management are women,

as well as **40%** of the positions considered to be middle management.

**FUNCTIONAL DIVERSITY:
GLOBAL DISABILITY PROGRAM**

In 2016, MAPFRE committed to reaching 2 percent of the workforce being made up by people with disabilities by 2018.

A global action framework on the subject of functional diversity has been developed which establishes the principal lines of action, based on which 28 countries have developed their local plans.

The main initiatives related to the issue of disability are as follows:



Awareness-raising initiatives to generate a culture that is sensitive to disability

- The launch of a global e-learning course on disability with the participation of **10,533** employees.
- **108** volunteering activities oriented toward people with disabilities.
- **12** awareness-raising talks and activities in development training programs.
- **68** news items on the Intranet and the dissemination of studies conducted by Fundación MAPFRE.

Initiatives to improve quality of life

- Personalized procedures are in place for employees with disabilities.
- Development of IT applications with accessibility criteria.

Product development initiatives

- An assessment of this group’s needs that remain unaddressed by the insurance industry.

Workplace integration initiatives

Directly at MAPFRE:

- In 2016, **67** people with disabilities joined the workforce.
- At present, **518** MAPFRE employees with disabilities work across **25** countries.

ORGANIZATIONAL STRUCTURE	NUMBER OF PEOPLE WITH DISABILITIES
CORPORATE AREAS AND CS ¹	23
IBERIA	116
LATAM	227
INTERNATIONAL	147
REINSURANCE	5

(1). Central Services (CS)

- **9** people with disabilities performed internships at MAPFRE.
- Donations of **725,355.74** euros.
- Promotion of indirect employment through hiring with specialized employment centers or companies with similar characteristics in the amount of **258,910.65** euros.

+ *We promote diversity*

CULTURAL DIVERSITY

37,020 employees of 78 nationalities work at MAPFRE, which provides great cultural diversity to the Group and contributes the necessary talent for its business.

The Corporate Areas have 1,650 employees of 34 nationalities.

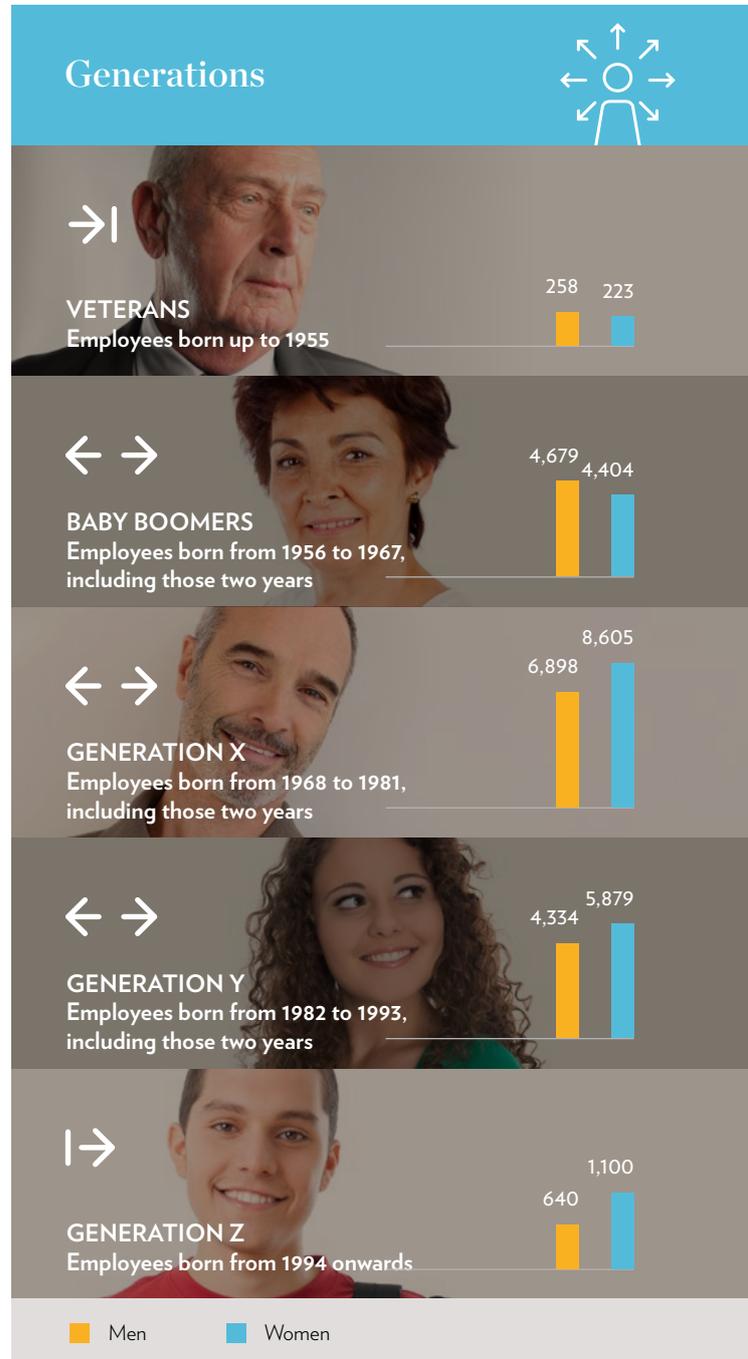
International mobility is promoted in the Group, which in 2016 led to 105 employees transferring to another country.

78.2 percent of senior management and executives who work in the Group's companies are hired locally.

A space is being developed on the Corporate Intranet which will include, among other information, cultural content from the countries in which MAPFRE is present. This aims to help employees to interact with colleagues from other cultures, and provide information of a diverse nature which may be of interest to them when they travel overseas, either for professional or personal reasons.

GENERATIONAL DIVERSITY

Several generations work together at MAPFRE, as reflected in the following graph:



MAPFRE has continued to foster the trainee programs that were initiated in 2015 to promote young talent, incorporating 22 young people of 4 nationalities (Spain, China, Romania and Turkey). In 2016, 35 people have joined said programs in Spain and 6 in LATAM North.

II. Principle lines of action in human resources management: professional development, flexibility and agility, and employee experience

II.1. Professional development

[G4 - LA9-11]

MAPFRE encourages professional development opportunities for its employees through development programs and plans, training schedules, career plans and internal mobility.

In order to ensure that business needs are covered rigorously in accordance with the required standards, the Promotion, Selection and Mobility Policy was developed, which establishes key guidelines to ensure that the most suitable professionals are in place. This policy also reaffirms that promotion, selection and mobility must be safeguarded by the principles of equal opportunities and non-discrimination, transparency, equity and recognition.

To guarantee said transparency and implement the means for employees to proactively foster their development, MAPFRE has harmonized its structures and job positions on a global level, and has globalized selection tests within the mobility and hiring process.

TALENT MANAGEMENT

A global talent management initiative is being implemented, the main objective of which is to identify professionals who are capable of implementing the company's strategy anywhere in the world and at any time. These professionals are included in a global database called the MAPFRE Global Talent Network.

To do this, a project has been designed and implemented which includes three phases, a global IT tool and a strategic process.

1. Identification of needs and strategic profiles: MAPFRE has defined a single methodology on a global level to define and categorize the organization's strategic needs, determining its level of impact and criticality for the business. During 2016, 80 percent of the strategic profiles on a global level were identified.

2. Identification and evaluation of employees: a rigorous and uniform evaluation methodology has been designed and implemented on a global level. The objective is to reach 4,000 employees in the MAPFRE Global Talent Network in 2017.

3. Individual development plans: in order to guarantee coverage of these profiles, development plans are designed for employees based on their needs which combine training, compensation, mobility and recognition.

External talent recruitment

In 2016, the e-recruitment project was launched through LinkedIn. To promote recruitment through social networks, MAPFRE's LinkedIn pages were unified, and a single profile was launched with an employment space which can be adapted by language and professional experience levels. Since this new selection channel was activated in March 2016, 425 offers have been published and the number of followers increased from 60,088 to 87,895.

In Spain, an agreement has been signed with Recruiting Erasmus, a program whose objective is to facilitate contact between companies.

Young talent

Under the framework of the global scholarship plan MAPFRE Crece con Nosotros (Grow with Us), the company has implemented 391 agreements with universities, business schools and higher education institutions on a global level, through which 1,108 students conducted their internships in different areas of the organization during 2016.

Another specific means of capturing young talent is the trainee programs, whose main objective is to incorporate recent graduates with a high level of education and who meet very demanding criteria of high potential. These incorporation processes include intensive training programs (in the classroom, online and on-the-job) which encourage their integration and commitment to MAPFRE, and which enable them to contribute their skills to the business in shorter periods of time.

In 2016, the first trainee program for a specific function was developed, in this case an actuarial program, through which 9 actuaries were incorporated in Spain, and another 6 simultaneously in the LATAM North regional area.

In 2016, 14 young people were incorporated into a specific trainee program in MAPFRE GLOBAL RISKS.

In Spain, 12 people have joined the company thanks to the Symbiosis program.

INTERNAL MOBILITY AND PROMOTION [G4-LA10]

Internal mobility, both national and international, contributes to employees' professional and personal development and growth. For this reason, this is the main promotion and growth tool for MAPFRE.

Of the 5,782 vacancies published in 2016, 1,766 were filled through internal mobility, and 54.8 percent involved a promotion. The proportion of functional mobility reached 10.6 percent of the workforce, which amounts to 4,004 employees.

With regard to geographic mobility, 22 countries have been able to receive professionals transferred from 21 other countries through different mobility programs (international careers, internal international mobility, temporary transfers and various hiring programs to develop young talent internationally).

Currently, there are 264 managers and employees working outside their country of origin.

Additionally, MAPFRE organizes Task Force projects which have the objective of transferring knowledge, experience and culture. These projects have a specific selection, training, recognition, compensation and international allocation protocol. This program enables the launch of new businesses or the implementation of company-wide transformation projects through the immediate and coordinated action of a specialized team. It also promotes employee development, increases employability and aids the development of global skills resulting from international experience through temporary transfers. This Task Force has generated mobility for 37 people.

TRAINING (KNOWLEDGE PATHS)

Corporate University and Technical Knowledge Schools.

MAPFRE's knowledge is deployed through the schools and classrooms of the Corporate University, and is also available online through eCampus MAPFRE, which has 700 online training programs and more than 50,000 users.

The University currently has 11 Technical Knowledge Schools, and multidisciplinary schools such as the Professional Development School, the Leadership School and the Culture, Values and Languages School. It also has a space dedicated to innovation: Innolab.

During 2016, new classrooms and schools linked to specific business objectives have been launched:

- Investment Classroom
- Life Insurance Classroom
- Digital Business Classroom

In 2016, more than 35 global training programs were conducted with more than 75,000 attendees. These programs promote the sharing of technical knowledge, culture and values between MAPFRE professionals from different countries.

Among the new global training programs developed in 2016, the following stand out:

- Global Life Insurance Program, in which 32 employees from 18 countries participated.
- Value Investing Program, with 28 professionals from 6 countries.
- Global Digital Marketing and Digital Client Experience Program, with 263 employees from 24 countries.
- Insurance Company Risk Management Program, in which 31 employees from 11 countries participated, of which 24 successfully completed the certification exam.
- Innoagents Program, in which 59 employees participated, whose role is to promote an innovation culture in the company.

Training schedules

In 2016, the Knowledge Paths initiative was implemented, whose objective is to identify the knowledge that is required to develop each of the functions which are included in MAPFRE's functions map, as well as the training resources associated with said knowledge.

Based on this knowledge, training schedules are designed by job position which contribute to enhancing the development of MAPFRE employees.

Knowledge management

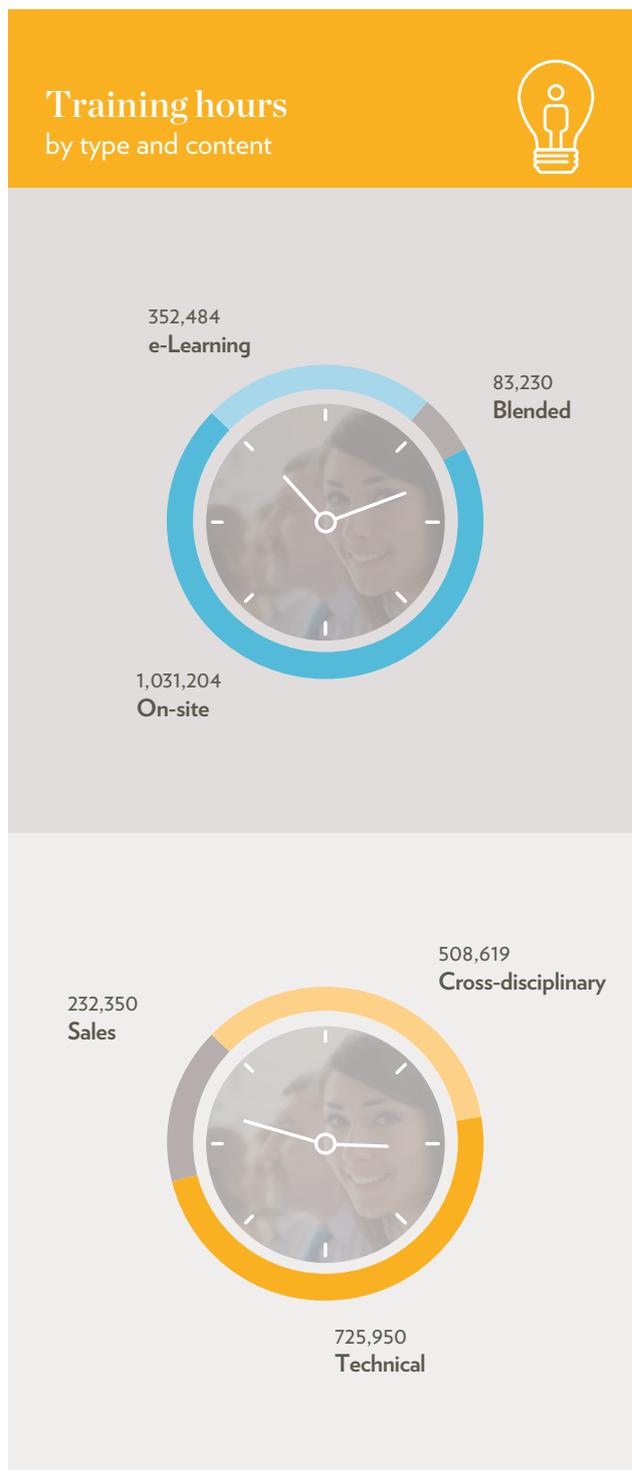
During 2016, the foundations have been laid for the Knowledge Management Project, which will enable employees to access and share knowledge in a collaborative way.

The main objective of this initiative is to design the process to locate, conserve and share knowledge between MAPFRE employees, establishing and encouraging a culture of collaboration through the corporate Intranet. MAPFRE knowledge will be tagged and a search engine will enable employees to access the required information.

Investment in training

In 2016 the Group invested 18.4 million euros in training, equivalent to 1.2 percent of remuneration.

99.3 percent of employees received training during 2016.





PERFORMANCE [G4-LA10, LA11]

Performance evaluation is the tool used to measure and develop people, through which MAPFRE:

- Assesses and objectively recognizes the individual contribution of each employee to its objectives.
- Recognizes individual merit.
- Identifies internal talent.
- Determines employees' strengths and areas of improvement.

This process enables employees to identify their objectives and receive continuous feedback on how they are performing their work, as well as improving communication with their supervisor by agreeing on an action plan focused on their professional development with them.

It also contributes to the development of the team and alignment with the business strategy.

During 2016, a total of 30,762 employees were evaluated, representing 83.1 percent of the workforce.

Additionally, during the year MAPFRE implemented 180 degree evaluations on a global level, through which 149 first level junior managers around the world have been evaluated both by their direct supervisors (CEOs and/or General Managers of each entity/country), as well as by their teams.

During 2016, 1,243 people from all regional areas, business units and corporate areas, including those evaluated and evaluators, participated in this process.

II.2 Flexibility and agility

COMPENSATION AND RECOGNITION [G4-54, 55; EC3, EC5; LA2]

The compensation policy aims to ensure suitable remunerations in accordance with the function/job position and performance, as well as acting as a motivation and job satisfaction factor that enables the achievement of established objectives and fulfillment of the Company's strategy. For this purpose, the company values job positions based on their criticality for the company's results, and establishes compensation in accordance with this valuation and the results of the performance evaluation.

This policy also promotes suitable and effective risk management, discouraging the assumption of risks that exceed the entity's tolerance limits, as well as conflicts of interest. To do this, exceptional risk management systems have been established for 190 employees corresponding to senior management who report directly to the management bodies, Executive Committees or Managing Directors of said bodies, as well as individuals who perform key functions, or whose professional activities have a significant impact on the risk profile. In this way, international risk management standards are complied with.

During 2016, remunerations amounting to 1,611 million euros were paid. This figure breaks down as follows: 70.2 percent corresponds to fixed and variable remuneration, 13.5 percent to social security contributions, 11.4 percent to company benefits and 4.9 percent to severance pay and other supplements. The percentage of variable remuneration compared to fixed remuneration in the Group is 22.6 percent.

Remuneration is made up of a fixed component, a variable component (based on achieving company targets as well as those assigned to each employee) and a company benefits package.

The number of employees with variable remuneration is increasing, linked with the company's targets, as well as its weight compared to fixed remuneration. Similarly, optimal percentages have been established regarding the level of variable remuneration that should be provided as a percentage of fixed remuneration for each job position.

JOB LEVEL	% of variable remuneration over fixed remuneration
Executives	40%
Department Heads and Management Positions	30%
Technicians	20%
Administrative Staff	10%

MAPFRE has implemented long-term remuneration programs and multi-year incentives on a global level for more than 200 executives in order to increase commitment to the company in a context of new challenges, contributing to the necessary continuity required by the business plans.

Salary increases are conducted annually in accordance with the following parameters:

- the stipulations of local regulations and agreements.
- the salary brackets by job position (which have been established based on the valuation of job positions and which guarantee internal equity).

- in accordance with market data through participation in salary surveys by sector and by country, which contribute external competitiveness criteria.

- employee performance, their professional development and promotions achieved within the company.

On the other hand, as part of the company’s commitment to guaranteeing internal equity in compensation with a special focus on gender differences, equity in compensation on an international level has been analyzed using several ratios.

Recognition programs

12.9 percent of MAPFRE employees have been recognized at least once through one of these programs, which identify good work by employees, their ideas, their social collaboration and their commitment.

Informal recognition of good work through a variety of means (in public or in private, via email, telephone or any other channel) is positive, as long as it contributes to the recipient feeling good and reinforces their motivation and commitment to the company.

Some of the most relevant formal recognition programs are the following:

- Convention: trip on which employees who have directly contributed to business growth are invited.
- Challenges: Quarterly recognition for achieving sales targets for certain products with different prizes, or bonuses for assessments, fraud detection, recoveries and claims assessments.
- Ovation recognition program in the USA: recognizes the efforts of employees with outstanding commitment, innovation, dedication and achievements.
- LEAN technology prizes: Prizes for the best initiatives to increase quality and cut production time and costs.
- Recognition for employees on their anniversary in the company through a letter. When an employee has been at the company for 25 years, a tribute is paid to them and they are awarded a cash prize.
- Work environment embassy: A space has been created called “Recognitions” in which any employee can voluntarily thank and recognize the work of a colleague or team through comments.

FLEXIBLE HOURS AND WORK-LIFE BALANCE

Working hours

The company’s objective is to promote a culture of teamwork.

12,916 employees have flexible hours with the aim of advancing toward a more flexible work model. During 2016, flexibility measures have increased in MAPFRE RE, MAPFRE GLOBAL RISKS, MAPFRE BRAZIL and MAPFRE MEXICO.

Other companies in the Group are expected to progressively join this initiative.

The table below outlines the number of employees in 2016 who benefited from any of these work-life balance measures related to their working hours.

WORK-LIFE BALANCE MEASURES	NUMBER OF EMPLOYEES WHO BENEFITED
Flexible hours	12,916
Part-time work	1,477
Shorter workdays	3,561
Teleworking	241
Paid and unpaid leave	13,904
Leave of absence for personal reasons or study	537
Employee reintegration program following a prolonged leave of absence	346



(0,2,1)

Company Benefits

To facilitate employee well-being and work-life balance, MAPFRE offers a wide range of company benefits. The following table shows the main company benefits applied within the Group.

TYPE OF COMPANY BENEFIT	EMPLOYEES WHO ENJOYED THE COMPANY BENEFIT AS A % OF ENTITLED EMPLOYEES
 Health insurance	92.0
 Social security/life insurance systems	97.5
 Discounts on insurance	68.6
 Prizes for length of service to company	23.2
 Schooling grants for employees' children	41.7
 New child allowance	8.9
 Loans	20.2

All benefits are offered regardless of whether employees have permanent or temporary contracts. The total allocated to corporate benefits in 2016 amounted to 183.9 million euros.

Support is also made available to employees for special situations, usually resulting from health issues. In 2016, the total for this aid amounted to 501,224.26 euros. Similarly, financial aid reaching 389,191.03 euros has been granted to retired employees.

Intranet

The company's objective is to strengthen the culture of teamwork, facilitating collaboration between professionals from anywhere in the world where MAPFRE operates. Through collaborative work by project and by objective, this also contributes to sharing knowledge and developing internal talent.

In 2016, a new global Intranet was launched, which as well as being one of the company's most important channels of communication, also aims to become a fundamental work tool.

The Intranet is a space that has been designed for employees, and is oriented toward sharing content and global knowledge, as well as promoting a new way of working, as it incorporates collaborative tools that facilitate group work.

The new Intranet offers:

- Global vision: all employees share a single space for content and knowledge with a shared image.
- Collaboration and knowledge management: it offers a collaborative space which facilitates a new way of working.
- Cultural wealth: it takes advantage of the synergies that arise from the diversity of regions and countries.
- Breaks down barriers: it enables multi-directional and multi-language communication.
- Teamwork: it creates virtual work spaces.

The Intranet is currently structured as follows:

Global Space: encompasses corporate information, with news, content that is relevant to the company such as corporate social responsibility, environment, security, innovation, policies and standards, and the Brand Space, which is dedicated to the company's image and identity.

People: offers information on current events in human resources through news, key projects and content in two areas: global, published in corporate languages (Spanish, English and Portuguese) and local, which is specific to each country and/or entity, and is published in that country's language.

Additionally, a specific inbox has been included for suggestions, in order to encourage employee participation in the development of this space.

II.3 Employee experience (Commitment and Well-being)

The main objectives of MAPFRE's human resources policies are to strengthen employees' commitment to the company, transmit MAPFRE's culture and values, and establish the framework for the design and implementation of projects that contribute to the personal and professional development of employees. HR procedures and practices oriented toward

people management also contribute to the creation of positive experiences for employees.

MAPFRE promotes actions to increase employee participation both in the company's strategic objectives and its social commitment. It aims for all employees' conduct to be based on mutual respect, commitment to their work and the company, responsibility in performing their role as well as possible, solidarity and cooperation with their colleagues and society, integrity and respect for the law.

In order to strengthen these values, MAPFRE offers various training and awareness programs on the subject of the Code of Ethics and Conduct, CSR, Gender Equality and Disability through its Global Culture and Policy School. In 2016, 13,032 employees participated in these programs.

COMMUNICATION

Permanent dialog is maintained with employees and their representatives, informing them of any relevant aspects for the development of the business and listening to their opinions. (this was in the communication section last year). Internal communication efforts have been intensified, and significant advances have also been made in the communication of the strategy to the Group's employees.

The main channels of communication and employee relations are the following.



Intranet

- See page 78.

Internal magazines

- The World of MAPFRE, a global magazine for all employees around the world, and the internal magazines published in the different countries in which the Group operates.

Other resources and tools

Inboxes, surveys, blogs and forums that enable employees to transmit their comments and suggestions, and for the company to respond to them. During 2016, surveys have been implemented on the degree of knowledge of the strategy in the organization, and employee satisfaction with regard to communication of the strategy; the management of Corporate Social Responsibility at MAPFRE, as well as a survey framed within the Active Transparency Plan, in which employees were asked about aspects which they believe transparent companies must comply with, as well as invited to evaluate said aspects in MAPFRE.

- Systems to evaluate articles in the digital version of The World of MAPFRE corporate magazine, so that employees may provide their opinion on the articles that most interest them.

We promote training



Legal Representation of Employees

[G4-11; LA4; HR4]

MAPFRE is fully committed to respecting employees' freedom of association and collective bargaining rights, in accordance with applicable legislation in each country. Additionally, it has introduced permanent dialog mechanisms with union representatives, and recognizes employee unions as a stakeholder. There are a total of 487 legal employee representatives in the company, with 35 percent of the workforce being represented.

In 2016, 241 meetings were held with legal employee representatives, and 47 agreements were signed.

Additionally, the company facilitates communication and dialog between the representatives and employees by providing specific email accounts or spaces on the Intranet, as well as the necessary resources for meetings or assemblies. Representatives in Spain also have union hours (102,975 in 2016) and receive subsidies to carry out their activities (81,398 euros in 2016).

At MAPFRE, 20,109 employees are covered by collective bargaining agreements in 23 countries, which means that 54.3% of the workforce avails of union representation

Similarly, MAPFRE has adopted a prevention model through which employees may actively participate in everything that might affect their health and safety at work, for which it has legally established representative channels. A total of 30,129 employees, 81.4 percent of the workforce, are represented in joint management-employee health and safety committees, which have been set up to help monitor and advise on this subject.

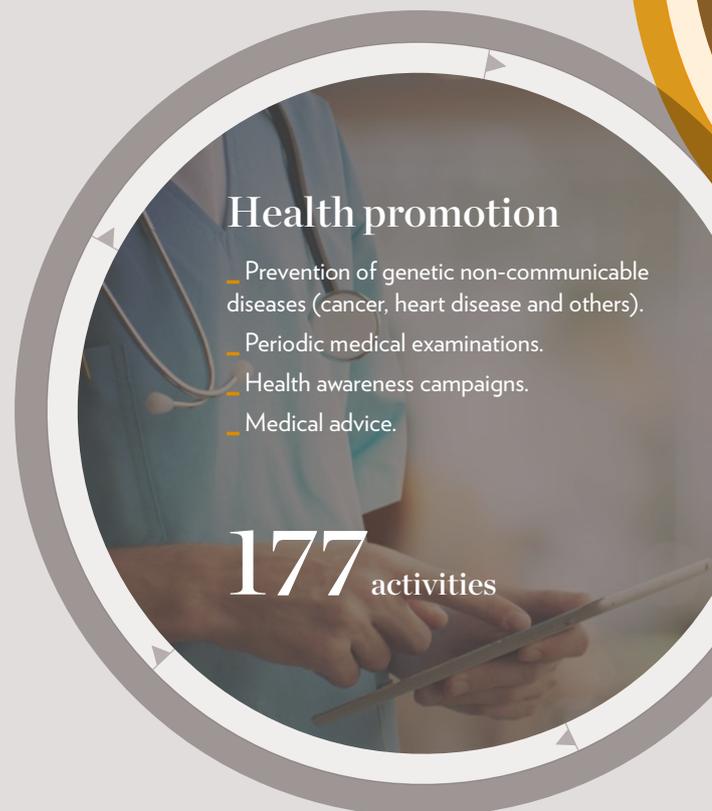
HEALTH AND WELL-BEING

MAPFRE has implemented a Policy on Health, Well-being and the Prevention of Occupational Risks, whose general principles are as follows:

1. Achieving a healthy working environment that promotes well-being and enables all employees to carry out their work in the best physical, psychological and social conditions.
2. Obtaining an optimal level of occupational safety, beyond mere compliance with regulations on the subject of the prevention of occupational risks.

MAPFRE's Healthy Company Model has been created in accordance with current international guidelines of the European Network for Workplace Health Promotion (ENWHP) and the WHO, and is sustained by a process of continuous improvement.

The Healthy Company Model is a holistic model focused on the individual, around which four areas of action have been configured.



24
countries

Physical activity and diet

- Healthy eating habits, promotion of campaigns.
- Healthy eating in workplaces (cafeteria, vending machines).
- Information and recommendations on the benefits of physical activity.
- Promotion of sports activities.

131 activities

Work environment

- Conducting risk assessment in workplaces, facilities and at workstations.
- Training and information for employees on occupational risks.
- Epidemiological and accident rate studies.
- Prevention of workplace accidents.
- Emergency measures.

42 activities

Mental wellbeing

- Stress management.
- Psychological support. Self-efficacy techniques.
- Rest.

31 activities

Personal environment

- Family environment.
- Parenting school.
- Women, work and health.
- Aging.
- Prevention of domestic accidents.

66 activities

Every year, employees receive training on health and healthy lifestyles, with a total of 45,881.40 hours of specific health and well-being training provided in 2016.

The campaign aimed at informing and raising awareness about the prevention and early detection of breast cancer that was implemented in 22 countries last year, reaching 28,535 employees, should also be highlighted.

“MAPFRE Week: Target Health” —an international initiative whose objective is to promote healthy lifestyles and employee participation— was held between May 30 and June 3.

During the week, a wide range of activities were provided for employees which develop the Healthy Company Model and aim to promote all kinds of sports and family activities oriented toward the health and well-being of employees and their families.

The table below shows the main results of this event, which reached more than 85 percent of the workforce.

85.60%

of the workforce



NUMBER OF EMPLOYEES	
Spain	10,974
Brazil	7,315
LATAM South	4,331
Argentina Colombia	Paraguay Peru
LATAM North	3,225
Costa Rica Mexico Nicaragua	Panama Honduras Dominican Republic
EMEA	2,055
Germany Malta Turkey	
North America	3,861
USA Puerto Rico	
APAC	1,113
Australia China Philippines	India Indonesia Japan Taiwan

With regard to communication, in 2016 The World of MAPFRE magazine published the following articles in the “Estar Bien” (Doing Well) section: “Happiness. Guidelines for being happier”, “The dangers of irresponsible self-medication”, “Cutting down our sleeping hours, an option that we should not consider”, “Breastfeeding, always advisable”, and “The advantages of solidarity”.

Work environment

[G4-LA3, LA5, LA6, LA7, LA8]

In accordance with this model, MAPFRE encourages measures to achieve a better work environment, in the broadest sense of the term, in order for the company to promote the health of its employees.



WORK ENVIRONMENT

Spain	<ul style="list-style-type: none"> – 67 assessments of occupational risks: safety, hygiene and ergonomics, psychosocial evaluations and planning of preventative actions. – A total of 30,933 hours of training and information on the prevention of occupational risks have been provided to 5,341 employees. – 5,552 initial, periodic and return company medical examinations were conducted. – Medical attention for employees with temporary disabilities.
Brazil	<ul style="list-style-type: none"> – Occupational risk assessments, safety, hygiene and ergonomics. – 3,700 company medical examinations. – 16 epidemiological studies.
Colombia	<ul style="list-style-type: none"> – 20 occupational risk assessments and 1 psychosocial risk assessment. – 564 hours of training and information on ORP. – 4 epidemiological and accident rate studies. – 299 company medical examinations.
Mexico	<ul style="list-style-type: none"> – 45 hours of training and information on the prevention of occupational risks. – 2,304 company medical examinations were conducted. – Occupational accident prevention is performed and there are measures for emergencies, first and the evacuation of buildings.
Other countries	<ul style="list-style-type: none"> – An emergency plan on “What to Do in the Case of Accidents” has been implemented in Chile. – In Peru, a UV radiation kit (sunglasses, sunblock, hat and long-sleeved shirt) is provided to employees exposed to UV radiation.

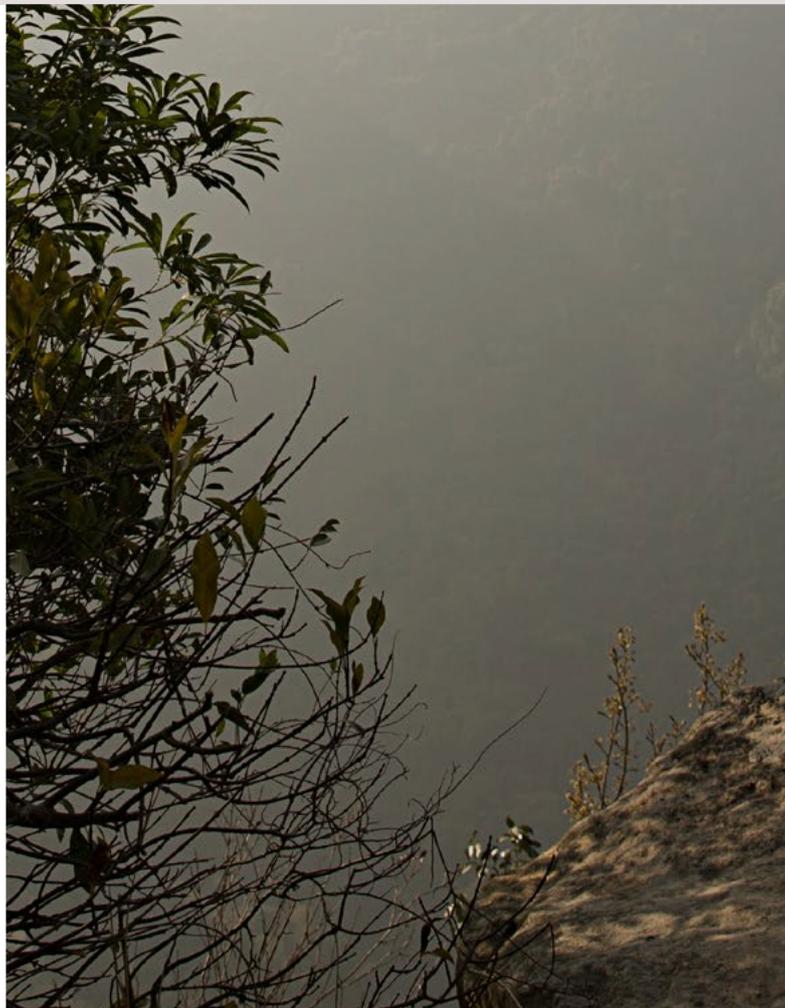
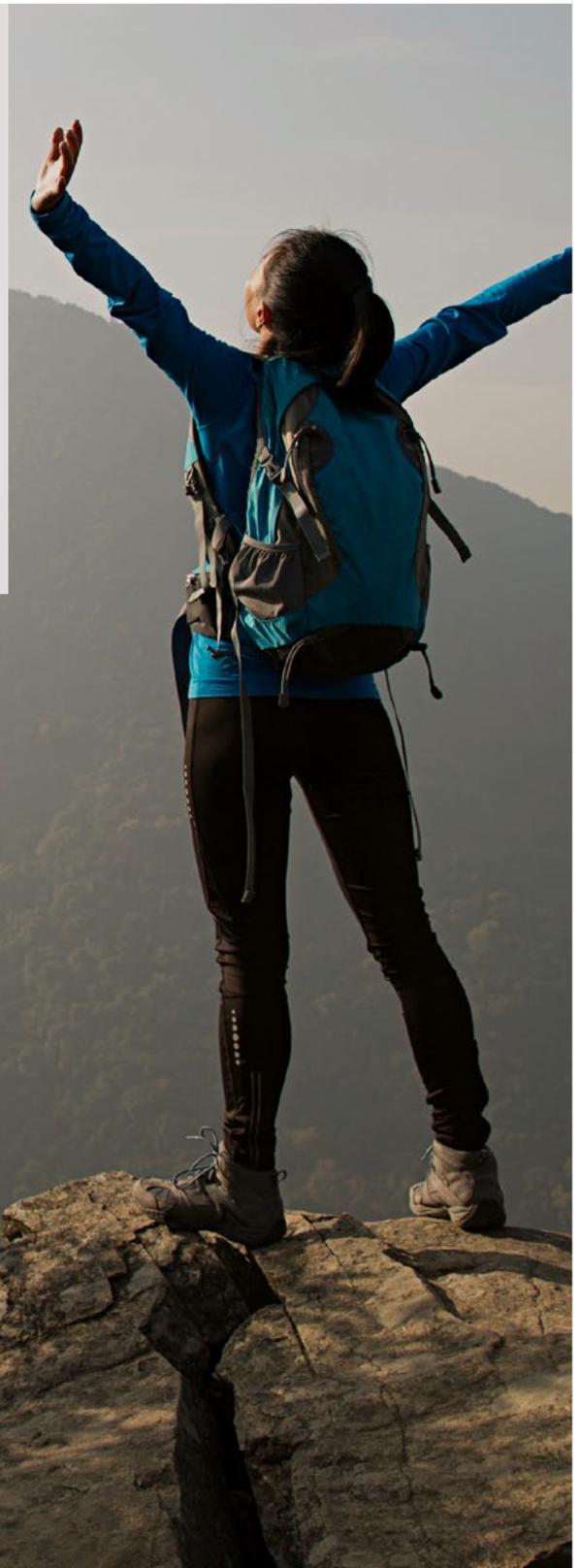
	2016		2015	
	Men	Women	Men	Women
Number of workplace accidents *	185	236	217	250
Total number of work hours lost due to absenteeism as a result of non-workplace accidents and common illnesses	473,913	1,221,648	490,428	1,076,930
Number of work hours lost due to workplace accidents	33,310	43,954	34,543	29,106
Hours lost as a percentage of total theoretical hours	1.8	3.8	1.8	3.2

*The data for Spain only includes accidents that caused working days lost

Maternity leave was taken by 978 employees in 2016, while paternity leave was taken by 434 employees. 79.1 percent of women and 97.9 percent of men who took this leave returned to their job.

Health promotion

The main aim of health promotion initiatives is to prevent non-communicable diseases and to optimize healthcare by establishing channels and procedures for providing medical and psychological advice and support, as well as implementing global health awareness campaigns.



HEALTH PROMOTION

<p>Spain</p>	<ul style="list-style-type: none"> – MAPFRE Week: Target Health 94 health promotion activities. – Flu Vaccination Campaign: 885 vaccinations. – Tetanus - Diphtheria Vaccination Campaign: 88 vaccinations. – “Postural Health” Musculoskeletal Health Awareness Campaign: 978 employees. – “Share your LIFE, share your HEART” blood donation campaigns, with a total of 854 donations. – 871 medical examinations for employees, and 152 for relatives of employees. – 727 counseling sessions for employees, and 32 for relatives of employees.
<p>Brazil</p>	<ul style="list-style-type: none"> – 12 support group meetings for employees undergoing cancer treatment. – Women’s health: Pink October, vaccination against HPV. – November: Information on male health and a talk on cancer in men. – 14,258 counseling sessions for employees, and 568 for relatives of employees.
<p>Colombia</p>	<ul style="list-style-type: none"> – Talk on breast cancer prevention, and the provision of self-examination leaflets. – “If it beats well, you live well” campaign (cardiovascular disease risk prevention). – Zika protocol, oral hygiene campaign, chikungunya program, optical health, reproductive health, drug and alcohol prevention, road safety, cleanliness and tidiness, and blood donation. – 299 medical examinations for employees. – Health week: 7 health promotion activities.
<p>United States</p>	<ul style="list-style-type: none"> – MAPFRE Week: Target Health: 4 health promotion activities.
<p>Mexico</p>	<ul style="list-style-type: none"> – Notisalud: Internal news program in which interesting aspects of the physical, mental and social health of each individual are reviewed each month. – 2,304 medical examinations for employees. – MAPFRE Week, Target Health: 8 health promotion activities.
<p>Other countries</p>	<ul style="list-style-type: none"> – In Turkey, information provided on cervical cancer. Employees who requested it were vaccinated against cervical cancer on International Women’s Day, held on March 8. – In Malta, promotion of cycling as a means of traveling to and from work. – In Venezuela, activities to raise awareness about breast cancer. Collection of funds to offer free mammographies to women from low-income sectors.

Physical activity and diet

Physical activity and diet are the pillars of good health. For this reason, employees are encouraged to participate in sports activities, and information is provided on a healthy, appetizing and enjoyable diet. The following activities have also been carried out, among others:

PHYSICAL ACTIVITY AND DIET	
Spain	<ul style="list-style-type: none"> – MAPFRE Week: 60 activities related to physical activity and/or diet. – Workplace gym in Sant Cugat del Vallés (Barcelona) and Majadahonda (Madrid), with 19,202 attendances. – MAPFRE has promoted 28 sporting activities attended by a total of 1,737 employees.
Brazil	<ul style="list-style-type: none"> – Consultation with a nutritionist. – Activities to encourage physical health (yoga, pilates and aerobic exercises).
Colombia	<ul style="list-style-type: none"> – Healthy nutrition – Health week: 4 activities related to physical activity and/or diet. – Rumba therapy and yoga.
United States	<ul style="list-style-type: none"> – The Ready Set Go well-being program is personalized each year to actively promote and maintain the health and well-being of our employees and their families with regard to nutrition and physical exercise. – Ecological garden cultivated by volunteers with the help of a local organic farmer. – Farmers Markets – During the summer months, market to buy organic, locally produced fruits and vegetables. – MAPFRE Week: 8 activities related to physical activity and/or diet.
Mexico	<ul style="list-style-type: none"> – Guadalupe-Reyes Marathon, Running Club and Self-Comparison Race. – 111 consultations with a nutritionist. – MAPFRE Week: 7 activities related to physical activity and/or diet.
Other countries	<ul style="list-style-type: none"> – In Nicaragua, a sporting activity (football) is carried out each month, which employees and their families can attend. – In the Dominican Republic, the “Get to your Ideal Weight” program has been implemented, which involves personalized nutritional support and exercises. – In Puerto Rico, exercise promotion, and programs to promote normal sugar, blood pressure and cholesterol levels have been implemented.

Mental Well-being

Given that the impact of psychosocial risks and mental illnesses is increasing in companies and society as a whole, the company also considers this to be a matter which it must address.

As such, it promotes measures which aid stress management, the learning of positive behaviors or self-efficacy tools, as well as issues related to psychological support for employees and their families.

	MENTAL WELL-BEING
Spain	<ul style="list-style-type: none"> – Psychological support for work-related problems/stress from the Health and Well-being Department: 760 consultations. – 67 psychosocial risk assessments: – MAPFRE Week Target Health: 12 activities. – Assertiveness courses, conflict resolution, communication, executive coaching, active listening, managing emotions or emotional intelligence. More than 4,000 employees have received training, with a total of more than 33,000 training hours.
Brazil	<ul style="list-style-type: none"> – Psychological support and social services within the company and via a telephone service.
Colombia	<ul style="list-style-type: none"> – Application of the Psychosocial Risk Evaluation Battery: This tool enabled stress levels, as well as different internal and external occupational factors to be identified in order to establish mitigation measures for these risks. – Anti-stress and personal care talks.
United States	<ul style="list-style-type: none"> – Support for employees who require psychological assistance or experience stress in their personal or work lives. – The Employee Assistance Program offers confidential and free professional advice to all employees and members of their families by telephone or online, 24 hours a day, 365 days a year. – MAPFRE Week: 1 mental well-being activity.
Mexico	<ul style="list-style-type: none"> – 2 mental well-being activities held during health week.
Other countries	<ul style="list-style-type: none"> – In Puerto Rico, e-learning courses for stress management and controlling emotions. Emotions Management Course, Emotional Support Program in the case of crises.



Personal Environment

These activities are related to the health and well-being of employees and their family members in their personal lives. Issues addressed include caring for dependents, children’s education and the prevention of non-workplace accidents, etc.

PERSONAL ENVIRONMENT	
Spain	<ul style="list-style-type: none"> – Counseling in the case of health programs with employees’ relatives: 184. – During MAPFRE Week: 26 personal well-being activities. – Online information about road safety for children and senior citizens, information on preventing choking and a campaign directed toward doctors on road safety. – Women’s health: Health protection procedures for pregnant and breastfeeding women, breastfeeding room in Majadahonda (Madrid).
Brazil	<ul style="list-style-type: none"> – Family planning program, workshops on pregnancy and baby care, and telephone monitoring by health professionals from gestation until returning to work. – Women’s health: Pink October, conference on cancer in women and vaccination against HPV. – Financial Planning and Quality of Life Program, and life after retirement project.
United States	<ul style="list-style-type: none"> – Funeral planning service: Provides support and assistance to the bereaved family.
Mexico	<ul style="list-style-type: none"> – A workshop was held on addiction directed toward children and adolescents in Mexico City, Guadalajara, Monterrey and Puebla. – Fire Prevention Week.
Other countries	<ul style="list-style-type: none"> – In Argentina, the “Little Visits” Program, a family event in which employees’ children spent a day in the office with their parents, and also provided a non-perishable food item to charitable organizations through Fundación MAPFRE. – In Puerto Rico, a breastfeeding room with controlled access and private cubicles. Magazines on the subject of babies and parenting are provided. – In Turkey, a breastfeeding room.

Social activities for employees:

The main activities carried out are as follows:

Sports activities: races, soccer competitions, tennis, paddle tennis and athletics.

Cultural activities: educational workshops on culture and road safety through Fundación MAPFRE.

- Offers and discounts for employees on products and services marketed by MAPFRE companies and other external organizations.
- Parties with employees and their children, and Christmas parties.
- Open days.
- Activities with associations for people with disabilities: plant sales and lotteries.

In 2016 the company organized 430 social activities with 49,848 participations by employees and their families.

WORK ENVIRONMENT AND INTERNAL REPUTATION

During 2016, the Great Place To Work (GPTW) survey was implemented all over the world, in which 25,787 employees participated. The survey measures employees' levels of satisfaction and commitment. MAPFRE was recognized as Best Workplace in 10 countries: Brazil, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay and Peru, as well as regionally in Latin America, Central America and the Caribbean.

78 percent of employees consider MAPFRE to be a great place to work.

For internal reputation management, other monitors such as MERCO (Corporate Reputation Business Monitor) are also taken into account. The Merco Talento ranking of the top 100 companies for attracting and retaining talent placed MAPFRE at number 11, an improvement of two places compared to the previous year.

CORPORATE VOLUNTEERING

The volunteering program has reinforced its position as one of the corporate programs with the greatest social impact. MAPFRE has implemented a Corporate Volunteer Program that establishes guidelines for the implementation of local plans, whose development is supervised by two bodies: the Corporate Volunteering Workgroup and the Corporate Volunteering Committee, made up by members of the company's management.

The volunteering activities enable the employees' spirit of solidarity to be channeled and contributions to be made to improving the quality of life of others.

In 2016, there were 14,505 participations by 5,756 MAPFRE employee volunteers worldwide.

The program is implemented through Fundación MAPFRE, which acts as a collaborating entity, and also designs, organizes and implements this type of activity in 23 countries across the Americas, Asia and Europe.

During 2016, 1,085 social and environmental activities were carried out, investing 40,589 hours and benefiting more than 666,470 people.

Employees also participated in on-site and e-learning training courses on different issues related to volunteering activities (1,212 hours).

In 2016, the following global volunteering activities were implemented:

Blood donation: 68 activities were conducted involving 2,491 donors in 19 different countries.

Objective Zero campaign: 35 activities related to Objective Zero were carried out in which 450 volunteers participated, benefiting 17,041 people in 13 countries.

SOS Breathe: 17 activities were conducted in 9 countries, in which 101 volunteers participated.

(For further information, see MAPFRE and Society page 124)

+ (0,2,1) ↑ ↑

4.2. MAPFRE and its clients

[G4-8]

MAPFRE closed 2016 with more than 37 million clients.

One of the MAPFRE's main objectives, in addition to increasing the number of clients, is to strengthen its relationship with this group. To this end, in 2016 client segmentation has been deepened, a project which was initiated in 2014 to orient operations and processes toward different types of client, both individuals and corporates, including in this latter group small and medium-sized enterprises, as well as large industrial and financial groups.

During 2016, the need to strengthen some aspects related to data quality and client management tools (CRM) has been identified, as well as managing client experience in a more active way. These aspects, together with client segmentation, are grouped in a standardized model that is adapted to the needs, specific cases and idiosyncrasies of each country.

The following table shows the number of clients by different regional areas within the Group:



Clients / Regional Area		
Iberia	Individual Clients	6,570,224
	Corporate Clients	368,875
Brazil	Individual Clients	11,597,682
	Corporate Clients	633,506
LATAM North	Individual Clients	1,338,501
	Corporate Clients	89,323
LATAM South	Individual Clients	4,981,147
	Corporate Clients	235,173
North America	Individual Clients	2,669,432
	Corporate Clients	142,678
EMEA	Individual Clients	7,212,658
	Corporate Clients	120,807
APAC	Individual Clients	1,066,646
	Corporate Clients	109,292

(*) In accordance with consolidation criteria, in 2016 self-employed entrepreneurs have been considered as individual clients and not as companies.

The multichannel model

MAPFRE has focused on developing a multichannel model for many years, adapting its commercial structure to the different markets in which it operates. The foundation of this distribution is the commercial network, made up by proprietary and delegate offices, and complemented by agents. These agents are usually exclusive, although in certain countries exclusivity is not possible for legal reasons. MAPFRE's proprietary network enables it to be closer to clients, listen to them and adapt its offer to their demands.

In addition to its proprietary network, MAPFRE maintains a strong relationship with brokers, which represent a significant and growing part of insurance distribution on a global level.

MAPFRE also has several agreements or joint ventures with banks and financial institutions. In that regard, agreements with Bankia, Bankinter, Banco Castilla-La Mancha (a subsidiary of Liberbank), Banco do Brasil in Brazil and BHD in the Dominican Republic can be highlighted in particular.

Similarly, it also has agreements with service companies and associations that distribute MAPFRE products to their clients and partners (companies or individuals).

On the other hand, distribution agreements with non-financial entities such as retailers, dealerships and utility companies represent a growing channel with strong potential for development, and MAPFRE also has agreements with these kinds of companies. Likewise, the Group maintains a strong and significant focus on digital distribution, which will be discussed in greater depth below.

Client service centers

In order to respond to clients' needs and guarantee the best possible service, the Group has implemented:

SERVICE CENTERS	NUMBER	COUNTRIES
Proprietary Claims Assessment Centers	1,324	16
Vehicle Service Centers	30	3
Vehicle Assessment Units	22	8
Research and Development Centers	6	6
Proprietary Polyclinics	17	3
Clinics	2,547	11
Dental Clinics	8	1
Company Business Management Centers	37	6

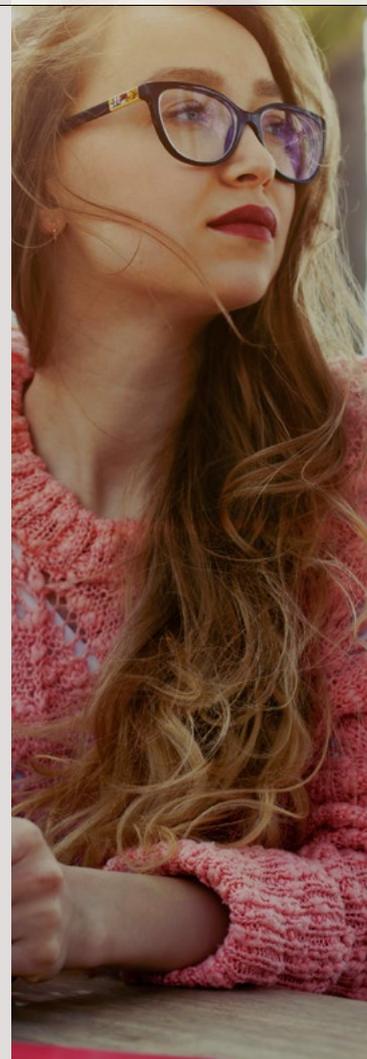
The payment of benefits refers to the compensation paid by insurers in the event of a claim.

In 2016, MAPFRE's insurance entities paid out claims to their clients amounting to 12,004.8 million euros, an increase of 6.89 percent compared to 2015.

The following table shows the breakdown for the main territorial areas:

AREAS	BENEFITS		
	2016	2015	VARIATION (%)
IBERIA TERRITORIAL AREA	5,630.7	5,734.0	(1.80)
LATAM TERRITORIAL AREA	3,644.4	2,974.7	22.51
INTERNATIONAL TERRITORIAL AREA	2,729.7	2,522.2	8.23

Millions of euros



Innovation

[G4-2, 4; FS5, FS6]

Client focus is one of the main axes of MAPFRE's Strategic Plan, which has identified innovation as one of the tools to drive insurance solutions and services focused on clients' needs. As such, innovation has become a key element for MAPFRE to achieve its objectives and consolidate its position as the "trusted insurance company".

The MAPFRE Innovation Model promotes a culture of innovation throughout the organization, and aims to respond to business challenges. From January 2017, the Corporate Innovation Division has been integrated with the Corporate Business, Clients and Innovation Area.

The Innovation Model is at the service of the Group's strategy, both global and local, and is one of the key instruments for achieving differentiation and helping to reach its objectives. Innovation is oriented toward strategic priorities and the development of value propositions for clients.

This model is based on three fundamental pillars: innovation community, Think Tanks and relationships with the Startup ecosystem.

The MAPFRE Innovation Community is made up of all those employees who are dedicated to innovation within the company, whether in the Corporate Innovation Department, the Innovation and Development Offices or the Innoagents network, which has representation on a regional, country, business unit and corporate area level.

During 2016, the implementation of this Innovation Model has been consolidated, with a total of 17 Innovation and Development Offices. The Innovation Community promotes a culture of innovation within the organization, providing work methodologies, contributing to the alignment of the organization toward the client and streamlining internal processes.

The Innoagents network has been extended in 2016 to more than 200 employees with multidisciplinary profiles from different areas, who act as innovation ambassadors, encouraging the cultural transformation of the company. This impetus is complemented by the contributions and creativity of all individuals who work at the Group.

The development of Think Tanks is a key element of the MAPFRE Innovation Model. These are studies which examine topics of interest to the insurance industry in order to identify trends and technological advances that may lead to changes in the sector in the medium to long term.

During 2016, two Think Tanks were carried out: one focused on vehicles and the other on population aging.

The last key pillar on which the Innovation Model is sustained is the relationship with the startup ecosystem. During 2016, three main channels were defined for the relationship with this ecosystem: participation in investment vehicles, the creation of a startup observatory to monitor the Insurtech/Fintech ecosystem and establish possible collaboration agreements, and the participation in startup accelerator processes.



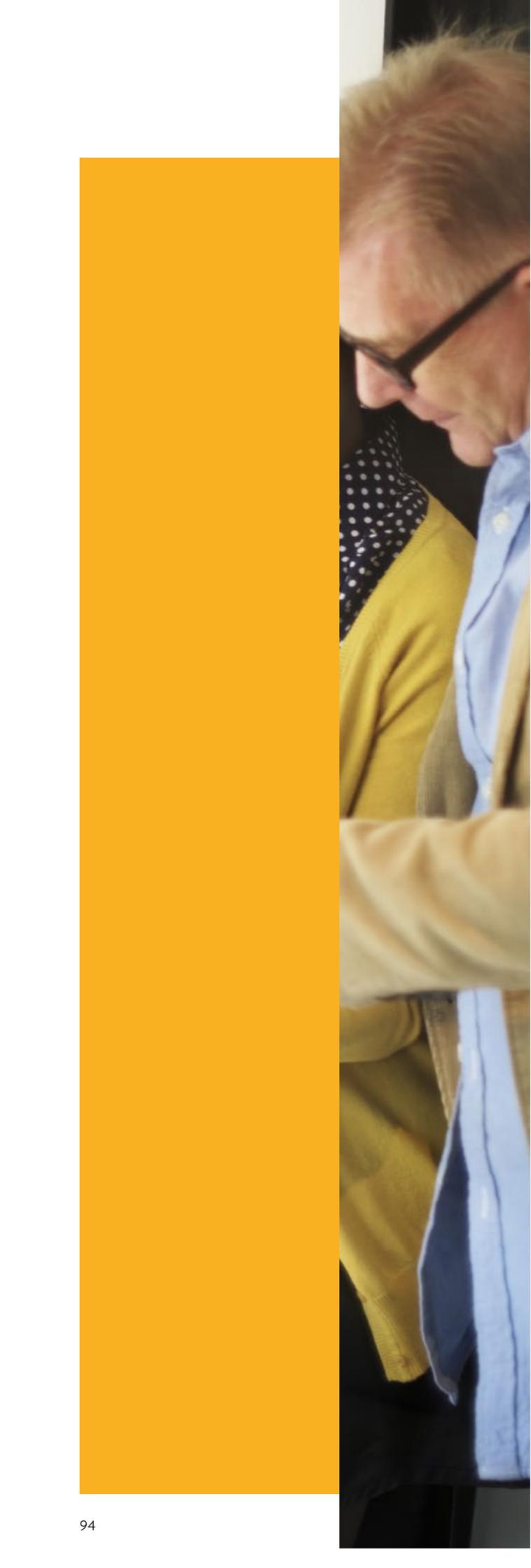
NEW PRODUCTS AND SERVICES

The most innovative products launched in all markets in 2016 are shown below:



NUMBER OF INNOVATIVE PRODUCTS LAUNCHED IN 2016	Property	Home	Life	Health	Auto	Burial
IBERIA						
Spain			6			
Portugal			5			
LATAM						
Argentina	2	1				
Brazil			1			
Guatemala		1		2		
El Salvador	1	1	1		1	
Nicaragua	1		1			1
Dominican Rep.					1	
INTERNATIONAL						
USA	1					
Turkey					1	
Puerto Rico		2	1		1	
TOTAL	5	5	15	2	4	1





PRODUCTS AND SERVICES WITH HIGH SOCIAL CONTENT

[G4-4; FS1, FS3, FS7, FS13- FS15]

Year on year, MAPFRE develops products aimed specifically at low-income groups, above all in Latin American countries, with the aim of generating value for society by encouraging access to insurance products among individuals with fewer resources.

These are products with basic coverage (crops, bereavement and home, etc.), adapted to the specific needs of each country and with low premiums. They are distributed primarily through non-traditional channels, and contribute to preventing and covering the personal risks of these groups, as well as promoting an insurance culture.

The following table shows the main insurance products aimed specifically at low-income groups:

Social ↑ ↑

COUNTRY	BUSINESS LINE	TYPE OF PRODUCT OR SERVICE	PERCENTAGE OF TOTAL PREMIUMS	PERCENTAGE OF TOTAL IN BUSINESS LINE	NUMBER OF INSURED / BENEFICIARIES
IBERIA					
Spain	Health	Salud Elección: Healthcare assistance insurance that guarantees primary care and basic diagnostic tests in approved centers. For all other medical assistance that the insured may need, discount prices are offered in recommended clinics compared to the cost as a private patient.	0.23	0.23	10,113
	Life	Decesos Esencial: based on a standard rate adopted by clients who wish to maintain bereavement insurance, but who are experiencing financial problems.	2.9	2.9	288,339
LATAM					
Brazil	Home	Programa Cuenta Protegida Telefónica: financial protection insurance with coverage for the payment of telephone bills in the case of unemployment, disability, etc.	0.045	0.16	59,255
		Seguro educacional: Insurance which protects the student while they are under the school's responsibility, and coverages aimed at the person who is financially responsible for the student.	0.123	0.43	483,532
	Life	Programa Crediamigo de Microcrédito: coverages for bereavement and funeral assistance, as well as four monthly draws through lottery bonds.	0.074	2.258	56,081
		Agroamigo: A new insurance product aimed at microentrepreneurs in informal or formal sectors or the economy in rural areas.	0.004	0.136	20,957
		BB Seguro Vida Agricultura e Familiar: Insurance product for clients with rural loans under the "Agricultura Familiar" programs which guarantees the payment of the outstanding balance in Banco do Brasil in the case of natural or accidental death of the insured.	0.6	3.17	523,278
		Seguro Prestamista Rural: life insurance for rural loans.	0.005	0.02	3,964
		Seguro Amparo Familiar: as their main coverage, the insured may choose funeral assistance.	0.005	0.018	763

COUNTRY	BUSINESS LINE	TYPE OF PRODUCT OR SERVICE	PERCENTAGE OF TOTAL PREMIUMS	PERCENTAGE OF TOTAL IN BUSINESS LINE	NUMBER OF INSURED / BENEFICIARIES
LATAM					
Dominican Republic	Health	Assistance program for entrepreneurs, small and medium-sized businesses who are clients of Banco BHD Leon Credit Cards: A set of services and assistances for the business of the insured party. Services include plumbing, electrical installations, locks, legal assistance.	0.042	0.79	4470
		Coverage of Male Cancer victims who are clients of Banco BHD Leon Credit Cards: Coverage guaranteeing that the insured party receives the contracted capital, where he is diagnosed for the first time with prostate cancer.	0.022	0.4	2,731
		Assistance granted to the insured party for holding a Banco BHD Leon Woman's Credit Card. Services include assistance for home, traffic, legal, medical emergencies during national and international travel and personal assistant.	0.49	9.05	41,124
	Life	Education Insurance coverage for the death of the pupil's father: 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 inscription of the children of the insured party.	0.157	0.725	23,966
INTERNATIONAL					
Philippines	Life	Kakampi Insurance: Renewable insurance product with coverage for natural and accidental death. It is designed for the low-income sector, and coverage includes funeral assistance services.	0.01	-	790
Puerto Rico	Automobile	Auto Plus: substitutes and significantly improves compulsory insurance coverage for just USD 36 more. Includes coverage such as roadside assistance, accidental death or dismemberment, medical expenses and legal defense.	0.03	0.1	556
	Automobile	Asistencia en viaje y carretera: A product providing the insured with immediate roadside assistance for only USD 45 for the first vehicle and 25 for other vehicles.	0.09	0.31	9,145

ENVIRONMENTAL PRODUCTS AND SERVICES

[G4-4; EC2; EN12, EN27; FS1, FS3, FS8]

MAPFRE's commitment to environmental conservation and the promotion of energy saving and efficiency, as well as its willingness to tackle climate change, is demonstrated, among other initiatives, through the creation of specific insurance products aimed not only at projects related to sustainable development but also environmental risk management.

Environmental initiatives aimed at clients can be grouped into three categories:

- **Environmental Risk Management**, which includes coverage for damages, Third-Party Liability and Environmental Liability; risk identification, analysis, evaluation and control services; and the review and monitoring of the development of risks and their corrective measures.
- **Insurance products for sustainable renewable energy projects**, forestry projects, and initiatives related to energy efficiency and savings.
- **Services that favor environmental protection and saving resources**, such as charging facilities for electrical vehicles, vehicle part recovery and reforms for providing greater energy savings, etc.

The following table shows key figures for environmental products and services.

PRODUCT / SERVICE		2016
Environmental risk coverages	Number of policies	19,834
Insurance for sustainable projects	Net premiums (€)	82,699,760.25
Environmental and energy-saving services	Billing (€)	315,049



The main environmental insurance products and services are outlined below:

COUNTRY	TYPE OF PRODUCT OR SERVICE	PERCENTAGE OF TOTAL PREMIUMS	PERCENTAGE OF TOTAL IN BUSINESS LINE	NUMBER OF INSURED
IBERIA				
Spain	Green policy: First comprehensive insurance for use with electric, hybrid and ecological vehicles.	0.081	0.27	10,235
	Damage and Third-Party Liability Insurance: Product aimed at solar, photovoltaic plants, wind farms and cogeneration plants.	0.018	0.23	1,453
	Environmental Liability Coverage in Third-Party Liability policies: coverage includes policyholder liability for damage caused due to environmental pollution.	0.025	0.31	1,176
Portugal	Environmental Liability: This covers the cost for repairs due to accidents or an imminent threat, damage to wild animals and habitats, water and land pollution.	0.28	2.07	579
LATAM				
Brazil	Environmental Third-Party Liability: This insurance is taken out at total risk, that is, the insurance company guarantees payment for damages and losses up to the maximum limit stated in the insurance policy. This insurance consists of basic coverage, obligatory recruitment, and additional coverage, optional rent.	0.033	0.30	334
	Removal of Wrecks: A policy for recreational boats and general aviation vessels that provides compensation to policyholders to recover damaged property and minimize environmental harm.	0.045	0.43	2,138
	Petroleum risk: This offers direct or indirect cover for risks linked to oil or gas prospecting, drilling and/or production activities.	0.908	8.34	6
Mexico	Gasolinera segura: Insurance product that includes Third-Party Liability coverage against pollution.	0.31	1.3	1,684

Excellence ++

COUNTRY	TYPE OF PRODUCT OR SERVICE	PERCENTAGE OF TOTAL PREMIUMS	PERCENTAGE OF TOTAL IN BUSINESS LINE	NUMBER OF INSURED
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INTERNATIONAL

Puerto Rico	MCS-90: Transportation policy that provides coverage for repairing the damage resulting from contamination due to leaks of dangerous products.	0.06	0.19	305
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GLOBAL BUSINESSES

Damage and Third-Party Liability Policy: Insurance that covers the different phases (design, construction, launch and operation) of large renewable energy plants (thermosolar and wind). These products are marketed by MAPFRE GLOBAL RISKS, MAPFRE RE and MAPFRE ASISTENCIA.				
Wind Farms		3.6	5.3	35
Solar Energy		0.4	0.6	43

The following table shows the main environmental indicators related to the insurance solutions that are marketed. In the case of coinsurance, the indicators only refer to MAPFRE's participation.

PRODUCT / SERVICE	Unit	2016
Environmental third-party liability policies underwritten	No.	7,877
Wind power facilities insured	MW	24,419.33
Wind turbines insured	No.	16,455
Sustainable forest plantations	ha	20,426.90
Green Vehicle Policies	No.	10,235

Overall more than 19,800 policies covering environment-related aspects were written in 2016 with a premium volume of more than 82 million euros, which accounts for 0.36 percent of the Group's total premium volume.

In the case of environmental and energy services, some are directly linked to insurance benefits, such as the roadside assistance service in Brazil for charging electric vehicles.

To do this, seven 100 percent electric vehicles equipped with a generator that enables charging in any location and at any time of other vehicles to 80 percent in under 30 minutes have been incorporated into the supplier fleet.

Other services are linked to research into vehicle repair techniques conducted by the Experiment and Road Safety Centers (CESVI) in Spain and the Americas, which contribute to savings in the use of polluting resources such as paint or solvents and minimize the environmental impact of vehicle repairs.

In other cases, this type of environmental service is directly related to third-party services.

Through CESVI RECAMBIOS, CESVIMAP manages scrapped vehicles. In 2016, 3,100 scrapped vehicles were processed in Spain and Colombia, from which 95,879 parts and components were recovered and recycled.

RECOVERY OF VEHICLE PARTS			
	Unit	2016	2015
Scrapped vehicles processed	Units	3,100	3,247
Scrapped vehicle parts recovered	Units	95,879	105,620

The environmental services provided by MULTIMAP are primarily aimed at energy savings and efficiency. This company installs charging points for electric vehicles in the garages of private houses or in car parking spaces of housing associations. It also provides comprehensive energy efficiency and saving services for buildings and facilities. In addition, it carries out energy saving activities by installing LED technology, charging points for electric vehicles and optimizing building insulation by renovating outdoor joinery. This entailed a business volume of 315,049 euros in environmental services.

CLIENT COMMUNICATION CHANNELS [G4-FS5]

In 2016, several initiatives were implemented to develop online sales worldwide. Furthermore, it is also important to mention the international commitment of VERTI (reaffirming its leadership in Spain, this online channel is a point of access to the Group for several client profiles), which has strengthened its position with the integration of DIRECT LINE Italy and Germany, a key operation in the digital distribution strategy.

MAPFRE's Contact Centers provide permanent assistance 24 hours a day every day of the year, enabling our clients to ask questions and manage their policies and/or services.

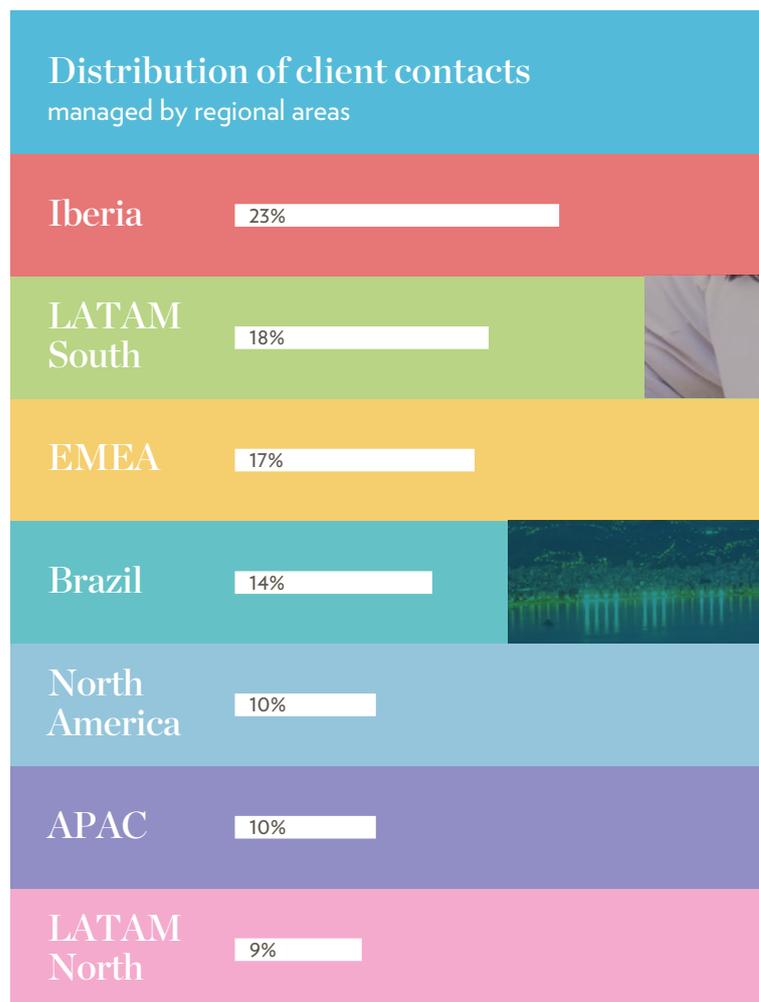
In 2016, MAPFRE Contact Centers managed more than 100 million contacts and 25 million transactions worldwide.

MAPFRE has more than 60 Contact Centers which employ close to 6,700 Full Time Equivalent (FTE) agents in a total of 5,900 positions, mainly in the Brazil, LATAM South, Iberia and EMEA Regional Areas. In total, 43 percent of the Contact Centers are located in the EMEA and LATAM North regional areas, while 71 percent of MAPFRE Contact Centers are for MAPFRE ASISTENCIA. For its part, the insurance Contact Centers account for 46 percent of FTE agents and 43 percent of contacts with clients.

A quarterly report is prepared on the Contact Center operations, analyzing the number of contacts made, the different client communication channels, the percentage of proprietary agents working in these centers and waiting times, among other strategic indicators.

At the end of 2016, the following parameters were observed:

- The volume of activity showed a decrease in transactions and contacts of above 10 percent compared to the previous year.
- 94 percent of the contacts corresponded to telephone calls, with incoming calls accounting for 52 percent and outgoing calls 42 percent.
- Roadside assistance accounted for 52 percent of transactions.



During 2016, a model was approved that will govern the future of these centers in the coming years that is called the MAPFRE Global Contact Center Model 2020 (MCC2020). This model defines a standardized management framework for the current Contact Center network, aiming to generate an increase in operational efficiency while we achieve the desired levels of perceived quality.

Digital Dispatch, which aims to substantially improve the efficiency of the Contact Centers, as well as the quality of services delivered to clients, culminated the second year of its three-year project in 2016. The objective of Digital Dispatch is to achieve automated interactions between Contact Centers and suppliers. Once the clients' service needs have been identified, Digital Dispatch enables the automated delivery—without human intervention and free from errors—of service requests to the international supplier network, from which suppliers are selected by the system in accordance with established business rules. This procedure enables allocations to be made in a shorter period of time than through the intervention of an agent.

For the 2015-2017 three-year period, several concrete objectives have been set for Digital Dispatch to achieve more than 60 percent of service provision requests to suppliers being automated by 2018. As of the end of 2016, almost 55 percent of MAPFRE's interactions with suppliers are allocated in an automated way.

QUALITY AT MAPFRE [G4-PR5]

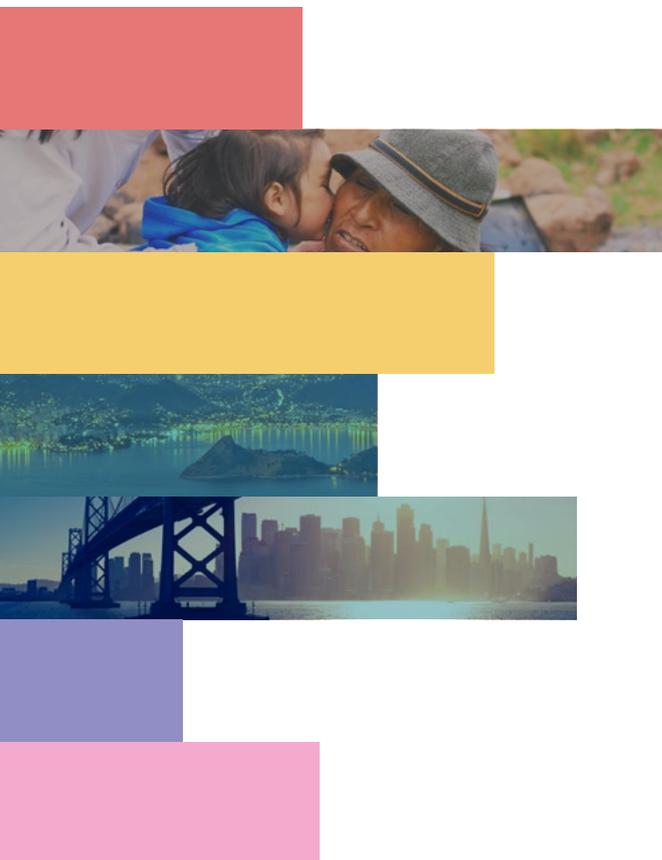
MAPFRE Quality Observatory

For MAPFRE, ensuring the quality of the products that it offers is a primary objective. As such, in order to evaluate the quality perceived by clients, during 2016 the MAPFRE Global Client Experience Measurement Model, defined in 2015, has been strengthened under the framework of a corporate initiative. For these purposes, the MAPFRE Quality Observatory is responsible for conducting all perceived and delivered corporate quality measurements through surveys conducted with external and internal clients that aim:

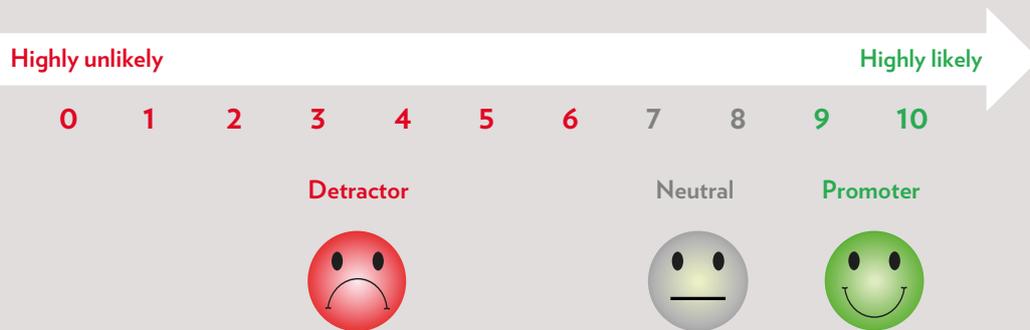
- To consistently identify the satisfaction levels of clients of MAPFRE and its main competitors in different countries and business lines with a consistent methodology.
- To identify the aspects that have the most significant impact on client experience in order to improve it.
- To provide countries with a tool to help them define and implement initiatives, assigning the most suitable priority level.
- To establish targets for improvement and aspire to become a benchmark for client experience in all countries and business lines.

The MAPFRE Quality Observatory aims to measure client experience in every country in which the company operates, covering all insurance lines and assistance services on a biannual basis by analyzing the Net Promoter Score (NPS®) indicator and its root cause, as well as evaluating satisfaction and critical points of client contact. Recommendations on the main areas for improvement are provided below.

For each of these measurements, the Quality Observatory issues reports that provide data on Client Experience levels. This data will aid decision-making in the different MAPFRE business areas, maintaining the focus on the client at all times. The methodology that has been chosen to measure Client Experience is the NPS® (Net Promoter Score), an indicator for measuring customer loyalty. The NPS® is based on the question:



On a scale of 0 to 10, where 0 is highly unlikely and 10 is highly likely, how likely are you to recommend MAPFRE to a friend or relative?



In 2016, the II and III waves of the relational NPS survey were carried out on a representative sample of MAPFRE portfolios. These waves each covered 17 countries, 18 companies and 23 business lines, representing a volume close to 70 percent of the Group's non-life premiums.

Similarly, in 2016 the Quality Observatory conducted the first internal NPS (iNPS) measurement of Client Experience levels for the reinsurance services provided by MAPFRE RE to all companies in the Group.

In 2017, the MAPFRE Quality Observatory will focus on:

- The launch of the IV and V waves of the relational NPS® survey, which will cover a volume close to 80 percent of the Group's non-life premiums.
- Definition of the corporate model for measuring transactional NPS, which enables greater depth in understanding client experience during a critical episode. This model will be implemented in at least one country during 2017.

241 MAPFRE employees are dedicated to quality control and monitoring throughout the world, and several companies have quality certifications. To renew these certifications, these companies must maintain high customer service standards.

The Group has obtained the ISO 9001 certification in Brazil, Nicaragua, Spain and Turkey. Similarly, MAPFRE ASISTENCIA is certified in this quality standard in Algeria, Argentina, Bahrain, Brazil, Chile, China, Colombia, the Dominican Republic, Ecuador, Italy, Mexico, the Philippines, Tunisia, Turkey and Venezuela.

CUSTOMER LOYALTY AT MAPFRE [G4-PR5]

MAPFRE carries out different customer loyalty and cross-selling programs that include promotions, discounts and exclusive offers which benefit more than 5.3 million members around the world.

In 2016, the Client Experience project was implemented with the objective of establishing a working methodology, sustainable over time, that enables clients to be listened to in each of the contact channels and in each interaction that they have with MAPFRE.

In this way, contact can be measured with analytical data that is available to the company, which will enable it to pursue three lines of action:

- Directing processes, operations, services and tools in accordance with what clients perceive and express.
- Taking proactive action with clients, consolidating clients that recommend the company.
- Implementing actions to drive client interactions, promoting customer loyalty.

Among the initiatives implemented in 2016, different applications were developed targeting more specific customer relationship management through multiple channels.

Other initiatives

The following initiatives were also implemented in 2016:

- Customer loyalty programs such as teCuidamos in Spain, CLUB MAPFRE in Brazil and the Loyalty Card Program in Malta, which offer discounts on insurance and special prices for certain services provided by companies that collaborate with the Group or those with which agreements have been signed. These are free benefits programs created to reward the loyalty and trust of all MAPFRE clients.
- Analysis of client information and the application of analytical models.
- Personalization of policy renewal notifications.

COMPLAINTS AND GRIEVANCES [G4-2; PR4, PR8, PR9]

MAPFRE ensures that its insured parties, and clients in every country around the world in which it operates in direct insurance, have an internal channel for the extrajudicial defense of their rights derived from policies, and is diligent in preserving its clients' trust by complying with its commitment to providing them with the best attention and promoting the implementation of internal bodies that protect their rights. In this regard, the Group created the Insured Party Defense Committee in Spain in 1984, and established the Complaints Division in 2004. Internal client protection bodies have also been implemented in almost all countries in which the Company operates, as well as external client protection bodies in Portugal, Brazil, Mexico, El Salvador, Costa Rica, Nicaragua, Venezuela, Colombia, Argentina, Chile, Peru, the United States and Germany.

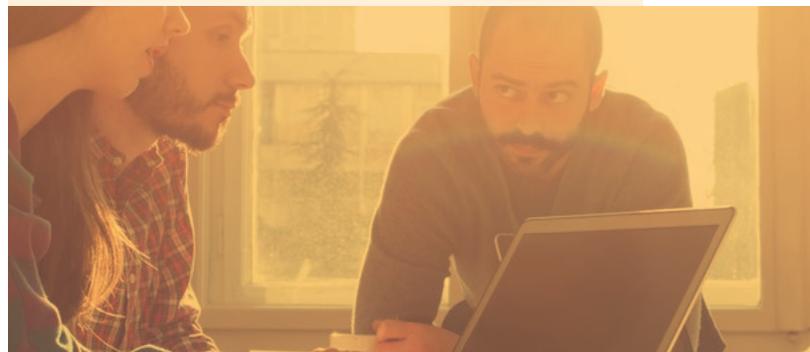
During 2016, the Group has continued to comply with its commitment to protecting the rights of users of its financial services through the establishment of a global initiative for the processing of customer complaint and grievance information, always respecting the specific characteristics of local operations and in accordance with the following objectives:

Individual

- To provide the client with a free, voluntary, flexible, simple and rapid extrajudicial procedure to address, process and resolve grievances and complaints when the client considers that the entity has not met their expectations.
- To provide information about this procedure in policies and on each country's website. This out-of-court procedure does not impede the right of clients to exercise the judicial and administrative actions to which they are entitled.
- To implement, where applicable, the Insured Party Committee, in accordance with the local legislation in each country, in order to receive and resolve complaints filed by policy holders, insured parties or beneficiaries of insurance policies, as well as by the holders or beneficiaries of pension schemes promoted, managed or deposited with MAPFRE and all their rightful claimants.

Group

- To preserve the trust of clients in their dealings with the MAPFRE companies from which they have purchased products. To this end, every year the Complaints Departments, and where applicable the Insured Party Defense Committee, will issue general operating principles and recommendations, respectively, drawn from their experience in dealing with complaints and grievances in order to reduce their number and improve the service.



(3)



Examples of the policy regarding the protection of client rights are some of the actions undertaken by the Complaints Division in Spain, such as:

- General Operating Principles and Recommendations issued to improve relations with clients, based on the comments made in resolved complaints and grievances, and their subsequent implementation and supervision.
- Satisfaction surveys that enable the satisfaction of clients who have used the complaints and grievances procedure to be ascertained, and to implement improvements in the different customer service processes.
- Decrease in the response time for complaints and grievances submitted by clients through the implementation of technological solutions that facilitate document management. Furthermore, in 2016 MAPFRE adhered to Spanish insurance and reinsurance association UNESPA's Best Practice Guidelines for Internal Grievance Resolution, and committed to resolve complaints within a period of one month, compared to the legally established period of two months.
- Reports on specific aspects due to their influence on the business such as, for example, the impact of complaints and grievances on contract termination, or the analysis of average resolution times by management center.

In 2016, the implementation process for the recommendations issued by the Insured Party Defense Committee from the previous year was completed, which in turn generated several actions that have been addressed by the corresponding areas.

REASON	RECOMMENDATION 2015	ACTION PROPOSED 2016
Contract formalization	Improve the information provided to future clients of other nationalities regarding the scope of automobile insurance in their respective countries.	In addition to addressing this issue in the course for intermediaries, ensure that training supervisors are aware of the need to expressly notify insureds of Moroccan origin of the scope of voluntary coverage in their country.
Contract wording	Review the content of the text in home insurance contracts with regard to regulations on jewelry and cash, objects of special value, and the issue of accidents and DIY.	Increase the precision of terms that define the coverage of recommended issues and, once specified, modify the wording of the corresponding conditions.
	Evaluate the possibility of introducing cohabitants as generic beneficiaries in life insurance policies, in a similar way to spouses.	
	Assess the extension of agreed medical services in those areas where there is insufficient coverage, or compensation criteria for possible deficiencies.	
Contract interpretation	Strengthen the technical content of medical reports which form the basis of decisions on the subject of client benefits.	Prepare a report to be complemented by the Company's Medical Advisory Department in cases of denial of services for medical reasons, in order to outline the technical arguments that refute the medical considerations posed by the insured.
	Maximize precautions regarding what may be considered to be fraudulent concealment in health surveys, avoiding interpretations which lack sufficient proof.	Remind the Claims Centers that fraud may only be identified in the processing of benefits when its existence is substantiated.

REASON	RECOMMENDATION 2015	ACTION PROPOSED 2016
Management procedures	Ensure that changes in the criteria for managing automobile services do not infringe on the agreements reached with clients, and that they are fully understood by the network.	Remind Claims Centers in the claims network of the established procedure, especially if the insured is dissatisfied with the level of applicable deductions, and the information to be provided to the insured party.
	Rigorously document and inform clients regarding the causes for non-viability in claims for automobile damages.	Inform clients of the viability or non-viability of a claim of this nature with sufficient anticipation, documenting said decision.



In its 2016 Annual Report, MAPFRE's Insured Party Defense Committee made the following recommendations on how to improve customer service standards, among others, based on the resolutions that it has issued:

- Strengthen the information provided to clients regarding their rights and obligations in the case of overinsurance, both for Property and Auto lines.
- Perfect the wording of the general conditions for Home Insurance in some coverages such as water damage, aesthetic damage or all risks coverage.
- Inform clients of their obligation to conserve remnants or proof of the events that occurred and damages when making a claim.
- Review some management procedures for Automobile benefits, in particular when agreements between insurance entities are applicable and in the case that both vehicles involved are insured by MAPFRE ESPAÑA.
- Inform clients of the criteria, periods, consequences and their right to oppose annual contract extensions in a more comprehensive way.
- Strengthen transparency with regard to agreed repayment criteria in life insurance linked to bank loan transactions.

General operating principles

In 2016, the implementation of the General Operating Principles issued by the Complaints Division based on the previous year was carried out, which in turn generated several actions that have been addressed by the corresponding areas throughout the year.


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GENERAL CRITERIA 2015	ACTION PROPOSED 2016
<p>Improve coordination and communication between the different areas and departments, paying special attention to the client in consideration of their position within the Group when requesting coverage for a specific incident. Assess whether this could be covered by a guarantee other than that included in the policy, or even by a policy in a different line.</p>	<p>Check with the Claims Centers whether the insured may be covered by a guarantee other than that included in the policy to which the declared claim corresponds, or by a guarantee in other policies that they may hold, before rejecting a claim.</p>
<p>Suitably evaluate the expectations of the client when disputing possible blame or negligence in the provision of services by professionals appointed by the entity, managing the claim through the third-party liability guarantee of the professional, outside of the guarantee of legal defense.</p>	<p>Remind the Claims Centers that in these cases, once the damage and causal relationship with the negligent actions of the professional have been verified, MAPFRE must provide compensation, without being required to offer the insured the option of filing a legal complaint against said professional.</p>
<p>In client communications, insist on the need to provide them with appropriate, reasoned information on the case in question, avoiding giving incomplete or incorrect information, and generating unclear expectations.</p>	<p>Improve the wording of responses in order for them to be more understandable for insureds, adapting these documents to the scenarios being referred to.</p>
<p>Reserve third-party appraisal, contemplated in art. 38 of the Insurance Contract Law (LCS), for those cases in which it can effectively perform its function, offering this option to clients when discrepancies of a technical nature arise.</p>	<p>Offer the counter-appraisal procedure to insureds for the extrajudicial resolution of the dispute raised, as long as its use will contribute to said resolution.</p>
<p>Demand maximum technical rigor from doctors collaborating in insurance covering total temporary disability when issuing medical discharge reports, assessing whether or not the client is able to resume the professional activity he/she engaged in prior to the accident causing the disability under suitable conditions.</p>	<p>Emphasize with the medical group the need to always provide information on the insured's ability to engage in their professional activity.</p>
<p>In life insurance, improve substantiation in rejection letters, avoiding the use of generic phrases and specifying, based on the medical documentation provided by the client, the pathologies or medical circumstances on which the Company has based its rejection of the claim in cases of concealment or pre-existing illnesses.</p>	<p>Inform insureds regarding the information that justifies the refusal of benefits in greater detail.</p>

As a result of these activities, in its 2016 Annual Report the Complaints Division established, among others, the following general operating principles devised to reduce the number of complaints and grievances from users, and to encourage the correct implementation of management procedures:

- Inform the insured if the complaint against the person who is allegedly responsible for the damages is considered to be inviable, offering the possibility of making a complaint in an individual capacity and carrying out the necessary urgent procedures so as not to impair their rights, taking into account the periods required to avoid possible limitations that may negatively affect them.
- Define the concept of “benefit” for travel assistance in the general conditions of “Tú eliges” policies, in which assistance coverage is purchased for mechanical faults with a maximum of three assistances per year, in order to avoid possible uncertainty regarding the criteria taken into account to quantify the number of benefits per year that are guaranteed.
- Extend the level of information in letters that are sent to clients when these are due to claims rejections for weather events in the case that said events do not exceed the minimum severity limits required by the policy, explaining both the minimum measure used for the risk and the maximum reached on the declared date.
- Improve the wording of the household appliance repair guarantee in the general conditions, expressly regulating the possibility of carrying out the repair in an individual capacity through the MULTIMAP service, and the procedure to be followed in these cases.

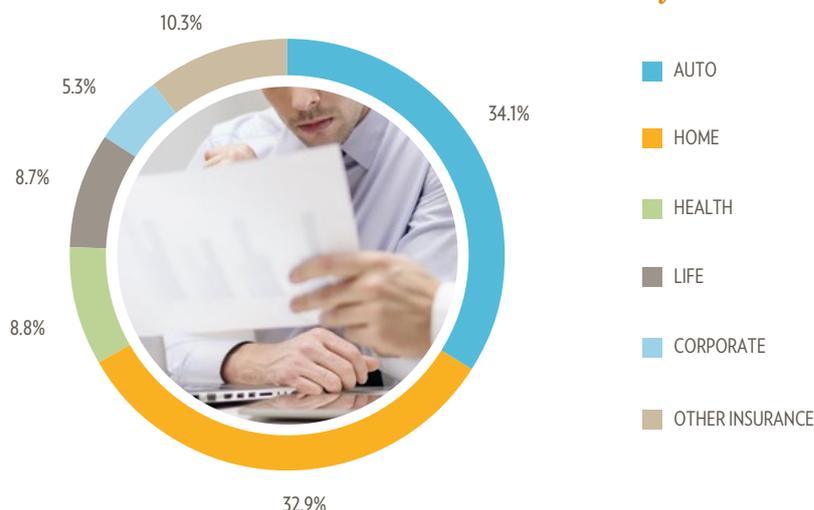
- Include the property or real estate registration number in the specific conditions, and conduct the necessary verifications when this is deemed appropriate in order to ensure the accuracy of location, boundary and surface area data of the insured risk, especially when this is located in a rural area.
- Ensure that the information provided to savings insurance clients is understandable, both in the documentation provided to them at the moment of purchase and when they request any type of clarification regarding the rights granted to them by the contract. Technical information regarding surrenders and due dates, and any additional information to make this more understandable for the client must also be provided.
- In life insurance, review the measures that guarantee the right to terminate the contract under the provisions of art. 83 a) of the Insurance Contract Law (LCS), and correctly process the request submitted by the policyholder once compliance with legal requirements has been verified.

Following their approval by management bodies, these general operating principles have been sent to the respective units for analysis and assessment regarding their implementation as an instrument to improve the service provided to clients and users.

The aforementioned recommendations and principles were extracted from the complaints and grievances processed during 2016, in which the Complaints Division received 11,217 letters. Of these, 8,581 were accepted for processing, including 4,769 complaints with specific financial implications and 3,812 complaints relating to carelessness in the processing of benefits or the issue/purchase of policies.

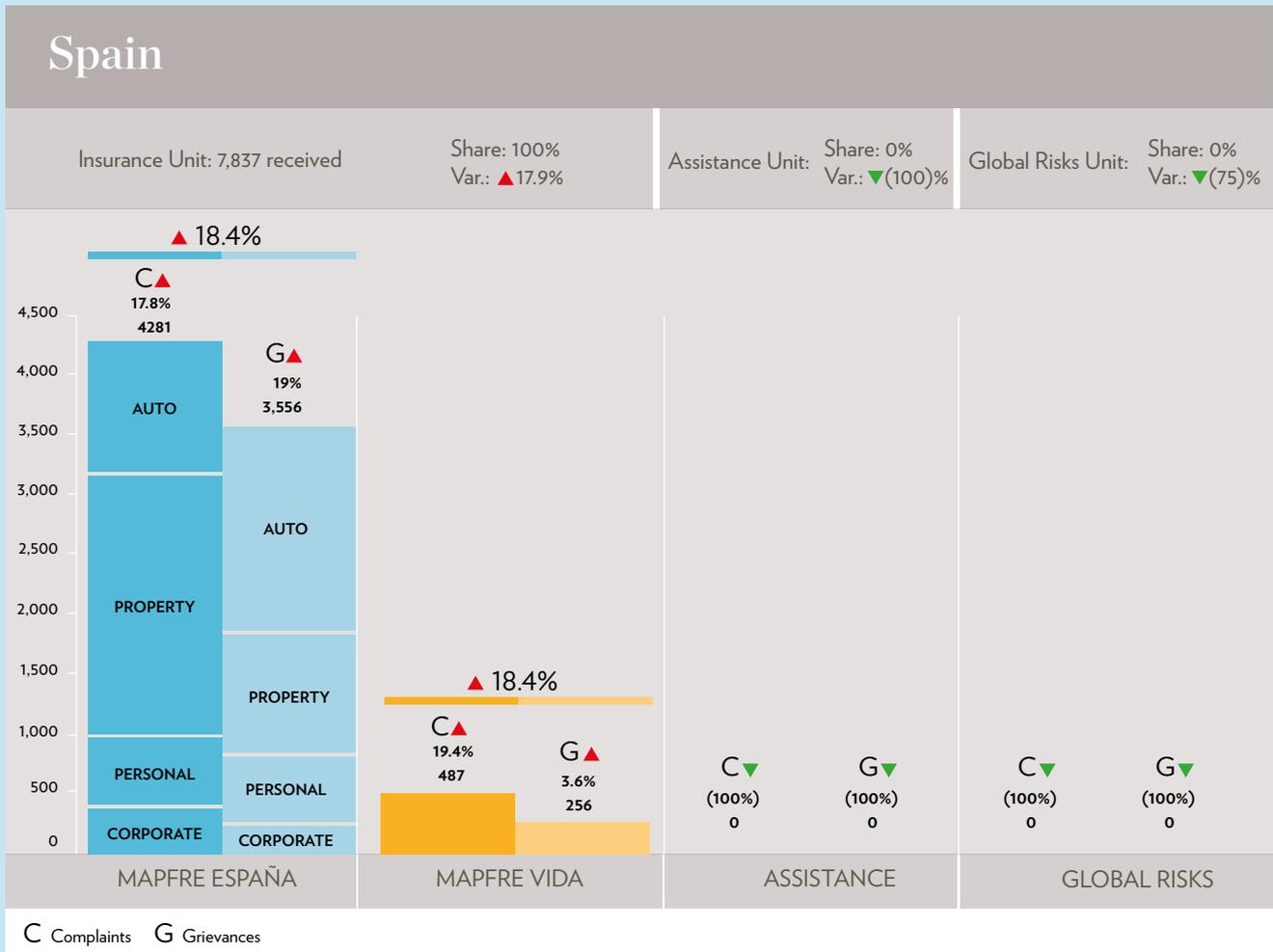
At the close of 2016, it was estimated that 27.7 percent of complaints and grievances had been accepted for processing,

Complaints and grievances submitted by insurance type



40.4 percent were rejected and alternative solutions were provided in 8.6 percent of the cases (alternative appraisal, simultaneous initiation of a legal or administrative procedure by the claimant during processing of the complaint, withdrawal of the complaint, etc.).

In addition, 2,636 complaints submitted were not accepted



because they did not comply with the legal requirements. The respective users were informed of this circumstance and the reason why the complaint was not accepted.

Customer service was improved by reducing the average resolution time by 1.1 days compared with the previous year, reaching 12.5 days (turnaround time) compared to a maximum of 60 days allowed by law.

SECURITY

Data protection and information security

MAPFRE gives absolute priority to privacy and the protection of personal data, understanding that these aspects are essential elements which should be pursued proactively, not only with the aim of complying with applicable regulations, but also as a fair response to the trust placed in the Company by clients, suppliers, collaborators, employees and other stakeholders.

Detailed information on the MAPFRE Cyber Security and Privacy Model can be found in the Prevention Measures and Compliance section (page 45) of this Report.

4.3. MAPFRE and its shareholders

MAPFRE maintains relations with its shareholders and investors in accordance with specific corporate policies that were approved in July 2015, in which it is established that shareholder and investor relations must be based on trust, communication and equity, and that the participation of shareholders in Annual General Meetings must be encouraged.

MAPFRE's role as a listed company that encourages sustainable development and respect for human rights has been recognized through its inclusion in the FTSE4Good and FTSE4Good IBEX indexes since 2006. Additionally, in 2016 the Carbon Disclosure Project recognized the MAPFRE Group as one of the world's leading companies in action against climate change, including it in its 'Global Climate A-list'. This selection includes 113 companies on a global level with the best performance in decreasing emissions and the fight against climate change.

KEY STOCK MARKET DATA

During 2016, MAPFRE S.A.'s shares were traded for 256 days on the continuous market, with a frequency index of 100 percent. 2,312,308,450 shares were purchased, compared to 2,553,834,115 in the previous year, corresponding to an increase of 9.5 percent. The actual value of these transactions reached 5,211.8 million euros, compared to 7,314.2 million euros in 2015, a decrease of 28.7 percent.

As of the end of 2016, five Spanish and international investment banks had "Buy" recommendations for the Company's shares, compared to five who maintained "Hold" recommendations and seven who had "sell" recommendations.



SHARE VALUE AND RETURNS

The performance of the share price in 2016 can be seen in the following table, compared with the two main benchmark indexes (the IBEX 35 and the Dow Jones Stoxx Insurance indexes):

	1 year	3 years	5 years
MAPFRE	25.4%	(6.8%)	18.1%
DJ Stoxx Insurance	(5.6%)	18.2%	102.3%
IBEX 35	(2.0%)	(5.7%)	9.2%

The performance of MAPFRE's earnings per share (EPS) during the same period was as follows:

	2016	2015	2014	2013	2012
BPA (euros)	0.25	0.23	0.27	0.26	0.22
Variation	8.7%	(14.8%)	3.8%	18.2%	(31.3%)

+ (0,2,1) ↑ ↑

MAPFRE's shares

The table below shows key information regarding MAPFRE's shares as of the end of year 2016:

Number of outstanding shares

3,079,553,273

Fully subscribed and paid-up.

NOMINAL VALUE OF EACH SHARE

0.1 €

* Indexes that measure the performance of companies based on their actions to support sustainable development and human rights.

STOCK EXCHANGE LISTINGS

Madrid and Barcelona Stock Exchanges (continuous market)

SHARE CLASS

Common, represented by book entries. All outstanding shares carry identical voting and dividend rights.

KEY STOCK MARKET INDEX MEMBERSHIP

- _ IBEX 35
- _ Dow Jones STOXX Insurance
- _ MSCI Spain
- _ FTSE All-World Developed Europe
- _ FTSE4Good(*) y FTSE4Good IBEX(*)

ISIN CODE

ES0124244E34



Breakdown of shareholders and dividends

SHAREHOLDER STRUCTURE

As of the end of 2016, Fundación MAPFRE, through its direct and indirect holdings, held 68.7 percent of the Company's share capital, 234,331 Spanish shareholders held 11.7 percent and 2,478 shareholders from other countries held the remaining 19.6 percent.

Of Spanish shareholders, 1.2 percent corresponded to investors with a holding greater than 0.1 percent, and 10.5 percent to the remaining shareholders. Among investors residing in other countries, 18.8 percent belonged to investors with a holding greater than 0.1 percent, and 0.8 percent to remaining shareholders.



- Fundación MAPFRE
- Spanish investors with an interest of more than 0.10%
- Spanish investors with an interest of less than 0.10%
- Foreign investors with an interest of more than 0.10%
- Foreign investors with an interest of less than 0.10%

The table below shows the shareholder breakdown by country:

COUNTRY	%
SPAIN	80.46
UNITED STATES	3.85
FRANCE	1.55
UNITED KINGDOM	1.49
GERMANY	1.21
NORDIC COUNTRIES	0.88
NETHERLANDS	0.37
SWITZERLAND	0.22
CANADA	0.18
ITALY	0.09
AUSTRALIA	0.06
IRELAND	0.04
JAPAN	0.03
HONG KONG	0.02
ANDORRA	0.01
AUSTRIA	0.01
PORTUGAL	0.01
UNIDENTIFIED	9.53

One of MAPFRE's main objectives is to create value and appropriate remuneration for shareholders. The dividend policy indicates that shareholder remuneration must be linked to the Company's profit, solvency, liquidity and investment plans, as well as shareholders' expectations. As a general rule, the Board of Directors will propose a distribution of dividends of between 45 and 65 percent of attributable profit (payout ratio) at the Annual General Meeting.

For the 2016 fiscal year, the Board of Directors has agreed to pay an interim dividend from the year's results of €0.06 per share, raising the total dividend in the period to €0.13 per share, reaching a total dividend payout of 400.3 million euros.

The final dividend for fiscal year 2016 to be proposed at the Annual General Meeting is a dividend of 0.085 euros per share (before tax). Therefore, the total dividend from 2016 earnings amounts to 0.145 euros per share before tax, entailing a payout ratio of 57.6 percent.

The dividend and yield trends, calculated based on average share prices, are indicated below:

	2016	2015	2014	2013	2012
Dividend (euros)	0.13	0.14	0.14	0.12	0.12
Dividend yield	5.8%	4.9%	4.7%	4.4%	6.1%

It should also be mentioned that since the economic and financial crisis that initiated in 2007, MAPFRE has increased the amount of dividends allocated by 59.9 percent.

MAPFRE's shareholder and investor relations [G4-37, 49, 50; FS5]

Communication with shareholders has been strengthened in 2016 through the holding of the Company's first 'Investor Day'. More than 80 analysts and institutional investors met with MAPFRE's chairman and key executives at the event, which was held in Madrid. Various sessions enabled the most relevant regions and business units in which the Group operates to be reviewed in depth. Furthermore, financial and strategic objectives established for the 2016-2018 period in the Annual General Meeting held in March 2016 were reaffirmed.

It should also be highlighted that in 2016, a Shareholder Communication Plan was launched which will enable better shareholder relations to be improved through a range of initiatives. This plan aims to improve the quality of company information, increase communication and generate pride in MAPFRE's activities among shareholders beyond return on investment.

CHANNELS OF COMMUNICATION ESTABLISHED BY MAPFRE

Below, each of the channels of communication established by MAPFRE is described.

SPANISH NATIONAL SECURITIES AND EXCHANGE COMMISSION

Information on the Company's performance is sent to the Spanish National Securities and Exchange Commission (CNMV) prior to its publication. In this way, the following information is provided on a periodic basis:

FREQUENCY	TYPE OF INFORMATION
ANNUAL	<ul style="list-style-type: none"> Individual and consolidated annual reports Intrinsic value of the Life and Savings business
QUARTERLY	<ul style="list-style-type: none"> Reports in accordance with the format required by the Spanish National Securities and Exchange Commission (CNMV) Results presentations

This channel of communication enables investor information on the Company's activities and material facts to be made available to the general public.

CORPORATE WEBSITE

The corporate website www.mapfre.com constitutes the main means of communication between the Company and shareholders, institutional investors and the general public. The Company immediately publishes all notifications sent to the Spanish National Securities and Exchange Commission (CNMV) and other official bodies on this website.

Documents required by current regulations regarding the announcement and holding of Annual General Meetings and any other information whose publication is mandatory are also published, as well as corporate governance policies and information whose dissemination to shareholders and investors is considered appropriate.

Similarly, the corporate website offers a form which enables queries and requests to be received from shareholders and investors, both private and institutional.

INVESTOR RELATIONS DEPARTMENT

The Investor Relations Department is an open and permanent channel of communication between the Company and its shareholders in order to address their queries and information requests. For this purpose, the email address relacionesconinversores@mapfre.com and toll-free number 900 10 35 33 have been made available, as well as the query form on the corporate website.

This department is also responsible for communication with proxy advisors in order to inform them and address their queries regarding the agreement proposals made in the Annual General Meeting that are subject to their recommendations.

With regard to relations with private shareholders, during 2016 several initiatives were implemented to develop channels of communication, of which the following can be highlighted:

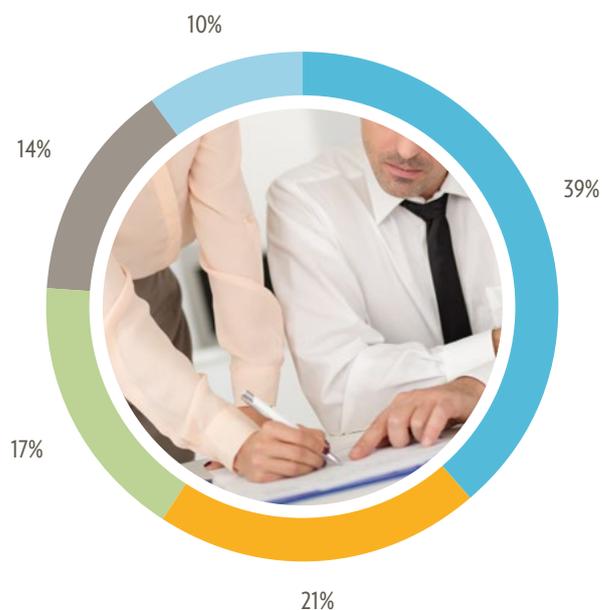
- The shareholder hotline (at the toll-free number 900 10 35 33) serviced 1,023 consultations, primarily related to the Annual General Meeting, dividend payments and financial information.
- A total of 96 requests were answered through the corporate website query form and email address relacionesconinversores@mapfre.com.
- Specific links were included in the “Shareholders and Investors” section of the corporate website to facilitate access to documentation which is deemed of particular importance to shareholders, such as documentation related to the Annual General Meeting.
- The Electronic Shareholders’ Forum, set up in 2011, was also operational for the Annual General Meeting held on March 11, 2016.
- Two newsletters were distributed with half-yearly information on the Group’s financial results, key events and the performance of the Company’s share price.

These channels of communication enabled the main topics of interest for shareholders to be identified, as shown in the graph below:

In 2016, the Investor Relations Department carried out intense communication activities with financial analysts, shareholders and institutional investors. Among the main issues addressed, financial objectives for the 2016-2018 period, the recovery in Spain, trends in the USA and Latin America, particularly Brazil, dividend forecasts and Solvency II stand out.

Main topics of interest for shareholders

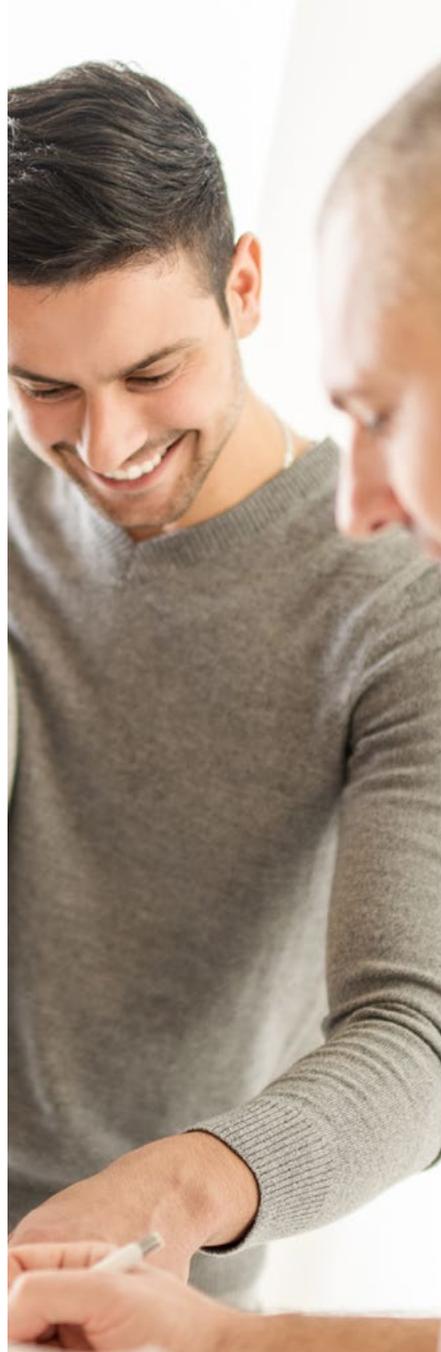
- Annual General Meeting
- Dividends
- Financial information
- General information about MAPFRE
- Shares



The table below shows a summary of financial market communication activities carried out in 2016:

Results presentations	4
Video conferences	4
Meetings with spanish shareholders and institutional investors	56
Meetings with shareholders and institutional investors from other countries	243
of which:	
United Kingdom	92
France	38
Italy	18
Switzerland	17
Portugal	12
Germany	11
Nordic Countries	10
United States	6
Other	39
Participation in institutional investor forums	13
of which:	
United Kingdom	4
Spain	4
France	2
Germany	1
Ireland	1
United States	1
Meetings with financial analysts	67

Since 2001, MAPFRE has been an active member of the Spanish Association for Investor Relations (AERI) board of directors.



4.4. MAPFRE and its distributors

This chapter presents the way in which MAPFRE works with its product and service distributors, explains its relationship with brokerage professionals, their selection and training, and its distribution agreements.

MAPFRE is committed to promoting an omnichannel experience, supported by the solidity of its distribution channels, strengthening its commercial network and expanding its digital business. The Company considers distribution to be the cross-disciplinary management of channels and processes, and is committed to offering clients all possible contact and communication options through its proprietary networks and other distribution channels.

MAPFRE's global sales network comprises 5,408 company-owned offices (814 direct, 4,576 sub offices and 18 representative offices), 9,028 bancassurance offices and other sales points corresponding to different distribution and collaboration agreements.

The table below provides further details of the structure of MAPFRE's global sales network.

OFFICES	2016	2015*
IBERIA		
Direct and Delegate Offices	3,078	3,073
Bancassurance	3,181	3,330
Subtotal Iberia	6,259	6,403
LATAM		
Direct and Delegate Offices	1,831	1,770
Bancassurance	5,847	5,602
Subtotal LATAM	7,678	7,372
INTERNATIONAL		
Direct and Delegate Offices	481	444
Subtotal INTERNATIONAL	481	444
Total offices	14,418	14,219

*During 2016, a review of criteria used to determine the number of offices has been carried out. In accordance with this criteria and so as to ensure the standardization and comparability of the data with that of the previous year, the review has also been applied to the number of offices as of 2015.

The following table shows the breakdown of intermediaries by group and territorial areas:

SALES NETWORK	2016	2015
IBERIA		
Agents	10,176	9,498
Delegates	2,666	2,575
Brokers	5,365	5,268
Subtotal IBERIA	18,207	17,341
LATAM		
Agents	14,977	13,286
Delegates	5,803	7,155
Brokers	33,102	32,357
Subtotal LATAM	53,882	52,798
INTERNATIONAL		
Agents	10,479	8,548
Delegates	100	101
Brokers	1,358	1,542
Subtotal INTERNATIONAL	11,937	10,191
TOTAL SALES NETWORK	84,026	80,330

This sales model strengthens the entity's presence in each territory, improves advisory and customer service (personal and corporate), and creates the necessary synergies to increase effectiveness and complementarity in the different distribution channels.

With the aim of strengthening relationships with intermediaries and developing joint ventures, MAPFRE has implemented collaboration agreements with insurance intermediary associations, brokerage firms, insurance producers, microfinance companies and other bodies connected to insurance intermediation in several countries.

MAPFRE's relationship with these professionals has been reinforced in different areas during 2016.

Transversal distribution

As a complement to traditional networks, MAPFRE continues to promote a transversal, multichannel distribution strategy in all countries, with specialized professionals, and online and telesales. Furthermore, it is working on technological developments that strengthen the collaborator network's online presence.

Online tools

There are consolidated online platforms for intermediaries to further harness the internet and social networks for sales management. Special mention should be made of the “NETWORK within the Network” platform in Spain, which reinforces the online presence of MAPFRE’s offices and their capacity to interact with clients in this environment. These means are increasingly used to interact with the different channels and as a tool for promoting customer loyalty.

Each country is developing initiatives in this regard to improve communication channels and make them more effective. The following examples of best practices can be highlighted:

“ONE CLICK” has been implemented in Argentina, a marketing and communication portal designed exclusively for MAPFRE distributors, which provides them with sales tools, management information and information on the Company, among other things.

In Puerto Rico, as well as optimizing the agent portal, an Intelligent Mail Barcode (IMB) tracking tool has been developed to enable the sales agent and/or clients to check the status of correspondence associated with a policy within the mail system (USPS).

Social networks and apps

The use of social networks and applications for mobile devices (smartphones and tablets) also helps to promote the brand’s positioning online and redirect business to intermediaries. They are also used to share experiences and exchange information with intermediaries, and to conduct special campaigns. In 2016, some countries developed new channels and tools for communication with collaborators and brokers, such as for example Guatemala, Puerto Rico and El Salvador, among others, where products that are being promoted are published on different social networks so that distributors may also share this content through their networks. In Mexico, Facebook Live was implemented for agents, through which partner and commercial strategy events are shared live.

The aim of these initiatives is to create direct communication channels between MAPFRE and its agents which promote communication and trust.

Direct marketing

Direct marketing initiatives for clients have increased, information and consultation options for collaborators via smartphone have been improved and some countries have widely promoted meetings and video conferences with brokers and intermediaries. During 2016, improvements and new functionalities have been introduced in those countries that already have a portal for distributors, for example, enabling access to the portal from all types of mobile device.

Others have included product and service information from their bancassurance partners on their websites, incorporated information on new compulsory policies on their broker portals and created specific microsites with sections for interest for day-to-day commercial management.

Greater efficiency

In 2016, new initiatives have also been undertaken to improve the efficiency of sales structures, simplifying processes and implementing measures that strengthen sales activities and decrease the administrative burden for employees linked to the distribution or coordination of sales teams.

In some countries the Company has operating platforms, communication and work tools, documentation and specific corporate manuals to assist the commercial activity of intermediaries, and in certain cases there are specialized publications for these professionals.

An example of improved efficiency is the inclusion of business intelligence tools for distributors, as is the case in Malta, Turkey and Uruguay. These tools enable increased monitoring and analysis of the results of sales campaigns, among other things.

Effective commercialization

Technological platforms related to marketing, sales campaigns, incentive plans, new business programs and training have continued to be driven in all countries to consolidate and promote the local positioning of insurance distribution.

Furthermore, in the desire to improve relations between intermediaries and the Company, surveys are conducted to measure the degree of satisfaction of the sales network that distributes MAPFRE products, as can be seen in the following table:

DEGREE OF SATISFACTION		
TERRITORIAL AREA	COUNTRY	PERCENTAGE
IBERIA	SPAIN	65
	PORTUGAL	80
	BRAZIL	77
LATAM	PANAMA	52
	PERU	90
	COSTA RICA	85
INTERNATIONAL	NICARAGUA	75
	MALTA	90
	PUERTO RICO	74
	TURKEY	77

Selection and training

In Spain and certain countries in Latin America where the implementation of the sales distribution model with intermediaries and proprietary networks is more advanced, these professionals demonstrate a high degree of engagement with the Company and there is a low turnover ratio in this area.

This engagement contributes to the Group's flexibility, which enables intermediaries to present a comprehensive and personalized offering which is adapted to the specific needs of each client. MAPFRE's commitment to its intermediaries is also reflected in the multiple training and service initiatives implemented to promote their business and professional development. The intermediaries also evaluate MAPFRE's solvency and reputation very positively, which reinforces their own client management.

MAPFRE also promotes environmental awareness among its intermediaries, driving environmentally-friendly practices that also lead to savings in paper and energy consumption. Different countries have developed initiatives to involve intermediaries in best practices in the fields of social and environmental responsibility. Initiatives have already been implemented in Spain and Portugal, for example, to advise the sales network on waste management and energy savings,

which facilitates the implementation of policies that address these two issues.

To assess professional skills and competencies —and other aspects such as commercial efficiency or sales attitudes—, the selection of new intermediaries involves a number of commercial checks and tests.

Professionals from the human resources and sales areas are involved in these processes, working together to select skilled, high-potential and ethical professionals. In some countries an official qualification is required to practice as an insurance intermediary, and this certificate is one of the requirements requested by the company during the selection process.

One aspect in which MAPFRE stands out in its relations with intermediaries is the importance given to training, which continuously promotes the professional development of collaborators through initiatives adapted to the needs of each intermediary that have a particular focus on training in new products, customer loyalty, initial training, recycling and centralized information. Similarly, in some cases a dedicated training program for supplementary channel offices is implemented, which is adapted to specific needs.

The training programs also include corporate information designed to transmit the Company's policy, culture, strategy and values; technical training designed to increase awareness of the processes in the Group's different areas; information on new legislation affecting insurance; and commercial training aimed at providing knowledge on products, tools, skills and sales techniques.

In some countries, intermediaries complete courses in different areas of the company as part of their training.

In 2016, more than 1.6 million hours of training were delivered to brokers, mainly sales and technical training, among other subjects.

Throughout 2016, training has been provided as follows:

INTERMEDIARIES	TYPE	HOURS
SALES	Multimedia	739,619
	On-site	452,031
CROSS-DISCIPLINARY	Multimedia	46,314
	On-site	91,705
TECHNICAL	Multimedia	96,869
	On-site	252,693
Overall total		1,679,230

Distribution agreements

There are supplementary distribution channels that arise from agreements with financial institutions, repair shops, car dealerships and shopping malls, etc. Agreements also exist with service companies and associations that distribute MAPFRE products to their clients and partners (companies or individuals).

Support formulas

In some countries, specific areas have been created to provide support and monitoring of the sales networks of collaborating entities for constant improvement and adaptation of products, the development of training programs and the adaptation of marketing and management platforms, as well as sales campaigns and incentives aimed at these collaborators.

As of the end of 2016, the Group had 2,800 distribution agreements (158 of these are with financial institutions) that complement the sales activities of its network.

The following table shows the main MAPFRE distribution agreements:

DISTRIBUTION AGREEMENTS	
TYPE	NUMBER
Commercial centers	34
Car dealerships	1,503
Service companies	75
Banks and financial institutions	158
Other	1,030
TOTAL	2,800

MAPFRE distributed its products through 9,028 bancassurance offices (of which 3,181 are located in Spain, 5,653 in Brazil and 194 in the Dominican Republic).

Digital Business

MAPFRE decided to join the digital movement several years ago and launched various initiatives such as MAPFRE Internet, the Network within the Network platform and Verti (Spain) as well as acquiring InsureandGo and Direct Line (Italy and Germany).

To date, the MAPFRE Group has implemented Digital Business in 22 countries, operating under different brands:

MAPFRE DIGITAL	VERTI	INSURE&GO	OTHER
NORTH AMERICA	NORTH AMERICA	EMEA	BRAZIL
United States	United States	United Kingdom	BB Insurance
Puerto Rico	IBERIA	Ireland	APAC
LATAM NORTH	Spain	APAC	Indonesia ABDA
Mexico	EMEA	Australia	
Dominican Republic	Italia		
Panama	Alemania		
LATAM SOUTH	APAC		
Colombia			
Peru			
Chile			
Argentina			
BRAZIL			
Brazil			
IBERIA			
Spain			
Portugal			
EMEA			
Malta			
Turkey			
APAC			
Philippines			



4.5. MAPFRE and its providers

[G4-12]

This chapter responds specifically to issues identified as relevant in the corporate materiality study conducted in 2016.

Providers should comply with quality principles in the services and products that they offer, show integrity in their business practices, and strictly fulfill all regulations governing their activities.

For its part, MAPFRE assures transparency, equal treatment and the use of objective selection criteria, in accordance with the terms established in the Code of Ethics and Conduct, as well as Corporate Procurement Regulations.

These purchasing regulations establish the compulsory criteria and principles that must be observed in every procurement undertaken on behalf of MAPFRE; the management of relations with the Group's providers, of both operational and support services; and the guarantee of ethical conduct and social responsibility of the entire supply chain for every company in the Group in any part of the world.

4.5.1. Types of providers

[G4-EC9]

There are two categories of providers:

- Service providers: those who provide services derived from insurance contracts, or services offered to clients by insurance companies in the Group or their subsidiaries.
- Support providers: those that do not provide services to insureds, but to the company for its operational activities. These include technology providers, travel agencies, consulting firms, audit firms, property management companies, marketing and advertising, printing services, etc.

^ (b)

In 2016 relations were maintained with 225,461 providers and the total amount invoiced to the Group's insurance business companies amounted to more than 3,946 million euros. This is outlined in detail in the table below:

	IBERIA		LATAM		INTERNATIONAL	
	NUMBER OF PROVIDERS	COST	NUMBER OF PROVIDERS	COST	NUMBER OF PROVIDERS	COST
ESPECIFIC (services)	73,368	1,408.7	55,423	650.3	77,295	615.8
GENERAL (support)	3,885	715.6	8,898	339.2	6,592	217.1

Cost (in millions of euros)

4.5.2. Provider relations and support systems

The relationship with providers is conducted via online platforms, specific portals, contact centers (in-house or outsourced), social networks, newsletters and work groups. Those responsible for specific providers in each business area and for technological goods and services manage the relationships with them.

In this area, the development of the Corporate Procurement Platform in Spain —a single website that can be accessed by all operational support providers to obtain approval, receive invitations, certifications, orders and send invoices— can be highlighted.

Innovations have also been introduced in other countries, such as the automation of job allocations to tow truck and property lines providers, and the implementation of an app to communicate with property lines providers (Spain), as well as the introduction of online platforms for the management and monitoring of providers (in Colombia, Chile and Paraguay).

MAPFRE strives to convert its providers into genuine brand ambassadors through the relationships they build with clients and their service capacity.

To this end, the MAPFRE Service Providers initiative can also be highlighted, which aims to achieve differentiation through service provision, as well as to take advantage of best practices in different markets to become more competitive, establishing a global service provider management and relations model.

Said model, generated through the creation of shared value, aims to ensure service provision of the highest quality which exceeds our clients' expectations and is sustained by three key pillars: a two-way commitment, the categorization of providers and a communal contribution model through which MAPFRE increases its commitment to the provider in the extent to which it demonstrates its commitment to providing an excellent service.

In 2015, the model's implementation was initiated, beginning in the LATAM North regional area (Mexico). During 2016, the deployment continued in several countries in which MAPFRE operates, implementing the model in the EMEA and LATAM South regional areas, as well as Brazil and the USA. During 2017, the planned implementation will continue, with a specific focus on the development, evolution and measurement of results in all countries in which the model has been launched.

4.5.3. Provider selection criteria and relations

[G4-EN32; LA14, LA15]

Providers must perform their activities with a strong commitment to integrity and professional ethics, avoiding conflicts of interest, extortion, bribery or any other form of corruption, as well as any other practice which involves unfair competition or violates human rights (mainly occupational and health and safety rights) or respect for the environment, both in their activities and while performing the service that they provide. For this reason, social, environmental and brand protection clauses are applied. Furthermore, providers must be up to date with their tax obligations and liabilities. The selection and hiring of providers in MAPFRE is conducted lawfully through appropriate technical, professional and financial criteria, always aiming to meet the Group's needs and interests.

The factors that are taken into account when contracting providers in MAPFRE can be found in the Corporate Procurement Regulations. Of these factors, the following may be highlighted: the importance of the provider to the company; its negotiating capacity; its business volume with the Group, which may not exceed 50 percent of the provider's total revenue (it is recommended that revenue with MAPFRE should not exceed 25 percent of provider's total invoicing); no employee may receive or offer commissions or rewards; and all phases in the purchasing process should be undertaken with the utmost objectivity, impartiality and equal opportunities.

These regulations also include the phases which should be followed during the contracting process:

- Needs analysis.
- Approval for each provider type.
- Analysis of the skills provided by the different providers and their geographic coverage.
- Proof of flexibility in the face of change.
- Negotiation process, establishing the market prices/rates to be applied.
- Periodic review of contracts and tenders, according to the situation and market conditions.
- Review of the quality of the goods or services, and analysis of added value through the implementation of measurable management models.
- Verification of compliance with contractual terms.
- Payment process.

MAPFRE promotes best environmental practices and the objectives contained in the Group's environmental policy in the provision of services.

Similarly, it encourages good environmental performance among its providers through clauses in all tender documents and service contracts conducted in its facilities.

Service providers are subject to a permanent evaluation process that guarantees the continuity of their authorizations and service capacity, and compliance with said measures is audited by MAPFRE's General Internal Audit Department.

4.5.4. Approval of providers

[G4-EN32, EN33; LA14; HR4, HR10; SO9]

Since the Corporate Procurement Regulations came into force, all companies that wish to provide goods or services to MAPFRE must be approved, as this guarantees that they have the sufficient technical, financial and quality capacity to fulfill the commitments which they assume. The evaluation of providers places particular emphasis on the soundness and reliability of each company, both from the financial and solvency, and technical, viewpoint.

Among the requirements for this approval, the following can be highlighted:

- Performance in the market that is compatible with the Group's ethical principles, carrying out all of their activities within the current legal framework and, specifically, in accordance with the legislation that regulates their activities.
- Being up to date with employment, occupational risk prevention and tax obligations.
- Being aware of the Company's progress on corporate social responsibility matters, especially in relation to occupational health and safety, equality and work-life balance, as well as the rejection of practices involving corruption, extortion and bribery.

MAPFRE may refuse approval to a provider if they fail to sign or breach any of the following clauses: data protection, processing of provider data, letter of environmental and energy commitments, provider equality clause, declaration of any relationships that contractors, shareholders or individuals related to the provider may have with people associated with MAPFRE.

4.5.5. Provider loyalty and evaluation of service quality

[G4-HR5, HR6, HR11]

Specific provider loyalty programs have been developed in several countries, which usually offer benefits such as discounts on insurance, travel or vehicles.

For example, in Puerto Rico the Brand Ambassador Program is being developed, which encourages the promotion of the MAPFRE brand, and in Brazil cultural activities are carried out aimed at the main providers.

Quality is a key premise for MAPFRE and, for that reason, it continuously evaluates the services provided by its providers through different measures:

- Visits to the provider's facilities or surveys among clients.
- Information from different channels such as incidents detected by operators, provider visits, meetings or conventions, purchasing committees, client communications and specific internal audits.
- Quality evaluations with variable criteria based on the activities they perform. Generally, service levels are assessed

in terms of the degree of fulfillment, the period in which the service has been carried out and price competitiveness.

Similarly, within the framework of relationships with the providers of technology goods and services, several controls are also implemented through internal surveys and review meetings.

In this regard, the satisfaction demonstrated by providers in the different studies conducted in countries such as Chile (80 percent), Puerto Rico (89 percent), Panama (68 percent) and Spain (97 percent) should be highlighted.

4.5.6. Training

MAPFRE believes that by offering training to its providers it strengthens their commitment to the company, and that this is also the most effective way to improve the service provided to its clients. This is the best formula to integrate providers in the Company's value chain, and to transmit the importance of the service that they provide to them, which contributes to a higher level of customer loyalty. For this reason, providers receive general information about the company's culture, and the meaning and implications of quality for MAPFRE.

Furthermore, together with technical training, they also have access to MAPFRE's institutional and business principles, as well as the Group's Social Responsibility Policy which actively promotes commitment to human rights.

Systems, materials, training dossiers, tools, and online and on-site courses are provided to facilitate their tasks and provide knowledge on regulatory changes, technological developments and other relevant topics.

Several training activities for providers were conducted in 2016, among which the following stand out:

- Portugal: Training on the new safety plan.
- Colombia: Training on the new strategy for providers as brand ambassadors.
- Nicaragua and Guatemala: Training on the characteristics of the policy and procedures for medical attention and reimbursements of medical expenses for medical service providers.
- Puerto Rico: An annual talk is conducted on the environmental policy, in particular providing information on environmental emergencies, solid waste programs and waste management in MAPFRE facilities.

- Brazil: the fourth edition of the annual Risk Inspection Workshop was held.

- Spain: The first service provider convention was held, in which the principles and values which drive MAPFRE's commitment to its providers were addressed, as well as the Group's Sustainability Plan. In total, more than 12,000 hours of training have been provided to providers in Spain on the coverage of policies, service management tools and customer service.

- Training was also conducted in Peru, Paraguay, Chile, Mexico, Panama and the Dominican Republic.

4.6. MAPFRE and society

For MAPFRE, the corporate concept of social value is the sum of the value generated by its commercial activity and those non-profit activities which the company supports and develops, mainly through Fundación MAPFRE, which impact on the development of the countries in which the company is present.

Financial contribution to society

Insurance activities generate direct economic value through the constant flow of transactions (premium payments, benefit payments, investment management, etc.), which have an effect on different aspects related to the economic and social development of the places in which the company operates. Of the consolidated revenue of 27,092.1 million euros in 2016 (compared to 26,702.2 million euros in 2015), MAPFRE has made financial contributions to society in the following ways:

THROUGH CONDUCTING ITS ACTIVITIES	
ITEM	2016
Claims paid ⁽¹⁾	15,500.4
Payments to providers ⁽²⁾	7,264.4
Wages and salaries, and others ⁽³⁾	1,548.5
Subtotal insurance activities	24,313.3
Dividends ⁽⁴⁾	786.7
Subtotal shareholders	786.7
Net corporate tax payments	471.5
Social Security	235.4
Subtotal public administrations	706.9
Interest paid	53.3
Other related expenses	44.1
Subtotal financing	97.4
Total	25,904.3

Figures in millions of euros

(1) Claims paid and expenses related to direct insurance and reinsurance premiums.

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

(3) Wages and salaries accounted for 1,211.8 million euros in 2016 (1,191.5 million euros in 2015).

(4) Dividend payments made in the year.

AS AN INSTITUTIONAL INVESTOR	
ITEM	2016
Funds under management (third party) ⁽⁵⁾	38,488.3
Total investments	45,088.0
Financial investments	42,541.0
Fixed income	38,399.8
- Issued by governments	28,390.2
- Other fixed-income securities	10,009.6
Other financial investments	4,141.2
Real estate investments ⁽⁶⁾	1,274.8
Other investments	1,272.2

(5) Technical provisions for Life, pension funds, mutual funds and managed portfolios.

(6) Excluding property for own use.

KEY INDICATORS OF MAPFRE'S SOCIAL CONTRIBUTION

DIRECT/INDIRECT EMPLOYMENT

- **37,020** direct employees, **96.5** percent of which have permanent contracts.
- Over **84,000** agents, delegates and brokers work with MAPFRE.
- More than **225,000** providers with which MAPFRE maintains a commercial or service relationship.

TRAINING AND INTERNSHIPS

- **18.4** million euros invested (1.2 percent of remunerations paid in 2016).
- More than **390** agreements with educational institutions and universities for conducting internships with the company.
- In 2016, more than **1,100** interns from 33 countries completed internships with the Group.

GENDER DIVERSITY

- **38.6** percent of employees in management/head of department positions are women.
- **54** women occupy senior management positions or positions on the Board of Directors.
- The MAPFRE S.A. Board of Directors includes four women, accounting for **27** percent of members.

CULTURAL DIVERSITY

- **78** nationalities work together at the Group.
- The corporate areas have employees of **34** nationalities.
- **78.2** percent of senior management and executives who work in the Group's companies are hired locally.
- The company promotes international mobility. In 2016, a total of **105** employees transferred to a job position in another country.

GENERATIONAL DIVERSITY

- Generation Z: **1,740** employees.
- Generation Y: **10,213** employees.
- Generation X: **15,503** employees.
- Baby Boomers: **9,083** employees.
- Veterans: **481** employees.
- Global Trainees Program to promote young talent, incorporating **22** young people of four nationalities (from Spain, China, Romania and Turkey).

HEALTHY AND SAFE COMPANY

- **81.4** percent of the workforce is represented in joint management-employee health and safety committees, which have been established to help monitor and advise on this subject.
- **156** health campaigns conducted during 2016.
- **24-hour** blood donation campaign.

WORK-LIFE BALANCE MEASURES

- More than **30,000** employees benefit from some type of work-life balance measure, including flexible working hours, part-time positions, reduced working hours, teleworking, paid and unpaid leave of absence, leave of absence for personal reasons or study, and employee integration program following long periods of leave of absence.

VOLUNTEERING

- More than **5,700** MAPFRE employees participate as volunteers in Fundación MAPFRE's volunteering program.
- More than **1,000** activities conducted in support, environmental, and other programs.
- More than **666,200** beneficiaries.

INNOVATION

- More than **100** innovation projects in the Company.
- Participation in investment vehicles such as Alma Mundi
- Startup Observatory: monitoring of the Insurtech/Fintech ecosystem to establish relationships with the most relevant companies in this area.
- Exploration of new models of startups participating in accelerator processes
- **32** insurance products and services launched on the market in 2016.

CLIMATE CHANGE

- Eco-efficiency in buildings: The "Cool Biz" awareness campaign conducted during the summers of 2015 and 2016 is estimated, in a period of just 4 months, to have saved close to **700,000 kWh** and **100,000** euros compared to 2014, prior to the implementation of the measure.
- Purchasing of green energy: 100 percent of the electrical energy purchased by the Group in Spain was of guaranteed renewable origin, which implies a reduction of **8,822 MT** of CO₂e and close to **65,000,000 kWh**.

EFFICIENT RESOURCE MANAGEMENT

- Energy: The efficient management of climatization systems (time and temperature adjustments) in the company's head offices in Spain, Puerto Rico, Peru, the United States and Portugal is forecast to amount to an estimated **208** MT of CO₂e in reduced emissions.
- Paper and toner: In 2016, **68** percent of paper used was labeled certifying that it was from sustainably managed FSC forests and carbon-neutral paper.



United Nations Sustainable Development Goals 2030 and Human Rights

The United Nations 2030 Agenda for Sustainable Development establishes an action plan to address key social, environmental and governance challenges. Its 17 objectives focus on people, planet, sustainable economic development and strengthening institutions, among other areas.

MAPFRE aims to contribute to the 2030 Agenda as part of its commitment to sustainable development. To do this, it has included a specific line of action in the Group's 2016-2018 Sustainability Plan, and has proposed two principal objectives: (1) to establish MAPFRE's positioning with Sustainable Development Goals (SDGs) and (2) to measure its contribution to these goals.

In 2016, a first level of analysis and identification of the Sustainable Development Goals (SDGs) has been conducted, taking the 15 lines of action of the Group's Sustainability Plan as a benchmark, which has enabled each of the SDGs and their targets to be examined in detail.

In 2017, the process will be completed, which will enable the Group to position itself in those SDGs in which it can make a greater contribution, and establish specific goals and targets.

At the same time, MAPFRE is conducting a self-evaluation in the area of human rights, following the UN Guiding Principles on Business and Human Rights. To do this, it is using the Implementation Guide produced by the Global Compact Network Spain, which employs an interactive online methodology.

The first self-evaluation has already been conducted at MAPFRE BRAZIL, and the process has also been initiated in Colombia and Mexico.

The guide's methodology offers comprehensive training on the Guiding Principles on Business and Human Rights that has been completed by the professionals who are responsible for conducting the self-evaluation. The guide enables the main risks and impacts to be identified, and a plan of action to be established.

The self-evaluation process forms part of the same line of action that MAPFRE has established in its Sustainability Plan to contribute to the 2030 Agenda.

MAPFRE is committed to human rights, not only through the inclusion of a specific section on human rights in its CSR Policy, but also because it annually renews its public commitment to the Global Compact principles through Communication on Progress reports.

Furthermore, it has introduced prevention and monitoring mechanisms for issues related to human rights, which are discussed in the Ethics and Social Responsibility section.

Awards and distinctions

Part of the company's contribution to society has been recognized through awards and distinctions that MAPFRE received in 2016. A list of the main acknowledgments is provided below:

MAPFRE GROUP

- MAPFRE was recognized as an "Advanced Level" company in Social Responsibility matters for the fifth consecutive year by the UN Global Compact.
- MAPFRE is a leading company in action against climate change, and for a second consecutive year was included in CDP-Driving Sustainable Economies' Climate A- List.

IBERIA TERRITORIAL AREA

- Antonio Huertas was recognized as one of the best CEOs in Spain in 2016 by Forbes magazine.
- MAPFRE was recognized as one of the Best Workplaces in Spain by the Great Place to Work Institute.
- MAPFRE was positioned as the company with the ninth best reputation in Spain and first in the Spanish insurance industry according to Merco (Corporate Reputation Business Monitor).

- MAPFRE was named the best insurance company to work for in Spain and 11th in the world, according to the Merco Talent 2016 ranking.
- MAPFRE was placed 15th in the Informe Reporta Spain ranking, which identifies the companies with the best public information.
- The Digital Dispatch application received an award as one of the “Best 50 Digital Ideas” by Spanish business publication Expansión.
- MAPFRE and VERTI received distinctions in the VII Platinum Contact Center Awards.
- MAPFRE ESPAÑA, MAPFRE Vida and VERTI were awarded several prizes in the fight against fraud competition organized by the Association of Cooperative Research by Insurance Entities and Pension Funds (ICEA).
- MAPFRE ESPAÑA was named as the most “generous” insurance company by Instituto Affinión de la Generosidad de Marca.

LATAM TERRITORIAL AREA

- MAPFRE was named one of the Best Workplaces in Brazil, the Caribbean, Central America, the Dominican Republic, El Salvador, Guatemala, Honduras, Latin America, Mexico, Nicaragua, Panama and Peru.
- MAPFRE was acknowledged among the 100 companies with the best reputation in Latin America, Argentina, Ecuador and Peru, according to Merco (Corporate Reputation Business Monitor).
- MAPFRE ARGENTINA was placed eighth in the “Prestige” awards by Grupo Sol.
- MAPFRE BRAZIL was named as the most sustainable insurance company in the country, according to the sustainability guide by local publication EXAME.
- BB E MAPFRE received a “Top Employer” award.
- MAPFRE BRAZIL was recognized as the country’s most innovative company in the “Insurers and Health Plans” category by the annual publication “Valor Inovação Brasil 2016”.
- MAPFRE CHILE was awarded second place in a national competition on the fight against fraud, and acknowledged within the category of companies with uninterrupted participation in the initiative.

- CESVI COLOMBIA received the CAR environmental award for sustainable companies.
- MAPFRE MEXICO received a Best Customer Experience award from Grupo IZO for its customer service experience.
- MAPFRE MEXICO was recognized in the Ideal Insurer 2016 awards by magazine Yo Agente.
- MAPFRE MEXICO was named as one of the 50 most innovative companies in 2016 by the magazine Innovation Week.
- MAPFRE PARAGUAY was placed eighth in the Brand Reputation Prestige awards by the newspaper 5 Días.
- MAPFRE PERU received a DIGI award for the “Best mobile platform” 2016 from Interactive Advertising Bureau.
- MAPFRE BHD was named as one of the best companies to work for, according to the magazine Mercado.

INTERNATIONAL TERRITORIAL AREA

- MAPFRE Insurance was named as the best insurance company to work for in the Central Massachusetts Awards.
- MAPFRE ASISTENCIA received an award in Hungary as the insurance company with the best customer service in the year.
- MAPFRE PUERTO RICO was acknowledged for the comprehensive training which it provides to young Puerto Ricans by Instituto Modelo de Enseñanza Individualizada (IME).
- MAPFRE PUERTO RICO received an award for Excellence in Corporate Social Responsibility Practices from the Spanish Chamber of Commerce in Puerto Rico.
- InsureandGo UK received an award for its radio advertising from The Travel Marketing Awards.
- InsureandGo UK was named the best travel insurer in the Personal Finance Awards.

MAIN ASSOCIATIONS

[G4-15, 16]



IBERIA TERRITORIAL AREA

Spain

- Association of Cooperative Research by Insurance Entities and Pension Funds (ICEA)
- Spanish Union of Insurance and Reinsurance Entities (UNESPA)
- Association of Collective Investment Institutions and Pension Funds (INVERCO)
- Spanish Institute of Internal Auditors
- Spanish Risk Management Association (AGERS)
- Association for Client Experience Development (DEC)
- Spanish Association of Direct Marketing and Academy of Television Sciences and Arts

Institutional Associations

- International Association of Hail Insurers (AIAG)
- Latin American Association of Maritime Insurance Underwriters (ALSUM)
- Latin American Association of Agricultural Insurance (ALASA)
- Panamerican Surety Association (APF PASA)
- Corporate Excellence
- CRO Forum - The Geneva Association
- European Financial Services Roundtable
- Global Reinsurance Forum (GRF)
- United Nations Environment Programme Finance Initiative (UNEPFI)
- International Association of Engineering Insurers (IMIA)
- International Union of Aerospace Insurers (IUAI)
- International Union of Marine Insurance (IUMI)
- Multinational Insurance Compliance Officer Roundtable (MICOR)
- World Tourism Organization (UNWTO)
- Pan-European Insurance Forum
- The Global Compact Network Spain
- Spanish Division of the International Insurance Law Association (AIDA)
- The European Insurance CFO Forum

Portugal

- Portuguese Association of Insurance Companies
- Hispanic-Portuguese Chamber of Commerce and Industry

LATAM TERRITORIAL AREA

<p>Argentina</p>	<ul style="list-style-type: none"> – Argentine Association of Insurance Advisors (AAPAS) – Argentine Association of Insurance Companies (AACS) – Spanish Chamber of Commerce in the Argentine Republic (CECRA)
<p>Brazil</p>	<ul style="list-style-type: none"> – Brazilian Association of Business Communication (ABERJE) – Brazilian Media Association (ABA) – Brazilian Association of Consortium Administrators (ABAC) – International Insurance Law Association (AIDA) – Spanish Chamber of Commerce in Brazil – National Confederation of General Insurance, Private Pension and Life, Supplementary Health and Capitalization Companies (CNseg) – Brazilian Business Council for Sustainable Development (CEBDs) – Federation of Private Pension and Life Companies (FENAPREVI) – National Federation of General Insurance (FENSEG) – United Nations Environment Programme Finance Initiative (UNEP FI) – Panamerican Surety Association (PASA)
<p>Chile</p>	<ul style="list-style-type: none"> – Chilean Association of Insurance Companies (AACH) – Spanish Chamber of Commerce in Chile (CAMACOES)
<p>Colombia</p>	<ul style="list-style-type: none"> – Colombian Association of Insurance Law (ACOLDESE) – Bogotá Chamber of Commerce (CCB) – Colombian Road Safety and Experimentation Center (CESVICOLOMBIA) – Colombian Safety Board (CCC) – Colombian Federation of Insurance Companies (FASECOLDA) – Foundation of Colombian Insurers (FUNDASEG) – National Institute of Insurance (INS) – Life Insurance Marketing Research Association (LIMRA) – Life Office Management Association (LOMA)
<p>El Salvador</p>	<ul style="list-style-type: none"> – Salvadoran Association of Insurance Companies (ASES)
<p>Guatemala</p>	<ul style="list-style-type: none"> – Guatemalan Association of Insurance Institutions (AGIS) – Spanish Chamber of Commerce in Guatemala
<p>Honduras</p>	<ul style="list-style-type: none"> – Honduran Chamber of Insurers – Honduran Chamber of Commerce and Industry – Honduran Foundation for Corporate Social Responsibility



Mexico	<ul style="list-style-type: none"> – Mexican Insurance Institution Association (AMIS) – Latin American Association of Agricultural Insurance (ALASA) – National Insurance and Surety Commission (CNSF)
Nicaragua	<ul style="list-style-type: none"> – Nicaraguan Association of Private Insurers (ANAPRI)
Panama	<ul style="list-style-type: none"> – Panamanian Association of Insurers (APADEA) – Panamanian Chamber of Insurance Brokerage Firms (CAPECOSE) – Superintendence of Insurance
Paraguay	<ul style="list-style-type: none"> – Paraguayan Association of Insurance Companies (APCS) – Chamber of Advertisers of Paraguay (CAP) – Spanish Chamber of Commerce in Paraguay – Paraguayan Quality Association
Peru	<ul style="list-style-type: none"> – Peruvian Association of Insurance Companies (APESEG) – Peruvian Association of Healthcare Providers (APEPS)
Puerto Rico	<ul style="list-style-type: none"> – Puerto Rico Association of Insurance Companies (ACODESE) – Puerto Rico Association of Sales and Marketing Executives – Spanish Chamber of Commerce in Puerto Rico – Association for Human Resources Management – The Surety & Fidelity Association of America – Postal Customer Council (U.S. Postal Service)
Dominican Republic	<ul style="list-style-type: none"> – Dominican Association of Insurance Brokers (ADOCOSE) – Dominican Association of Foreign Investment Companies (ASIEX) – Dominican Chamber of Insurers and Reinsurers (CADOAR) – National Council of Private Enterprise (CONEP)
Uruguay	<ul style="list-style-type: none"> – Uruguayan Association of Insurance Companies (AUDEA)
Venezuela	<ul style="list-style-type: none"> – Venezuelan Chamber of Insurance Companies – Spanish Chamber of Commerce in Venezuela (CAVESPA) – Chamber of Commerce



INTERNATIONAL TERRITORIAL AREA

Germany

- German Insurance Association (GDV)

Belgium

- Professional Union of Insurance Companies (ASSURALIA)
- French Association of Reinsurance Professionals (APREF)
- Spanish Chamber of Commerce in Belgium
- National Federation of Reinsurance Companies (FENABER)

USA

- American Marketing Association
- Insurance Marketing Communications Association
- Insurers Public Relations Council
- International Association of Business Communicators
- Western Region: Independent Insurance Agents & Brokers of California, Independent Broker Network, BIG Independent Group, American Agents Alliance, Insurance Brokers Association, East Bay Independent Agents Association
- Northeast Region: Massachusetts Association of Insurance Agents (MAIA), Independent Insurance Agents of Rhode Island (IIARI), Professional Insurance Agents of NH (PIANH), Independent Insurance Agents of NH (IIANH) and Maine Independent Insurance Agents (MIAA)
- Central Region: Ohio Ins Institute, Ind Ins Agents & Brokers for the states of Oregon/Washington/Idaho, Ind Insurance Agents of Kentucky, Ohio Insurance Agents, Ins Brokers of Northern Ohio, Prof Ins Agents of Tennessee, Professional Ins Agents OR/ID Western Alliance, Professional Ins Agents WA K-Klub, Cincinnati Insurance Board, Power of More Chamber-Westlake, Grove City Chamber of Commerce, Dublin Chamber of Commerce, Powell Chamber of Commerce, Upper Arlington Chamber of Commerce, Stow Chamber of Commerce, Business Networking International, Cincinnati Insurance Board
- Atlantic Region: NJ Professional Insurance Agents (NJ PIA), Independent Agents and Brokers of NJ (IIAB), Independent Insurance Agents of Connecticut (IIAC), Professional Insurance Agents of Connecticut (PIACT), Insurance Council of New Jersey (ICNJ), Pennsylvania Insurance Agents & Brokers (PA Chapter), Philadelphia Insurance Society, (local). Pittsburgh Insurance Club (local)

Global risks:

- Crop Insurance and Reinsurance Bureau (CIRB)

Philippines	<ul style="list-style-type: none"> - Philippine Insurers and Reinsurers Association (PIRA)
Turkey	<ul style="list-style-type: none"> - Association of the Insurance, Reinsurance and Pension Companies of Turkey (TSB) - International Investors Association of Turkey (YASED) - HR Association (PERYON) - Training and Development Platform of Turkey (TEGEP)



05

MAPFRE's Environmental Dimension

Integration of the environment within the business

- Integration of environmental criteria in risk-analysis processes and decision-making related to investment, as well as the supply chain, property management and others that could have environmental, energy or climate-related impacts.
- Development of products and services that contribute to the improvement. environmental risk management, sustainable consumption of energy and the reduction greenhouse gas emissions.



$$\{coherence\} + \frac{\text{Economic Reality}}{\text{Social Reality}}$$

5.1. MAPFRE's commitment to the environment and sustainability

[G4-FS1, FS3]

MAPFRE's commitment to the environment and sustainability is supported by the Group's Environmental Policy, which was initially focused on prevention of pollution and care of the environment and has undergone several revisions to incorporate the assumption of new commitments appropriate to the surroundings and internal requirements and the requirements of interested groups:

- energy management criteria
- climate change management
- preservation of bio-diversity

The Corporate Environmental Policy, endorsed by the Board of Directors of MAPFRE, the Group's highest executive body, establishes the following pillars for action:

Environmental management

- Compliance with current legislation and other commitments voluntarily undertaken, and adoption of measures to make continued improvements through the Integrated Environmental, Energy and Carbon Footprint Management System.
- Rational use of resources so as to minimize carbon footprint, controlling same, minimizing water, paper and energy consumption, reducing waste generation and recycling

same where possible, which is achieved through environment, energy and eco-friendly best practices, as well as the promotion of renewable energy offsetting greenhouse gas emissions.

Promotion of societal environmental responsibility

- Making available to employees resources that assist in reaching MAPFRE's environmental objectives, energy efficiency and adaptive and compensatory processes related to climate change, thereby contributing to sustainable development.
- Development of actions aimed at enhancing societal awareness of environmental, energy and climate change aspects through educational, awareness and dissemination activities as well as the integration of these elements in our value chain.

– Contributing to the research, development and implementation of scientific and technological knowledge that aims to preserve the environment and biodiversity, energy resources and the response to climate change, as well as participating in national and international congresses and forums that promote and support initiatives in this field.



The commitments assumed in the Policy are reinforced by the adhesion of MAPFRE to international and local initiatives to promote sustainable development and by the Corporate Strategic Plan for Energy Efficiency and Climate Change up to 2020, which establishes a 20 per cent reduction in the tonnage of CO₂e compared to the Group's carbon footprint in 2013 (a reduction of 14,710,519 kWh and 9,924 tonnes of CO₂e compared to 2013).

Furthermore, a specific line of work relating to protection and preservation of the Environment, combating Climate Change and managing our environmental footprint has been included in the MAPFRE Group Sustainability Plan for 2016-2018.

5.2. Integrated environmental, energy and carbon footprint management system: SIGMAYE

[G4-34; FS4, FS9]

MAPFRE develops its environmental initiatives in accordance with the guidelines defined in the Integrated Environmental, Energy and Carbon Footprint Management System (SIGMAYE), designed in compliance with the ISO 14001, ISO 50001 and ISO 14064 international standards and which constitutes the common framework for managing all aspects associated with environmental sustainability, including energy and greenhouse gas emissions (GHG).

The establishment of objectives at corporate level, as well as specific objectives at the local level, enables us to measure our environmental performance in operational processes, as well as ensuring compliance with the legislation applicable in this field, providing minimum compliance procedures in countries where legislation is less developed.

Furthermore, the degree of implementation of the SIGMAYE and its development imply a guarantee for success in the various fields (environmental, energy and GHG emissions), since the transversal design and global nature of its processes enable the identification of best practices and their implementation at corporate level, ensuring ongoing improvement in our initiatives.

In addition, the establishment of regular control and evaluation processes enables verification of compliance with the defined programs together with the maintenance and control of installations liable to generate a significant impact, pursuing optimum performance beyond the compliance established in the regulations.

The following table shows the environmental audits conducted in the past three years:

ENVIRONMENTAL AUDITS OF ASSETS	GRI INDICATOR		2016	2015	2014
Environmental diagnostics and monitoring	FS9	Units	84	11	18
Internal environmental audits	FS9	Units	47	41	33
Environmental certification audits	FS9	Units	19	26	22
Percentage of assets subject to environmental controls	FS9	Percentage	28.61	25.04	21.58

With regard to fines of an environmental nature, there is no record of having received any significant fine in 2016.

ENVIRONMENTAL COSTS ASSOCIATED WITH MANAGEMENT

In order to achieve the objectives and targets that an integrated environmental management system entails, MAPFRE not only mobilizes financial resources, but also internal resources like participation from certain areas that are necessary to reach the objectives. Regarding financial costs are concerned, the main amounts designated as environmental costs are the following:

- Environmental management, which includes consulting and advisory services in environmental management, energy efficiency and carbon footprint, as well as monitoring, audits and external verifications for certification by the Integrated Management System (SIGMAYE).
- Waste management.
- Salary and operating costs for personnel working exclusively in environmental management.
- Participation in campaigns, forums and institutions.

ENVIRONMENTAL COSTS	GRI		2016	2015	2014
Environmental management	EN31	Thousands of euros	244.25	128.60	47.07
Waste management	EN31	Thousands of euros	491.72	469.12	375.32
Staff and incentives	EN31	Thousands of euros	854.90	508.90	471.09
Institutional Associations	EN31	Thousands of euros	63.61	99.57	15.84
Other	EN31	Thousands of euros	2.98	46.94	76.34

EMPLOYEES WORKING IN CERTIFIED BUILDINGS

More than 61.58 per cent of the company's volume of premiums is managed in buildings that conform to the commitments regarding environmental protection, promotion of energy efficiency and climate change management assumed by MAPFRE in its environmental policy.

The following table shows the development of the various aspects of the SIGMAYE system over the past three years:

	2016	2015	2014
Employees under environmental management certification (ISO 14001)	10,620	9,644	8,019
Employees under energy management certification (ISO 50001)	4,235	4,305	3,336
Employees under carbon footprint verification (ISO 14064)	12,720	11,089	0

5.2.1. International Environmental Expansion Plan

SIGMAYE implementation was initially aimed at MAPFRE's representative buildings located in Spain, where activities are of an administrative nature and where both a high business volume and the highest percentage of the Group's capacity in matters of the environment were concentrated. Purely environmental aspects were considered at this first stage, with energy management being included in the management system at a later date.

Currently, 34 buildings and three body shops are certified under the ISO 14001 standard in the MAPFRE Group. The following graphic shows the countries that have been certified since 2010 in accordance with the International Expansion Plan:

2013	<ul style="list-style-type: none"> – PUERTO RICO – COLOMBIA
2014	<ul style="list-style-type: none"> – BRAZIL – MEXICO
2015	<ul style="list-style-type: none"> – PARAGUAY – PORTUGAL
2016	<ul style="list-style-type: none"> – ARGENTINA – CHILE

The SIGMAYE expansion process consists of an initial analysis for the selection of the countries, under the following criteria:



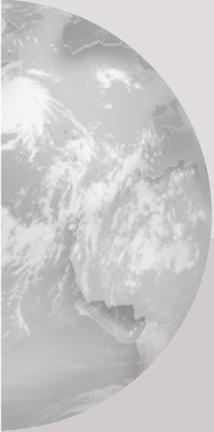
→ 100² ←

Once the countries have been selected, the Management System implementation project begins with the environmental concerns in accordance with the ISO 14001 Standard, as this is the one that best enables the understanding of the environmental impacts deriving from the activity. The implementation of the Carbon Footprint inventory is introduced once the objectives defined in the Environmental Management System have been achieved. This allows detailed monitoring of consumption at the facility, which was initially inventoried in the environmental part.

Finally, based on the detailed knowledge of energy consumption, as well as its use, provided by the inventory, the Energy Management System is introduced in order to improve the energy efficiency of our facilities and also to reduce the carbon footprint indicated in the inventory.

SIGMAYE		
1st phase	2nd phase	3rd phase
<p>ISO 14001 Environmental Management</p> <ul style="list-style-type: none"> – Knowledge, organization and facilities (visit/questionnaire) – Identification of environmental aspects and analysis of legal compliance requirements – Environmental Diagnosis and Strategic Plan – Communication of Environmental Policy – Formal adoption of the Plan by the Safety and Environment Committee – Performance indicators and definition of improvement objectives – Introduction of operational procedures – Internal auditing – Certification audit – Regular audits and recertification audits 	<p>ISO 14064 Carbon Footprint</p> <ul style="list-style-type: none"> – Identification of the surroundings: establish a database of facilities – Identification of emission sources (electricity, gas, fuels, vehicles, travel, etc.) – Identification of emission factors – Compilation of annual consumption data – Development of a support platform for calculating carbon footprint – Development of carbon footprint calculation methodology – Calculation of the entity's carbon footprint – Drafting of the greenhouse gas inventory report – Internal auditing – Verification of the calculation and GHG report 	<p>ISO 50001 Energy Management</p> <ul style="list-style-type: none"> – Initial energy review – Assessment of energy use, energy baseline and energy performance indicators – Historical control of consumption – Verification of internal network analyzers – Energy program with defined objectives and forecast consumption – Record of identification and evaluation of legal requirements – Introduction of corporate procedures – Internal auditing – Certification audit – Regular audits and recertification audits

SIGMAYE coverage



_ ISO 14001 certification for Environmental Management in 34 buildings and three workshops, including the headquarters of the organization in nine countries

_ ISO 50001 certification for Energy Management in 12 MAPFRE buildings in Spain

_ 10,620 employees worldwide working under environmental management certification

_ Verification and calculation of the carbon footprint in Spain, Colombia and Puerto Rico according to the ISO 14064 standard

_ Expansion of the SIGMAYE system in 14 countries

Best Practice ²⁰¹⁶

_ MAPFRE COLOMBIA is recognized by the District Environment Secretariat as one of the responsible organizations due to its Corporate Environmental Management at “Acercar” level, a level of action that recognizes compliance with the rules and basic concepts of sustainable consumption and production.

5.3. Objectives achieved in 2016 and challenges

[G4-6; EN6]

5.3.1. Results 2016

The following table shows the actions carried out in 2016 and the achievements for each of the established objectives:

OBJECTIVES 2016	ACTIONS CARRIED OUT AND ACHIEVEMENTS
Corporate Environmental Awareness and Outreach Plan	<ul style="list-style-type: none"> – Implementation of the Corporate E-learning Course on the environment. – Development and start-up of environmental initiatives with global participation (Environmental Calendar, Planet Hour, World Environment Day, etc.) – Projects relating to preservation of biodiversity (Protection of the Arctic and species inhabiting it, catalog of protected species in the countries in which MAPFRE operates, inclusion of specifications in company travel security recommendations to prevent illegal trafficking of species and a touring photography exposition. – Preview of the Sustainable Mobility Plan for the Complex at Majadahonda (Spain), Headquarters of the Group.
International Environmental Expansion Plan	<ul style="list-style-type: none"> – ISO 14001 certification for the headquarters of MAPFRE Argentina. – ISO 14001 certification for the headquarters of MAPFRE Chile. – ISO 14001 certification of the headquarters of the Territorial of Catalonia (San Cugat del Vallés) and Madrid (Luchana). – Implementation of the environmental aspect of the SIGMAYE system at: <ul style="list-style-type: none"> - MAPFRE Dominican Republic - MAPFRE Venezuela – Identification of legal and environmental requirements at MAPFRE Peru. – Extension of the ISO 50001 certification for Energy Management to the buildings at the Headquarters of the North and the South Territorial , in Bilbao and Malaga respectively, all in Spain. The Monte del Pilar University Campus in Madrid has also been certified.
Resource Management and Optimization Plan	<ul style="list-style-type: none"> – Environmental approval and selection of suppliers. – Purchase of 100% renewable energy in Spain. – Estimated saving in air conditioning energy consumption of 688,962 kWh due to adjustment of times and temperatures and use of primary air in buildings at headquarters within the scope of the SIGMAYE system in Spain, Puerto Rico, Peru, the USA and Portugal. – Planned saving in electricity consumption for lighting of 78,133 kWh by switching to LED lights and adjustment of switching on times in buildings at headquarters within the scope of the SIGMAYE system in Spain, Argentina, Peru, Colombia, the USA, Puerto Rico, Paraguay, Chile and Portugal. – Planned saving of electricity consumption of 56,902 kWh in office equipment through the introduction of energy management tools in buildings at headquarters within the scope of the SIGMAYE system in Spain and Colombia. – Saving of electricity consumption of office equipment by implementing energy management tools in providers (commercial network of delegate offices). Decrease in electricity consumption by 700,000 kWh compared with 2012, the year in which the tool was implemented.
Strategic Plan for Energy Efficiency and Climate Change	<ul style="list-style-type: none"> – Verification of the Calculation of the Carbon Footprint of the Group in Spain, Puerto Rico and Colombia in accordance with the ISO 14064 standard. – Implementation of the MAPFRE “Cool biz Campaign” in Spain and Malta. – Eco-efficient offices project for the commercial network in Spain.

(100) ↑ ↑

5.3.2. Challenges in 2017

With the aim of fulfilling the commitments assumed by the Group during the course of its activities, the following lines of action were defined, aimed at achieving homogeneous coverage, at corporate level, of the Group's environmental directives, the fight against climate change and the preservation of biodiversity, among others:



PROMOTION OF ENVIRONMENTAL PRODUCTS AND SERVICES	
Strategic Plan for Energy Efficiency and Climate Change	<ul style="list-style-type: none">– Broadening of policies for use and implementation of tools for the energy management of office equipment.– Renewal of installations with significant energy consumption in the most emblematic headquarters.– Proyecto Oficinas Eco-eficientes para la red comercial.– Eco-efficient Offices Project for the commercial network.– Verification of sustainability criteria in buildings through specific certification.
Environmental Awareness and Dissemination	<ul style="list-style-type: none">– Development and roll-out of environmental initiatives with global and local participation.– Global roll-out of the Corporate E-learning Course on the environment.– Biodiversity preservation projects.– Promotion of green entrepreneurship.
Expansion Environmental	<ul style="list-style-type: none">– Expansion of the ISO 50001 energy management certification to new headquarters of MAPFRE Group companies.– Expansion of the ISO 14001 environmental management certification to new headquarters of MAPFRE entities in countries in which it operates.
Resource Management and Optimization	<ul style="list-style-type: none">– Sustainable mobility.– Environmental approval and selection of corporate providers.– Analysis of the international market for energy of 100% renewable origin.



5.4. Climate change

– Climate change is defined as a change in climate that is directly or indirectly attributed to human activity and that alters the composition of the world's atmosphere and affects the climate's natural variability as observed during comparable periods.

(Source: United Nations Framework Convention on Climate Change - UNFCCC).

5.4.1. MAPFRE's strategy for mitigating and adapting to climate change

[G4-FS2, FS5]

Contributing to a decrease in greenhouse gas emissions (GHG) generated by the organization while carrying out its activities, is considered to be both a challenge and an opportunity for MAPFRE, which is proof of its commitment to the fight against climate change. In this regard, MAPFRE identifies the fight against climate change as a key element in its activity in matters of environmental responsibility.

The expression of the above-mentioned commitment requires knowledge of the current environmental context, which stems from an analysis of existing trends.

CLIMATE CHANGE ALERT	
INCREASE IN REGULATORY PRESSURE	<ul style="list-style-type: none">– Fluctuation of energy supply prices.– Fulfillment of European Union commitments relating to reduction of emissions.– Increase in regulatory pressure in some locations in which the company operates.
EXTREME WEATHER EVENTS	<ul style="list-style-type: none">– Increase in frequency and impact, with repercussions on accidents and continuity of operations.– Increase in energy consumption for air conditioning due to higher exterior temperatures and heat waves.
AWARENESS OF INTEREST GROUPS	<ul style="list-style-type: none">– Promotion of sustainability and the fight against climate change as an investment criterion.– Increased social awareness of these matters, an aspect of which customers are not unaware.– Increase in business awareness. Introduction of environmental requirements for the acquisition of products and services.

Mitigation of and adaptation to climate change by official bodies, companies and society in general represents a global transformation toward a low-carbon economy. In this regard, there is even greater demand from our stakeholders regarding specific company initiatives and commitments to a decrease in greenhouse gas emissions in the fight against climate change.

The Group's willingness to play an important role in these matters, as well as the risks and opportunities involved in the transformation to a low-carbon economy, require the development of a long-term strategy which expresses the different initiatives.

In this regard, MAPFRE defined a series of lines of action for fighting against climate change that are included in the Corporate Strategic Plan for Energy Efficiency and Climate Change, with a time frame pointing toward 2020.

Actions to reduce greenhouse gas emissions in Group facilities are implemented in this plan, establishing a commitment to achieve a reduction of 14,710,519 kWh and 9,924 tonnes of CO_{2e} compared to 2013, which represents a reduction of 20 percent in greenhouse gas emissions.

The execution of the Corporate Strategic Plan for Energy Efficiency and Climate Change requires the implication of different specialized technical areas within the Group, which are to be coordinated through the following corporate work groups:

– Eco-efficiency Work Group:

A consensus is reached on measures for management of consumption, modernization of facilities and technological innovation, legislative analysis, sustainable architecture, etc.

– Mitigation and Adaption to Climate Change Work Group:

Definition of risks and opportunities of climate change, response to corporate commitments with international organisms and sustainability indexes.

– Mobility and Road Safety Work Group:

Application of criteria on sustainable mobility relating to the environment and a decrease in greenhouse gas emissions arising from travel to the workplace and relating to the company's activities.

5.4.2. Achievements of the 2014-2020 Strategic Plan for Climate Change and Energy Efficiency

EXPANSION OF THE ENERGY MANAGEMENT CORPORATE MODEL

In 2016, the gradual implementation of the ISO 50001 standard, associated WITH SIGMAYE, in buildings that house Group headquarters continued. Two buildings at the headquarters of the South Territorial Directorate, in Malaga, the North Territorial Directorate, in Bilbao, and on the Training Campus in Madrid, all in Spain, involving 366 employees and approximately 2,000,000 kWh per year, are included in the Energy Management System.

INCLUSION OF THE CARBON FOOTPRINT IN THE SIGMAYE CORPORATE MODEL

The carbon footprint inventory for Group emissions in Spain, Colombia and Puerto Rico is calculated and verified by means of an accredited external entity using the ISO 14064 International standard in 2016.

The development of the Carbon Footprint Calculation and Reporting System in accordance with the ISO 14064 standard has allowed to improve the accuracy and traceability of the reported data, broadening the scope of these data on a geographic level, as well as the number of categories reported according to this GHG Protocol methodology.

The GHG inventory for the Group in Spain, Colombia and Puerto Rico has increased due to the inclusion of new scope 3 categories such as commuting, business travel, consumption of waste or lifecycle of fuels.

GREEN PROCUREMENT

All the new MAPFRE electricity contracts with electricity marketing companies under the system of guarantee of renewable origin certificates entered into force in Spain in January 2016. They guarantee the renewable origin of 100 per cent of the total electricity acquired by the Group in Spain, which represents a reduction of 15,392 MT of CO_{2e} and approximately 65,000,000 kWh.

Furthermore, we are continuing to apply energy efficiency and climate change criteria when purchasing services with greater impact on the carbon footprint, such as paper, office equipment and printing services.

SAVINGS POLICIES FOR COMPUTER EQUIPMENT

The process to improve policies relating to switching off office equipment in buildings at the headquarters of the North-West, East, South-West and Central Territorial Managements, in Oviedo, Valencia and Seville, respectively, all in Spain, was implemented in 2016. This action is intended to save an estimated 20 per cent of the electricity consumption of over 1,000 items of equipment, which represents approximately 52,000 kWh.

ECO-EFFICIENT OFFICES

With the aim of improving energy performance in the direct offices of the MAPFRE commercial network, specific tools were developed to control energy billing for the commercial network offices, for the follow-up, prioritization of initiatives and internal comparison of consumption.

RAISING AWARENESS OF EMPLOYEES

After the success of the “Cool Biz” campaign implemented in Spain in 2015, the campaign was repeated for the second consecutive year in 2016 and was implemented for the first time in Malta. The initiative aims to make employees aware of the need to wear appropriate clothing at work in summer and reduce the need for air conditioning systems.

The data obtained indicates that the initiative was successful since it is estimated that almost 700,000 kWh and 100,000 euros has been saved in only four months compared to the situation in 2014 prior to the implementation of the measure. This campaign coincided with the summers of 2015 and 2016, the hottest since records began.

5.4.3. Carbon Footprint

[G4-EC2; EN3-EN7, EN15-EN19, EN30]

MAPFRE determines, quantifies and evaluates the carbon footprint caused by its activities:

The Carbon Footprint consolidates the GHG Inventory that includes both direct emissions, associated with activities controlled by the organization, as well as indirect which, though not generated by sources controlled by the company, are a consequence of its activities.

Three scopes are defined, included both in the GHG Protocol and in the ISO 14064 standard:

– **Scope 1:** Direct GHG emissions. The following GHG emissions are associated with sources under the organization’s control: combustion in boilers, furnaces, machinery, vehicles, processes, emissions from equipment or facilities.

– **Scope 2:** Indirect emissions associated with the generation of electricity or the thermal energy (vapor, hot water, etc.) obtained.

– **Scope 3:** These are the remaining indirect emissions, associated with the chain of production of goods and services. These are the result of corporate activities, but occur in sources that are neither controlled nor owned by the company.

CARBON FOOTPRINT (Tm CO ₂ e _q)	2016***	2015**	2014*	2013*
Scope 1	13,445.24	14,042.93	9,934.61	9,789.35
Scope 2	19,267.39****	26,903.41	26,583.24	31,951.87
Scope 3	10,566.80	12,493.90	6,104.36	7,880.68

(*)2013 and 2014: Data for Spain, Argentina, Brazil, Chile, Colombia, the USA, Mexico, Puerto Rico, Turkey.

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

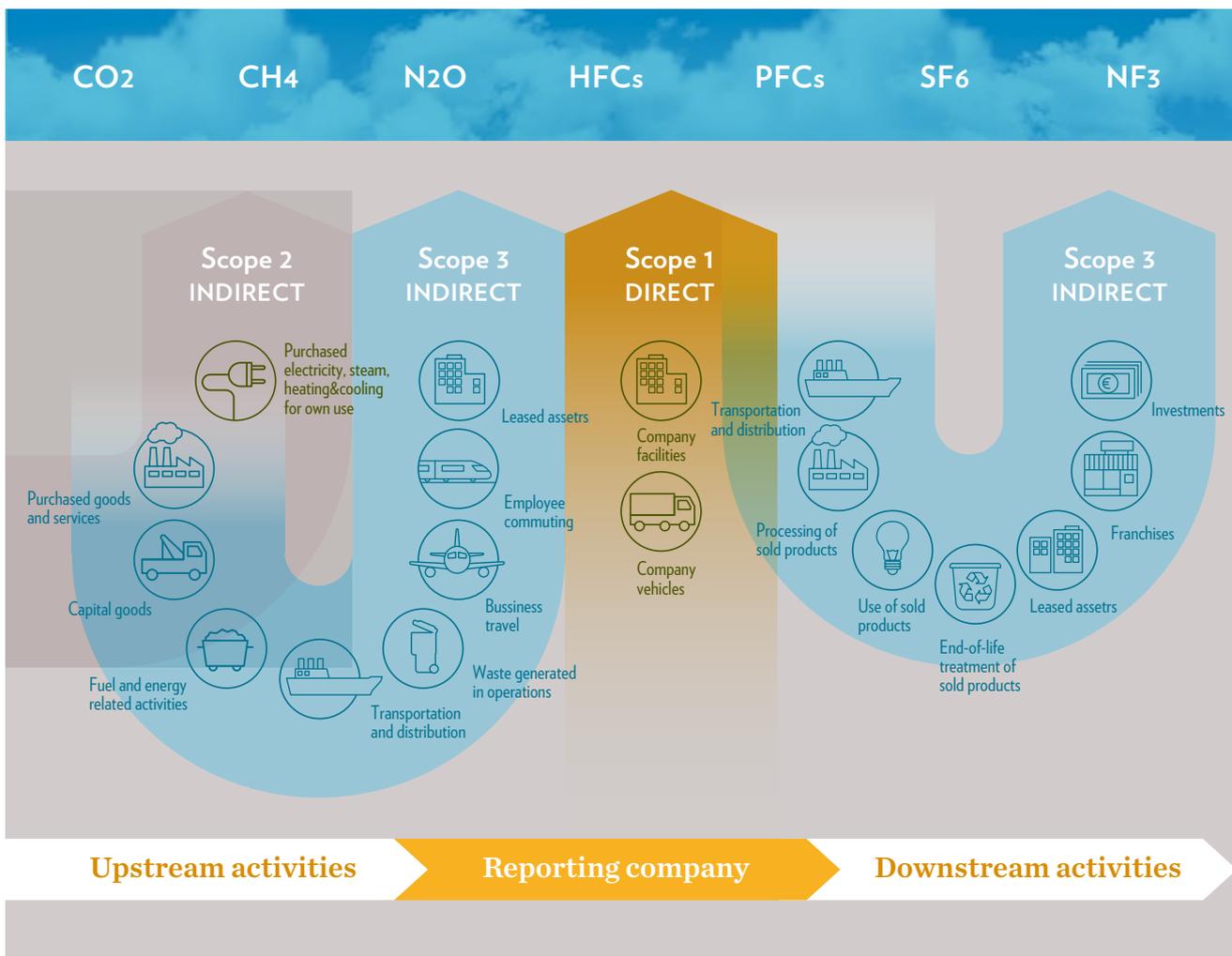
(***)2016: Data for Spain, Argentina, Brazil, Chile, Colombia, the USA, Mexico, Puerto Rico, Turkey, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, the Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, the Philippines and Malta.

(****)19267.39: Scope 2 emissions are significantly reduced due to the fact that the electricity consumed by the Group in Spain is of 100% renewable origin.

The scopes applied for classifying the greenhouse gas emissions (GHG) included in the inventory are shown in the following graph:

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– From January 2016 onwards, all electricity consumed by the MAPFRE Group in Spain comes from renewable sources, which means avoiding the emission of 15,392 MT of CO₂e and represents a reduction of 31 percent compared to the global carbon footprint in 2013. This action forms part of the strategic Energy Efficiency and Climate Change plan for 2014-2020 and demonstrates the Group's commitment to promoting the energy transition to a low carbon economy in which clean energy will play a crucial role.



GHG Protocol graph source

The inventory of consumption and CO₂e emissions for MAPFRE for each of the Scopes is shown below.

RESOURCE CONSUMPTION INDICATORS	GRI	MEASURE	2016	2015	2014
Scope 1:					
Natural gas consumption	EN3; EN6; EN15	MWh	12.11	12.22	10.16
Diesel consumption in buildings	EN3; EN6; EN15	L	403,204	384,939	522,430
Recharge of refrigerating gases	EN3; EN6; EN15	kg	733	1,041	ND
Fuel consumption for private vehicles	EN3; EN6; EN15	L	3,677,690	3,728,868	ND
Scope 2:					
Energy consumption	EN3; EN6	GWh	115.95	121.64	110.10
Scope 3:					
Business travel	EN4	MT CO ₂ eq	7,480	8,961	5,276
Paper consumption	EN4	MT CO ₂ eq	1,369	1,771	828
Total paper consumption	EN1	MT	2,248	2,573	2,157
Total sustainably managed paper consumption	EN1	MT	1,319	1,333	1,244
Paper with environmentally-friendly seal / total paper used	EN1	%	69	52	57
Paper consumption/employee	EN1	MT	0.07	0.07	0.06
Total toner consumption (Spain)	EN1	Unit	3,875	9,575	12,539

All data is of global scope with the exception of toner consumption.

CO ₂ e EMISSIONS PER EMPLOYEE (MT)	2016	2015	2014	2013
Total CO₂ emissions	1.28	1.53	1.47	1.75

Total MAPFRE energy consumption
(electricity, gas and diesel)

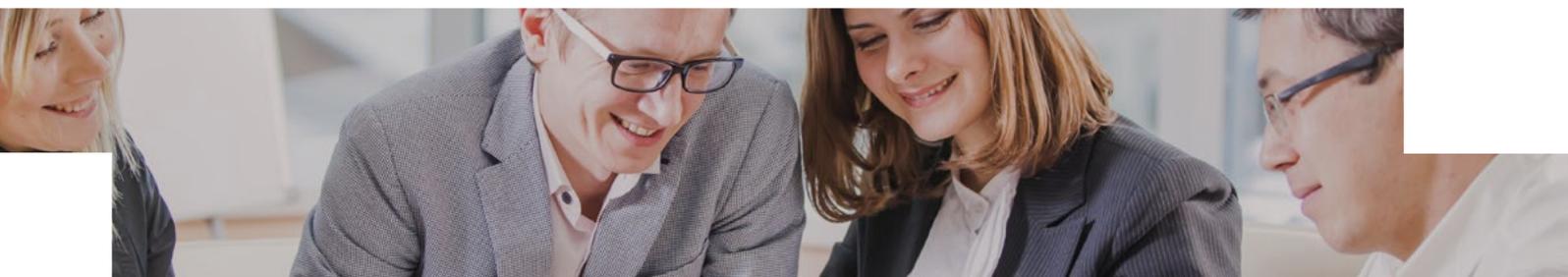
ENERGY CONSUMPTION INDICATORS					
	UNIT	2016	2015	2014	2013
Total energy consumed/employee	kWh/employee per year	3,910	3,939	3,592	3,799

2013 and 2014: Data for Spain, Argentina, Brazil, Chile, Colombia, the USA, Mexico, Puerto Rico, Turkey.

2015. Data for Spain, Argentina, Brazil, Chile, Colombia, the USA, Mexico, Puerto Rico, Turkey, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, the Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, the Philippines and Malta.

2016. Data for Spain, Argentina, Brazil, Chile, Colombia, the USA, Mexico, Puerto Rico, Turkey, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, the Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, the Philippines and Malta.

The different initiatives carried out to reduce the emissions related to business activities are described below:



AIMS	INITIATIVES
DIRECT EMISSIONS (SCOPE 1)	
Eco-efficiency in buildings	Planned reduction in natural gas consumption through renovation of facilities and improvement of boiler operation control at the headquarters in Majadahonda, Spain, by 5,400 m ³ with a reduction in associated emissions of 13 MT of CO ₂ e.
INDIRECT EMISSIONS (SCOPE 2)	
Renewable energies	100% of the Group's total electricity consumption in Spain in 2016 came from renewable sources, which meant a reduction of 15,392 MT of CO ₂ e.
Good practices	Implementation of campaigns to raise employees' awareness of the proper use of energy in buildings at headquarters within the scope of the SIGMAYE system in Spain, Argentina, Chile, Colombia and Paraguay.
Eco-efficiency in buildings	<p>Planned savings in energy consumption in air conditioning due to adjustment of times and temperatures in buildings at headquarters within the scope of the SIGMAYE system in Spain, Puerto Rico, Peru, the USA and Portugal, with an estimated reduction in emissions of 208 MT of CO₂e.</p> <p>Planned saving in electricity consumption for lighting by switching to LED lights and adjusting switching on times in buildings by adjusting time schedules in the buildings at headquarters within the scope of the SIGMAYE system in Spain, Argentina, Peru, Colombia, the USA, Puerto Rico, Paraguay, Chile and Portugal, with a reduction in emissions of 23.6 MT of CO₂e.</p> <p>Planned savings in electricity consumption in office equipment through the introduction of tools for energy management in buildings at headquarters within the scope of the SIGMAYE system in Spain and Colombia, with an estimated reduction in emissions of 9 MT of CO₂e compared to the anticipated consumption without the introduction of these tools.</p>

+ (0,2,1) ↑ ↑

AIMS	INITIATIVES
OTHER INDIRECT EMISSIONS (SCOPE 3)	
Telecommunications	The programs for decreasing these emissions focus, on one hand, on the development of telecommuting, and on the other, on the promotion of telephone and videoconferences that prevent employee travel between different geographical zones.
Providers	<p><i>Futura</i> is an automatic system for locating and assigning roadside assistance, allowing policyholders with this service to request assistance using their smartphone by indicating their exact location via GPS. This allows for dispatching the nearest service provider, with the resulting reduction of fuel consumption and CO₂ emissions.</p> <p>In 2016, MAPFRE introduced seven mobile recharging vehicles into its network for roadside assistance for electric cars. These assistance vehicles are equipped with a generator that can recharge discharged vehicles at any time and in any place. This also serves to reduce the carbon footprint of the service since the need for a tow truck to reach recharging points is avoided.</p> <p>In addition, MAPFRE is encouraging its suppliers to renew tow trucks with hybrid or electric vehicles, with the introduction of the first hybrid light truck, which also achieves a fuel reduction of up to 23 percent, as a trial.</p>
Sustainable mobility	<p>MAPFRE makes a series of services available to its employees for promoting sustainable mobility measures in the search for alternatives to the private vehicle, among which are worth highlighting: Shuttle service with the main connection points for employees working at the Headquarters buildings in Majadahonda and Aravaca (Spain), Turkey, Argentina, Brazil, Mexico and Puerto Rico. In Spain, the emissions avoided due to this service amount to over 150 MT of CO₂e.</p> <p>Car sharing in Spain is an initiative which facilitates contact between employees who make similar trips to their work place and would like to share vehicle, and which has been implemented in Spain, Brazil and USA.</p> <p>Launch of the introduction of the Mobility and Road Safety Management System under the ISO 39001 standard, applying sustainable mobility criteria at the headquarters of Recoletos 23, Recoletos 25, CESVIMAP and the corporate headquarters at Majadahonda, all in Spain.</p>
Products and services	Reduction in the electricity consumption of office equipment by introducing energy management tools in meters (commercial network of local offices in Spain), with an accumulated reduction in emissions of 212 MT of CO ₂ e compared to 2012, when the tool was introduced.

5.5. Eco-efficiency: Optimization of resources

[G4-EN1, EN2, EN8, EN31]

MAPFRE, in compliance with its environmental policy, is developing initiatives to sustainably meet its energy requirements. In this way, while reinforcing the commitments undertaken regarding climate change, it is possible to make economic savings.

Of the eco-efficiency measures implemented in 2016, both at corporate and local level, the following deserve special mention:

– Implementation of energy efficiency measures in MAPFRE headquarters buildings

Air conditioning: use of freecooling*, technological renewal of equipment and adjustment of hour and temperature settings.

Lighting: replacement of lamps with LED, installation of presence sensors and adjustment of times.

Other uses: technological renovation of facilities using energy efficiency criteria.

– Operational control of water management through the installation of optimization measures in buildings (aerators, timers, sensors, dual flush, etc.) and the control of internal consumption through the management of billing, in-house meters, leak detection and employee awareness.

* Freecooling is an air conditioning system entailing an important decrease in energy consumption, as it searches for cost-free cooling of a premises by taking in exterior air, which reduces the use of air-conditioning equipment.

In addition, investments are made to improve the energy efficiency of the buildings. Investment in these areas over the last three years amounts to 2.92 million Euros.

		2016	2015	2014
ENVIRONMENTAL INVESTMENT	Thousands of euros	2,077	641	205.35

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– Through the COOL BIZ initiative in Spain, it is estimated that a saving in electricity consumption for air conditioning in June, July, August and September of almost 700,000 kWh, 208 MT of CO₂e and 100,000 euros was achieved compared to 2014, prior to the introduction of the measure. This campaign coincided with the summers of 2015 and 2016, the hottest since records began.

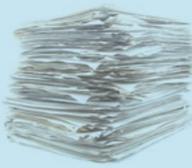
RESOURCE CONSUMPTION INDICATORS	GRI	MEASURE	2016	2015	2014
Total energy consumption	EN3; EN6	GWh	132.06	137.68	125.44
Total water consumption		M3	709,834	758,448	668,933
Water consumption per employee		M3	21.02	21.7	19.1

5.5.1. Paper and toner consumption management

Last year, MAPFRE introduced the electronic signature and trusted third-party procedure for signing our policies in Spain.

This digital transformation means a saving in the costs deriving from paper and toner consumption since it is not necessary to print documents that have already been signed electronically.

Furthermore, this system provides greater flexibility and security in the policy purchasing process, as a single document can be signed by several people in different places and at different times, which again prevents the printing of multiple copies of the same document. From its start date up to September 2016, this project has involved:

<p>Digital signatures on 68,288 policies.</p>		<p>The printing of 1,092,608 sheets of paper has been avoided.</p>	
<p>The consumption of 28 units of toner has been avoided.</p>		<p>The felling of 88 trees has been avoided.</p>	
<p>5,463 kg of paper have been saved.</p>		<p>23,000 euros in paper consumption were saved.</p>	
<p>The energy saving is equivalent to the energy required to light over two million energy-saving light bulbs for one hour.</p>			



Similar initiatives have also been carried out in Argentina through the “Electronic Policy”, and Guatemala.

In addition, in line with the actions carried out to reduce paper, the “*Prefiere el pago electrónico*” [I prefer electronic payments] campaign, an application that allows customers to pay their bills online, was initiated in Chile.



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– Furthermore, MAPFRE has achieved a reduction in toner consumption of 60 percent compared to 2015 as a result of the introduction of the print outsourcing project. After the introduction of this service, 100 percent of the toner consumed in 2016 was recycled.

Reduction in toner consumption in Spain by 60 percent compared to the data for 2015:

TONER CONSUMPTION (UNIT)		
2016	2015	2014
3,875	9,575	12,539

Recycling of 100 percent of the toner consumed:

TONER RECYCLED COMPARED TO CONSUMPTION		
2016	2015	2014
100.00%	81.17%	72.84%



The progressive introduction of environmental criteria in the purchasing of resources has also affected the purchasing of paper, with the use of environmentally friendly paper becoming generalized in countries such as Argentina, Colombia, Spain and Paraguay that take environmental criteria into consideration when purchasing paper and supplies.

In 2016, 68 percent of consumed paper had a label certifying the sustainable management of forest exploitation (FSC) and carbon-neutral paper.

The inclusion of increasingly stringent environmental requirements in recruitment processes for suppliers is demonstrated in Brazil, where a pilot project has recently been carried out with the *Dirección General de Riesgos Mayores* [Directorate General for Major Hazards] and the *Centro de Registro de Coordinación y Gestión de Proveedores* [Registration Center for Coordination and Management of Suppliers] for the process of environmental approval for service providers.

← ↑ R

Best Practice 2016



– Attention should be drawn to the “*TODOS CONTRA EL DERROCHE*” [Everyone against waste] awareness campaign carried out in Colombia as part of the governmental energy saving program to encourage employees to save water and energy.

Similar activities are carried out at other MAPFRE entities: El Salvador carries out campaigns to promote responsible use of paper and water; Nicaragua sends tips to its employees on the proper use of paper; Guatemala promotes responsible usage of electricity, water and paper recycling; Argentina makes efforts to save paper, etc.



5.5.2. Waste management

[G4-EN23, EN33]

MAPFRE is working with procedures and instructions which define the processes for the correct separation, disposition, storage and control of all waste generated as a result of MAPFRE’s activities.

All waste is managed in compliance with legislation and in accordance with best environmental practice, where the reduction, reuse and recycling of waste takes precedence, ensuring environmental protection and sustainable management.



Reduction

- Campaigns to raise awareness and on good environmental practice.
- Optimization of resources.

Reuse

- Internal reuse of office equipment.
- External reuse of electrical waste through authorized intermediaries.
- We encourage the donation of waste.

Recycling

- Separation of waste at source to facilitate recycling.
- Adherence to integrated management systems.
- Waste management with carriers and authorized intermediaries.

The waste management model implemented by MAPFRE enables us to continue to optimize and improve service by means of the ongoing review of the implementation completed in each center and the constant control of providers, which in turn enables the squaring of management costs. This decrease in costs is consolidated by maintaining a number of agreements with non-profit Foundations who collect and recycle waste optimally and without management costs for MAPFRE.

We should highlight the following initiatives taken in 2016:

- Management of the various types of waste generated in MAPFRE Medical Centers for the proper management of healthcare waste. Waste management has been introduced in the past year in two new medical centers of the Group in Spain.
- Implementation of corporate waste management procedures has continued within the framework of the International Expansion Environmental Strategic Plan, which has enabled us to reach significant milestones in countries where they are working on the implementation and certification of the SIGMAYE, stressing the introduction of different containers for separation of waste at source in Argentina and Chile.

– MAPFRE fosters the generation of value for the waste that it generates by reusing materials and optimizing management processes. With regard to this, special mention should be made of the reuse and donation of obsolete computer devices and office furniture in Spain or the donation of waste for charitable purposes in countries like Puerto Rico, USA, Chile, Colombia, Portugal and Argentina, among others.

– The recycling and reuse of waste is further promoted via campaigns such as:

- A **Pokemon** campaign aimed at proper separation of waste in Paraguay.
- A **“Misión Reciclaje”** for the proper separation of waste at Ecopoints.
- **“Patio de Salvados”** in Brazil: a campaign for the collection of vehicles involved in accidents whose parts are recycled and used for the production of domestic appliances, tables, posts, construction materials, etc.
- A **“3R”** campaign in Spain: to promote recycling of paper, batteries, mobile phones and X-rays.

Below you will find a summary table with the most important indicators concerning waste management in MAPFRE:

WASTE INDICATORS	MEASURE	2016	2015	2014
Recycled toner	MT	14.9	18.30	19.53
Recycled paper	MT	1,072.11	991	1,206
Computers and electronic equipment managed	MT	86.76	61.74	45.73
Computers and electronic equipment donated	MT	10.57	18.38	8.05
Lamps and fluorescent lights at the end of their useful life	MT	4.11	2.19	2.93
Cells and batteries	MT	2.46	3.40	1.66
Hazardous waste in Buildings	MT	2.4	2.71	1.86
Hazardous waste in Repair Shops	MT	89.01	91	112
Non-hazardous waste in Repair Shops	MT	2,352.70	1,250	1,808
Other non-hazardous waste	MT	205.85	213	183
Sanitary Waste	MT	2.31	2.21	1.97
Expired medicines	MT	0.16	0.11	0.11
X-rays	MT	0.87	0.83	1.34
Hardware managed	MT	8.62	6.17	5.88

5.5.3. Emissions and dumping

[G4-EN26]

MAPFRE’s contribution is mainly administrative and, by its very nature, it has a low environmental impact.

For the management of MAPFRE facilities and activities generating emissions to the atmosphere, preventive maintenance programs have been designed focusing on the optimization of the processes and ensuring that the contamination parameters are below the legal limits.

Furthermore, water in MAPFRE is mostly for sanitary use and the disposal of waste water to the sewage network complies with the regulations laid down by the competent authority. In those activities where it is so required, there are prior treatment facilities, with maintenance programs and control of disposal to ensure and demonstrate compliance with applicable legislation.

MAPFRE’s activities of an industrial nature, such as workshops for vehicle repair and the recovery of parts in Spain, are undertaken in accordance with strict environmental criteria, following risk management criteria and using the best technologies available in the sector and the most efficient and least contaminating products.

5.5.4. Spills and leaks

[G4-EN24]

MAPFRE facilities containing substances which attack the ozone layer are managed in accordance with the contamination prevention principle and in compliance with the law, with maintenance and control programs for the refrigerant gases concerned.

MAPFRE disposes of methodologies and procedures for the management of incidents of an environmental nature, with the identification of risk areas and the availability of contention and management measures in case of possible leaks.

During 2016 no notifications were made of significant spills or leaks in establishments or facilities where MAPFRE carries out its activities.

5.6. Biodiversity preservation

[G4-EN11, EN12]

MAPFRE does not have any work centers located in protected areas or in areas of high diversity outside protected areas.

Despite that, actions relating to climate change have promoted the assumption by the Company of a commitment to preserve biodiversity, for which purpose MAPFRE has signed up to the Biodiversity Agreement of the Spanish Company and Biodiversity Initiative, under the slogan “*Sin diversidad biológica no hay diversidad económica*” [Without biological diversity there is no economic diversity]. It thereby continues developing, through initiatives, the implementation of the commitment to preserving natural resources, of common interest for humanity, given their importance for life, social well-being and economic development.

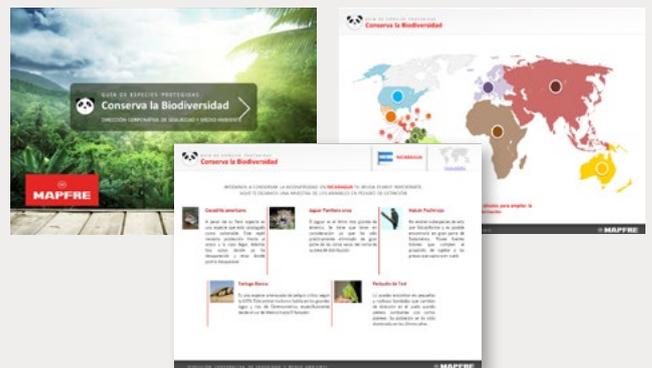
The activities carried out include, in particular, the collaboration agreement with the WWF Spain, through which MAPFRE contributes to the development of projects for the preservation of endangered species and their habitat.



This year we emphasise the adhesion to the Arctic Conservation campaign “*Ni un grado más*” [Not one degree more], which promotes an energy model based on renewable energy with the purpose of putting a brake on climate change in which, through the “No home without energy” survey promoted by ECODES, the employees were provided with energy-saving advice aimed at putting a brake on climate change and conserving habitats.

In addition, a Guide to endangered species was produced to encourage knowledge within the Company of the most vulnerable species in different countries, promoting the fight against unlawful trafficking.

Other notable actions to promote the conservation of the environment include the reforestation of green areas in Mexico and Chile and the planting of trees in Brazil, Paraguay, Ecuador and Argentina.



5.7. Environmental culture

[G4-FS4]

MAPFRE feels that employee commitment is decisive for reaching our environmental objectives, mainly those concerning eco-efficiency processes. Employee contribution is necessary in order to minimize the consumption of the resources used and to suitably manage the waste generated.

This commitment is also made evident in the environmental policy, which expressly establishes the commitment to employee participation through the promotion of environmental responsibility. Employees can consult the Policy on the Intranet and the general public can access it on the corporate website.



THE CORPORATE INTRANET

MAPFRE devotes a specific section of its Intranet to the environment. An employee can find information related to such matters as the commitments assumed by the Group in this area, main areas of activity, the global management model, achievements and awards and frequently asked questions.

It also includes a mailbox for suggestions and a contact e-mail address (disma.medioambiente@mapfre.com).

CORPORATE ENVIRONMENTAL E-LEARNING

Since 2008, MAPFRE has provided employees with an e-learning course on the environment and the Group's environmental management. In 2016, work was carried out to update its contents for its implementation at international level.

A total of 6,190 employees have completed this course since it was introduced.

CORPORATE ENVIRONMENT CALENDAR:

As a joint initiative at international level, notable actions include the internal publication of a monthly newsletter on environmental matters for employees. This news was announced in various countries such as Argentina, Chile, Colombia, Mexico, Paraguay, Portugal, Puerto Rico, Spain and Venezuela, among others.



GLOBAL CAMPAIGNS AND LOCAL INITIATIVES:

– The “**Earth Hour**” campaign has become an institutional benchmark in terms of the coordinated management of global initiatives. Since the start of MAPFRE participation in 2009, a variety of initiatives have been taken (posters, theater, photography contests, and others), and this year initiatives have been implemented in 18 countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Guatemala, Mexico, Nicaragua, Panama, Paraguay, Peru, Portugal, Puerto Rico, Spain and Venezuela.



Participation has taken the form of switching off luminous signs on more than 60 buildings and in numerous offices in the commercial network.

In addition, countries broadcast the event through a number of actions such as: publication of materials (posters, bookmarks, screensavers, etc.), communications to employees and customers (by e-mail, online, social media), dissemination of the WWF official video and projection in communal areas, etc.

– The “**Cool Biz**” Campaign implemented in Spain and Malta during summer, through which MAPFRE makes employees aware of the importance of reducing air-conditioning requirements inside buildings by adapting their clothing to summer temperatures, with the final objective of obtaining energy savings and reducing greenhouse gas emissions.



– The touring photography exhibition “**Objetivo Biodiversidad**” [Objective Biodiversity], which began in 2015, continues on its journey through the MAPFRE buildings in Spain, publicizing the commitment to preserve biodiversity through photographs taken by employees.



SUSTAINABLE MOBILITY:

The sustainable mobility campaign in Colombia “**I’m up for going by bike**” continues. The campaign fosters the acquisition of electric bikes by employees via a credit line from the employee fund, insuring the bicycle within the Employee Fund Collective Home Insurance Policy and giving safety kits to the first 25 employees. This initiative falls within the framework of the “Moving around Bogota” program of the District Environment Secretary.

Service Vocation

Notable actions in Colombia include the adherence to the “Pacto Chicó” [Chicó Agreement] within the framework of the “SOY 1+” Campaign [I AM 1+], which forms part of the “Pactos por la Movilidad” [Mobility Agreements] strategy promoted by the District Mobility Secretary of Colombia. The aim of the Agreement is to promote sustainable mobility through play/learning and informative activities to improve conditions for mobility and road safety in the sector in addition to healthy coexistence between pedestrians, cyclists, passengers and drivers.



SUPPORT FOR GREEN ENTREPRENEURSHIP:



Greenweekend 2016 Gijón Event

For the second year running, MAPFRE has promoted green entrepreneurship through the “Greenweekend” events held in Seville and Gijon (Spain). These events are promoted by the Enviroo portal for employment and the environment with the aim of supporting “green” entrepreneurs as well as professionals and self-employed persons who are seeking new business models that respect the environment.

In addition to the above actions, other local awareness actions carried out within the framework of the MAPFRE Environmental Management and Energy System are worthy of note:

– The Campaign “**Tapitas para Sanar**” [Bottle Caps for Healing] in Colombia and “**Recicla con Corazón**” [Recycle with Heart] in Puerto Rico to help pay for oncological treatments in hospitals.



– The “**TEO**” campaign in Mexico and the “**Recy**” campaign in Puerto Rico continue. These campaigns promote environmental awareness (recycling, saving resources, conservation of biodiversity, etc.).



– A “**Apaga la luz**” [Turn off the light] campaign implemented by Paraguay to promote energy saving in buildings and offices.



– **Sustainable Christmas** campaign in Paraguay and Puerto Rico. Through messages and wallpapers with content on responsible consumption and recycling.



– Participation by MAPFRE as a collaborating company in the 13th National Environment Conference, with this year's theme being *“La respuesta es verde”* [The answer is green].



LA RESPUESTA ES VERDE 

– MAPFRE took part in the open, diverse, participative forum on sustainability held in Spain, the work of which was based on 9 axes: Energy, efficiency and climate change, Mobility, Urban renewal, Urban development, Biodiversity, Water, Environmental quality and health, Waste and Economy and society. Its support for innovation, sustainable mobility and environmental protection, as a reference point in the financial sector, is thus secured. ambiente.



2nd Spanish Group Forum on Green Growth

PARTICIPATION IN THE 2ND SPANISH GROUP FORUM ON GREEN GROWTH.

MAPFRE has participated in this group since its inception as part of a joint initiative by the Ministry of Agriculture, Food and the Environment and the fabric of Spanish business, which aims to seek better formulas for achieving a low-carbon economy that is able to contribute to the fight against climate change.

5.8. Material environmental aspects

The Environment was one of the transversal themes in the Group's study of Material Aspects.

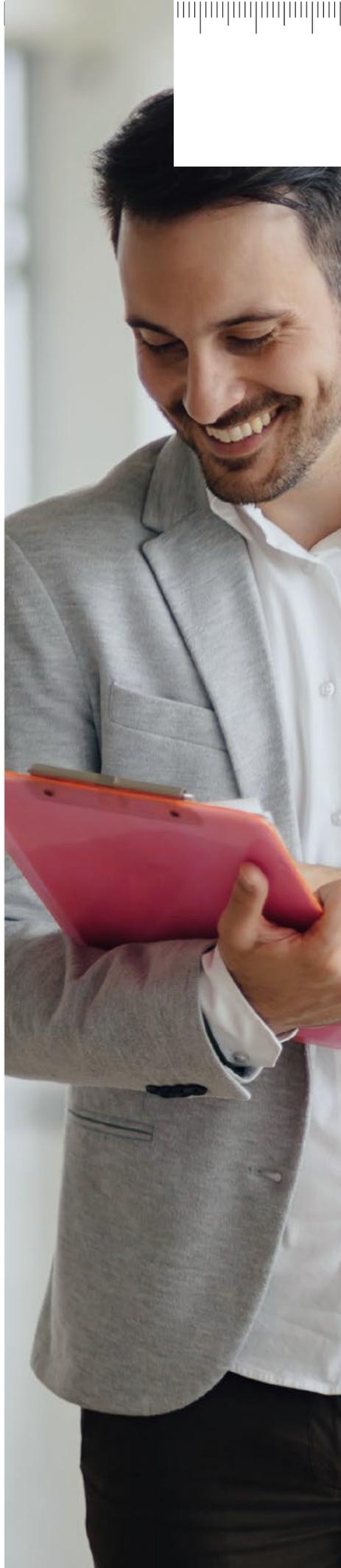
The relevant issues relating to this area are shown below, along with participants' perception of MAPFRE, by stakeholder.

LIST OF ENVIRONMENTAL MATTERS ANALYZED IN THE MATERIALITY PROCESS 2016	MAPFRE and its employees	MAPFRE and its clients	MAPFRE and its providers	MAPFRE and its distributors	MAPFRE and its shareholders/ analysts
To evaluate and manage the environmental risks arising from its business activity.	INT	INT	INT	INT	MAT
To control potential impacts that it may have on biodiversity.					EXT
To manage the waste and rubbish generated efficiently.	MAT	MAT	MAT	MAT	INT
To manage energy consumption to reduce emissions into the environment.	MAT	MAT	INT	INT	INT
To carry out initiatives and actions aimed at promoting and raising awareness of environmental responsibility.	INT	MAT	MAT	MAT	INT
To develop products and services that generate an environmental benefit.		MAT	EXT		INT

MAT	Matter of significance for MAPFRE and for the stakeholders
INT	Relevant matter for MAPFRE
EXT	Relevant matter for the stakeholders
NM	Non-material issue for MAPFRE or the stakeholders

Moreover, this section of the Report contains a response to the issues identified. The following table indicates their location in the report, by subject.

ENVIRONMENTAL MATTERS ANALYZED IN THE MATERIALITY PROCESS 2016	LOCALIZATION IN MAPFRE'S ANNUAL CSR REPORT 2016
To evaluate and manage the environmental risks arising from its business activity.	3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, Social and Governance (ESG) factors and risks. 5. MAPFRE's Environmental Dimension
To control potential impacts that it may have on biodiversity.	5. MAPFRE's Environmental Dimension
To manage the waste and rubbish generated efficiently.	5. MAPFRE's Environmental Dimension
To manage energy consumption to reduce emissions into the environment.	5. MAPFRE's Environmental Dimension
To carry out initiatives and actions aimed at promoting and raising awareness of environmental responsibility.	5. MAPFRE's Environmental Dimension
To develop products and services that generate an environmental benefit.	4. MAPFRE's Social Dimension: 4.2. MAPFRE and Its Clients



06

Supplementary information

6.1. Principles used to prepare the Corporate Social Responsibility report

[G4-13, G4-18, G4-20, G4-21, G4-22, G4-23, G4-31, G4-32, G4-33, G4-58; FS9]

Scope and profile

MAPFRE has prepared the Corporate Social Responsibility Report in accordance with the comprehensive option of the Global Reporting Initiative (GRI) G4 guidelines, and the financial services sector supplement.

The report includes activities undertaken by MAPFRE insurance entities on a global level.

Reliability and assurance

The qualitative and quantitative information on GRI G4 general, specific and sector indicators has been verified externally by KPMG, including the data provided on MAPFRE's activities in Argentina, Brazil, Colombia, Mexico, Peru, Puerto Rico, Spain, Turkey and the USA, which together represent 75.9 percent of the Group's business volume.

In addition, a limited review of the data provided by remaining MAPFRE entities was conducted.

MAPFRE's Corporate Internal Audit Area also collaborated in the process of analyzing and verifying the report which, as is mandatory, was reviewed by MAPFRE's Audit Committee prior to its definitive approval by the Board of Directors.

The data supporting this corporate report were obtained through Sygris, the social responsibility data IT management tool that has been set up within by the Group.

Clarity, accuracy and completeness

The information is presented in a systematic way, including a general index which facilitates reading (page 1) and an overall index of GRI indicators that enables easy access and location of the data presented.

The report is prepared in sufficient detail to enable the various stakeholders to assess MAPFRE's economic, social and

environmental performance from a qualitative and quantitative viewpoint, avoiding the use of technical vocabulary and acronyms where possible and adding explanatory notes where required.

The reports corresponding to the last fourteen years can be found on the Group's website (www.mapfre.com)

The Alternative Performance Measures (APMs) used in the Report, which correspond to those financial measures that are not defined or specified under the framework of applicable financial information, can be reviewed at the following website: <https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.jsp>

Timeliness and comparability

This report covers a one-year period (January to December). It is presented at the Annual General Meeting and is also released online. <https://www.mapfre.com/corporate/social-responsibility/annual-reports/>

In accordance with the format established in previous years, the quantitative data included in the report are presented together with data referring to the previous year, allowing analysis and comparison of the changes in the organization's performance.

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.

Materiality, relevance and inclusiveness

During 2016, a study was conducted that has identified matters of general interest relating to sustainability through external sources (*GRI and IIRC guidelines, The EU Non-Financial Reporting Directive, the Sustainability Year Book, and the World Economic Forum's Eurobarometer survey*) and internal company sources such as the MAPFRE Group's Sustainability Plan 2016-2018 and Strategic Plan.

As a result of this analysis, specific issues have been identified by stakeholder, as well as universal issues such as transparency, human rights, innovation, information security, etc.



There were two phases in the study. In the first phase, an internal analysis of the issues identified was conducted, and a second phase involved an external consultation with stakeholders including employees, clients, suppliers, distributors and shareholders, in which they were asked about the importance of the issues and their perception of how MAPFRE is performing in that regard. The study has been conducted in Brazil, Colombia, Spain, Mexico and Puerto Rico.

Furthermore, information on certain relevant aspects is not presented comprehensively in this report, as it is fully developed and included in other reports published by the Group. In these cases, the GRI table of contents includes, as in each year, pertinent references to the following documents:

The Consolidated Annual Accounts and Management Report; Business Units (Published on the corporate website www.mapfre.com)

Fundación MAPFRE Annual Report. (Published on the website www.fundacionmapfre.org)

Responsiveness

In addition to providing information that is relevant to the stakeholders with which MAPFRE interacts, the report aims to respond to the observations transmitted by them during the course of the year. However, anyone interested in consulting or complementing the information provided in this report may contact MAPFRE:

- Social Responsibility: responsabilidadsocial@mapfre.com
- Communication: comunicacion@mapfre.com
- Environment: medioambiente@mapfre.com
- Investor Relations: relacionesconinversores@mapfre.com
- MAPFRE Corporate Website: www.mapfre.com

6.2. GRI G4 table of contents



General standard disclosures

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
 Strategy and analysis		
G4-1	Provide a statement from the most senior decision-maker in the organization (such as CEO, Chairman, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	- Letter from the Chairman and CEO. P. 4
G4-2	Provide a description of key impacts, risks, and opportunities.	Integrated Report 2016. Corporate governance. P. 55 - Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38 - Chapter 4.2. MAPFRE and its Clients: Innovation. P. 92 Complaints and grievances. P. 103
 Organizational profile		
G4-3	Name of the organization.	Chapter 2. General information. P. 8
G4-4	Most important brands, products and services.	Integrated Report 2016. Business performance. P. 39 - Chapter 4.2. MAPFRE and its Clients: Innovation. P. 92; products and services with a high social content P. 94 and environmental products and services. P. 97
G4-5	Location of organization's headquarters.	- Chapter 2. General Information. P. 8
G4-6	Report the number of countries where the organization operates, and the names of countries where the organization has significant operations or operations that are specifically relevant to the sustainability topics covered in the report.	- Chapter 2. General information. P. 8
G4-7	Report the nature of ownership and legal form.	- Chapter 2. General Information. P. 8 Integrated Report 2016. Key facts and figures. P. 20 Business performance. P. 39
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	- Chapter 2. General Information. P. 8 - Integrated Report 2016. Implementation P. 14. Key facts and figures. P. 20 - Chapter 4.2. MAPFRE and its Clients. P. 90

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-9	Report the scale of the organization, including; a. Total number of employees; b. Total number of operations; c. Net sales d. Total capitalization; e. Products or services provided.	- Chapter 2. General Information: Key financial figures. P. 15 - Chapter 4.1. MAPFRE and its Employees. Employment policy. P. 67
G4-10	a. Total number of employees by employment contract and gender; b. Total number of permanent employees by employment type and gender; c. Total workforce by employees and supervised workers and by gender; d. Total workforce by region and gender; e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors; f. Report any significant variations in employment numbers.	- Chapter 4.1. MAPFRE and its Employees: Employment policy. P. 67
G4-11	Percentage of employees covered by collective bargaining agreements.	- Chapter 4.1. MAPFRE and its Employees: Legal Representation of Employees. P. 80
G4-12	Describe the organization's supply chain.	- Chapter 4.5. MAPFRE and its providers. P. 120
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	- Chapter 6. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Integrated Report 2016: Corporate Governance. P. 55 . Management of risks. P. 68 - Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35 . Table of Mapfre ESG Factors. P. 39 . - Chapter 4.6 MAPFRE and society. Main Associations. P. 129
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations to which the organization belongs.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35 . Environmental, social and governance factors and risks (ESG). P. 38 . Table of Mapfre ESG Factors. P. 39 . - Chapter 4.6 MAPFRE and society. Main associations. P. 129
 Material aspects and boundaries		
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	Integrated Report 2016: Business performance. P. 39 . Risk management. P. 68
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	- Chapter 3.1. Materiality Study 2016. P. 53 - Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161
G4-19	List all the material Aspects identified in the process for defining report content.	- Chapter 3.1. Materiality Study 2016. P. 53
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	- Chapter 3.1. Materiality Study 2016. P. 53 - Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	– Chapter 3.1. Materiality Study 2016. P. 53 – Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	– Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	– Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161



Stakeholder engagement

G4-24	Provide a list of stakeholder groups engaged by the organization.	– Capítulo 3.1. Sustainable value creation model and relationships with stakeholders: The relationship with stakeholders . P. 25
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	– Capítulo 3.1. Sustainable value creation model and relationships with stakeholders: The relationship with stakeholders . P. 25
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by stakeholder type and group, or indicate whether any group engagement was undertaken specifically as part of the report preparation process.	– Chapter 3.2.5. Materiality Study 2016. Phases of the materiality study. P. 54
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Specify which stakeholders posed each issue and the key problems.	– Capítulo 3.1. Sustainable value creation model and relationships with stakeholders: The relationship with stakeholders . P. 25



Report profile

G4-28	Reporting period	2016
G4-29	Date of most recent previous report	2016
G4-30	Reporting cycle	Annual
G4-31	Provide the contact point for questions regarding the report or its contents.	– Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option. c. Report the reference to the External Assurance Report, if the report has been externally assured.	– Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report. b. If not included in the assurance report accompanying the sustainability report, indicate the scope and basis of any external assurance provided. c. Describe the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives were involved in seeking external assurance for the organization's sustainability report.	– Chapter 6.1. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. P. 161 External verification report. P. 182 – Letter from the Chairman and CEO. P. 4



Governance

G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Integrated Report 2016: Corporate Governance: Governance System. P. 56. Corporate Social Responsibility Committee. Annual Report on the Corporate Governance of Publicly Traded Companies https://www.mapfre.com/corporate/images/12-corporate-governance-annual-report-2016_tcm885-390300.pdf – Chapter 5. MAPFRE’s social dimension. Integrated environmental, energy and carbón footprint management system: SIGMAYE. P. 136
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	C.2.1 of Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	C.2.1 of Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	– Chapter 4.3: MAPFRE and its Shareholders: MAPFRE’S shareholder and investor relations. P. 113
G4-38	Report the composition of the highest governance body and its committees.	Integrated Report 2016: Corporate Governance: Governance System. P. 56
G4-39	Specify whether the person presiding over the highest governance body also holds an executive position. If so, describe the executive duties and the reasons for this arrangement.	Integrated Report 2016: Corporate Governance: Governance System. P. 56
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting the highest governance body members.	C.1.19., C.1.5. and C.1.6. of C.2.1 of Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.	D.6. and D.7. and A.1. to A.7. of the C.2.1 of Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/
G4-42	Report the highest governance body’s and senior executives’ roles in the development, approval, and updating of the organization’s purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	C.2.1. of the C.2.1 of Annual Report on the Corporate Governance of Publicly Traded Companies. Title I, Chapter II of the MAPFRE Board of Directors Regulation: “Functions and Competences of the Board”. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/ Integrated Report 2016: Corporate Governance Governance System. P. 56. Business model and strategy. P. 29
G4-43	Report the measures taken to develop and enhance the highest governance body’s collective knowledge of economic, environmental and social topics.	C.1.41, C.1.40 of the Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/



GRI G4 INDICATORS	PAGE / INFORMATION (REASON FOR OMISSION)
<p>G4-44 a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	<p>C.1.20. of the Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>Due to its relevance, we submit the Board of Directors Regulation, which document was approved in January 2016 and published on the corporate website. Title I. Board of Directors and Title II. Steering Committee. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p>
<p>G4-45 a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	<p>E.1., E.2. and F.1. of the Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>– Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38 Integrated Report 2016: Risk management. P. 68</p> <p>Due to its relevance, we submit the Board of Directors Regulation, which document was approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p>
<p>G4-46 Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.</p>	<p>E.2. and E.6. of the Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>Due to its relevance, we submit the Board of Directors Regulation, which document was approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p>
<p>G4-47 Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.</p>	<p>E.1. of the Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>Due to its relevance, we submit the Board of Directors Regulation, which document was approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>– Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38 Integrated Report 2016: Risk management. P. 68</p>

GRI G4 INDICATORS	PAGE / INFORMATION (REASON FOR OMISSION)
<p>G4-48 Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.</p>	<p>C.2.1 of the Annual Report on the Corporate Governance of Publicly Traded Companies. https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>Due to its relevance, we submit the Board of Directors Regulation, which document was approved in January 2016 and published on the corporate website. Title I, Chapter II of the MAPFRE Board of Directors Regulation: "Functions and Competences of the Board". https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p>
<p>G4-49 Report the process for communicating critical concerns to the highest governance body.</p>	<p>Due to its relevance, we submit the Board of Directors Regulation, which document was approved in January 2016 and published on the corporate website. Title I, Chapter II of the MAPFRE Board of Directors Regulation: "Functions and Competences of the Board". https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/</p> <p>– Chapter 4.3. MAPFRE and its shareholders: MAPFRE's shareholder and investor relations. P. 113</p> <p>Ethics Committee: Code of Ethics and Conduct: composition and functions: https://www.mapfre.com/corporate/social-responsibility/definition-objectives/code-ethics-and-conduct.jsp</p>
<p>G4-50 Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.</p>	<p>– Chapter 4.3. MAPFRE and its Shareholders: MAPFRE'S shareholder and investor relations. P. 113</p> <p>Ethics Committee: Code of Ethics and Conduct: composition and duties: https://www.mapfre.com/corporate/social-responsibility/definition-objectives/code-ethics-and-conduct.jsp</p>
<p>G4-51 a. Report the remuneration policies for the highest governance body and senior executives. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.</p>	<p>Integrated Report 2016: Corporate Governance: Governance System. P. 56</p>
<p>G4-52 Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.</p>	<p>Integrated Report 2016: Corporate Governance: Governance System. P. 56</p>
<p>G4-53 Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals.</p>	<p>Integrated Report 2016: Corporate Governance: Governance System. P. 56</p>

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-54	Calculate the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Public information on remuneration can be found in the annual accounts, in line with accounting and market requirements, as well as in the report on remuneration of directors (IAR). https://www.mapfre.com/corporate/images/annual-report-on-remuneration-of-directors-of-publicly-traded-companies_tcm885-176231.pdf
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	– Chapter 4.1. MAPFRE and its employees: Compensation and recognition. P. 76 – For reasons of confidentiality, further information cannot be divulged.



Ethics and integrity

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	– Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Sustainable value creation and relationships with stakeholders. P. 25 Integrated Report 2016: Corporate Governance: Ethics and Social Responsibility. P. 61
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	– Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. P. 45
G4-58	Describe the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters relating to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Internal mechanisms: – Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. P. 45 External mechanisms: – Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Sustainable value creation and relationships with stakeholders. P. 25 – Chapter 6. Supplementary information: Principles used to prepare the Corporate Social Responsibility report. Responsiveness. P. 161

Specific standard disclosures

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
CATEGORY: ECONOMIC		
<h2>Economic performance</h2>		
G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee remunerations, donations and other community investments, retained earnings and payments to providers of capital and governments.	Integrated Report 2016. Fundación MAPFRE Annual Report 2016.
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	– Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38. – Chapter 4.2. Mapfre and its clients. Environmental products and services. P. 97 – Chapter 5. MAPFRE's environmental dimension: Carbon Footprint. P. 144

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-EC3	Coverage of the organization's defined benefit plan obligations.	- Chapter 4.1. MAPFRE and its Employees: Compensation and recognition. P. 76
G4-EC4	Financial assistance received from government.	Integrated Report 2016. Business Units. P. 13 Annual Consolidated Accounts 2016. Business Units. https://www.mapfre.com/corporativo-es/images/5-cuentas-anales-consolidadas-2016_tcm884-390385.pdf - Chapter 4.2. Mapfre and its clients. Environmental products and services. P. 97.
	Market presence	
G4-EC5	Ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	- Chapter 4. MAPFRE and its Employees: Compensation and recognition. P. 76
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation.	- Chapter 4. MAPFRE and its Employees: Company-wide management aspects: diversity. P. 68
	Indirect economic impacts	
G4-EC7	Development and impact of infrastructure investments and services supported.	- Not applicable.
G4-EC8	Significant indirect economic impacts, including the extent of impacts	- Not applicable.
	Procurement practices	
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	- Chapter 4.5. MAPFRE and its Suppliers: Types of providers. P. 120
CATEGORY: ENVIRONMENTAL		
	Materials	
G4-EN1	Materials used by weight or volume.	- Chapter 5. MAPFRE's environmental dimension: Eco-efficiency: Optimization of resources. P. 148
G4-EN2	Percentage of materials used that are recycled input materials.	
	Energy	
G4-EN3	Energy consumption within the organization, segmented by primary source.	- Chapter 5. MAPFRE's environmental dimension: carbon footprint. P. 144
G4-EN4	Energy consumption outside of the organization, segmented by primary source.	
G4-EN5	Energy intensity.	



GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-EN6	Reduction of energy consumption.	- Chapter 5. MAPFRE's environmental dimension: carbon footprint; obtaining results 2016. P. 144
G4-EN7	Reductions in energy requirements of products and services.	- Chapter 5. MAPFRE's environmental dimension: carbon footprint. P. 144
	Water	
G4-EN8	Total water withdrawal by source.	- Chapter 5. MAPFRE's environmental dimension: Eco-efficiency; Optimization of resources. P. 148
G4-EN9	Water sources significantly affected by withdrawal of water.	- Not applicable.
G4-EN10	Percentage and total volume of water recycled and reused.	- Not applicable.
	Biodiversity Non-Material Aspect in accordance with the materiality process completed in 2016	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	- Chapter 5. MAPFRE's environmental dimension: Biodiversity preservation. P. 154
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	- Chapter 5. MAPFRE's environmental dimension: Biodiversity preservation. P. 154 - Chapter 4.2. MAPFRE and its Clients: Environmental products and services. P. 97
G4-EN13	Habitats protected or restored.	- Not applicable.
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	
	Emissions	
G4-EN15	Direct greenhouse gas emissions.	- Chapter 5. MAPFRE's environmental dimension: carbon footprint. P. 144
G4-EN16	Energy indirect greenhouse gas emissions when generating energy.	
G4-EN17	Other indirect greenhouse gas emissions.	
G4-EN18	Greenhouse gas emissions intensity.	
G4-EN19	Reduction of greenhouse gas emissions.	
G4-EN20	Emission of ozone-depleting substances.	- Not applicable.
G4-EN21	NOX, SOX, and other significant air emissions.	- Not applicable.
	Effluents and waste	
G4-EN22	Total water discharge by quality and destination.	- Not applicable.

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-EN23	Total weight of waste by type and disposal method.	- Chapter 5. MAPFRE's environmental dimension: Waste management. P. 152
G4-EN24	Total number and volume of significant spills.	- Chapter 5. MAPFRE's environmental dimension: Spills and leaks. P. 154
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous and percentage of transported waste shipped internationally.	- Not applicable.
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff.	- Chapter 5. MAPFRE's environmental dimension: Emissions and dumping. P. 153
	Products and services	
G4-EN27	Extent of impact mitigation of environmental impacts of products and services.	- Chapter 4.2. MAPFRE and its Clients: environmental products and services. P. 97
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed at the end of their useful life by category.	- Not applicable.
	Regulatory compliance Non-material Aspect in accordance with the materiality process completed in 2016	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	We are not aware of any significant complaints, fines or sanctions outstanding for non-compliance with environmental laws and regulations in 2016
	Transport	
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce.	- Chapter 5. MAPFRE's environmental dimension: Carbon Footprint. P. 144
	Overall Non-Material Aspect in accordance with the materiality process completed in 2016	
G4-EN31	Total environmental protection expenditures and investments by type.	- Chapter 5. MAPFRE's environmental dimension: Eco-efficiency: Optimization of resources. P. 148
	Supplier environmental assessment	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	- Chapter 4.5. MAPFRE and its Suppliers: Provider selection criteria and relations. P. 121. Approval of providers. P. 122
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken.	- Chapter 4.5. MAPFRE and its providers: Approval of providers. P. 122 - Chapter 5. MAPFRE's environmental dimension: Waste management. P. 152



Environmental grievance mechanisms

Non-material Aspect in accordance with the materiality process completed in 2016

G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms.	We are not aware of other significant complaints, fines or sanctions outstanding for non-compliance with environmental law and regulations in 2016
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CATEGORY: SOCIAL PERFORMANCE >> LABOR PRACTICES AND DECENT WORK



Employment

G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region.	- Chapter 4.1. MAPFRE and its Employees: Employment policy. P. 67
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	- Chapter 4.1. MAPFRE and its Employees: Compensation and recognition. P. 76
G4-LA3	Return to work and retention rates after parental leave, by gender.	- Chapter 4.1. MAPFRE and its Employees. Work environment. P. 83



Labor/management relations

G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements.	- Chapter 4.1. MAPFRE and its Employees: Legal representation of employees. P. 80
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Occupational health and safety

G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	- Chapter 4.1. MAPFRE and its Employees: Work environment. P. 83
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, absenteeism, and total number of work-related fatalities, by region and by gender.	- Chapter 4.1. MAPFRE and its Employees: Work environment. P. 83
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation.	- Chapter 4.1. MAPFRE and its Employees: Work environment. P. 83
G4-LA8	Health and safety topics covered in formal agreements with trade unions.	- Chapter 4.1. MAPFRE and its employees: Work environment. P. 83



Training and education

G4-LA9	Average hours of training per year per employee by gender, and by employee category.	- Chapter 4.1. MAPFRE and its Employees: Professional development. P. 73
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	- Chapter 4.1. MAPFRE and its Employees: Professional development. P. 73. Internal mobility and promotion. P. 74. Performance. P. 76

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
	G4-LA11 Percentage of employees receiving regular performance and career development reviews.	- Chapter 4.1. MAPFRE and its Employees: Professional development. P. 73. Performance. P. 76
Diversity and equal opportunity		
	G4-LA12 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	- Chapter 4.1. MAPFRE and its Employees: Employment policy; Key data: Pág. 67. Company-wide management aspects: diversity. P. 68 Integrated Report 2016: Corporate Governance: Governance System. P. 56.
	G4-LA13 Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	- This information is not available as of the closing date of this report.
Equal remuneration for women and men		
	Supplier assessment for labor practices Non-Material Aspect in accordance with the materiality process completed in 2016	
	G4-LA14 Percentage of new suppliers that were screened using labor practices criteria.	- Chapter 4.5. MAPFRE and its Suppliers: Provider selection criteria and relations. P. 121. Approval of providers. P. 122
	G4-LA15 Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.	- Chapter 4.5. MAPFRE and its Suppliers: Provider selection criteria and relations. P. 121.
	Labor practices grievance mechanisms	
	G4-LA16 Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. P. 45
HUMAN RIGHTS		
	Investment	
	G4-HR1 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	- This information is not available as of the closing date of this report.
	G4-HR2 Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. P. 45
	Non-discrimination	
	G4-HR3 Total number of incidents of discrimination and corrective actions taken.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention and compliance measures. P. 45

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GRI G4 INDICATORS	PAGE / INFORMATION (REASON FOR OMISSION)	
	Freedom of association and collective bargaining	
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. P. 45 - Chapter 4.1. MAPFRE and its employees. Legal representation of employees. P. 80 - Chapter 4.5. MAPFRE and its providers: Approval of providers. P. 122 - Code of Ethics and Conduct.
	Child labor	
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35 . Environmental, social and governance factors and risks (ESG). P. 38 . Management and control of ESG Risks. P. 40 . Prevention measures and compliance. P. 45 - Chapter 4.1. MAPFRE and its Employees. Employment policy. P. 67 - Chapter 4.5. MAPFRE and its providers: Provider loyalty and evaluation of service quality. P. 122 - Code of Ethics and Conduct.
	Forced or compulsory labor	
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35 . Environmental, social and governance factors and risks (ESG) P.38 . Management and control of ESG Risks. P. 40 . Prevention measures and compliance. P. 45 - Chapter 4.1. MAPFRE and its employees. Employment policy. P. 67 - Chapter 4.5. MAPFRE and its providers: Provider loyalty and evaluation of service quality. P. 122 - Code of Ethics and Conduct.
	Security practices	
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35 . Environmental, social and governance factors and risks (ESG). P. 38 . Management and control of ESG Risks. P. 40 . Prevention measures and compliance. P. 45
	Indigenous rights	
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken.	- Not applicable.
	Assessment	
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35



GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
 Supplier human rights assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35 - Chapter 4.5. MAPFRE and its providers: Approval of providers. P. 122
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	- Chapter 4.5. MAPFRE and its Suppliers: Provider loyalty and evaluation of service quality. P. 122
 Human rights grievance mechanisms		
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. P. 45
SOCIETY		
 Local communities		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Fundación MAPFRE Annual Report 2016.
G4-SO2	Operations with significant actual and potential negative impacts on local communities.	Fundación MAPFRE Annual Report 2016.
 Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35. Management and control of ESG Risks. P. 40. Prevention measures and compliance. P. 45
G4-SO4	Communication and training on anti-corruption policies and procedures.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35. Management and control of ESG Risks. P. 40. Prevention measures and compliance. P. 45
G4-SO5	Confirmed incidents of corruption and actions taken.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Commitment to sustainable development. P. 35. Management and control of ESG Risks. P. 40. Prevention measures and compliance. P. 45
 Public Policy		
G4-SO6	Total value of political contributions by country and recipient/beneficiary.	Corporate Governance Policy https://www.mapfre.com/corporate/institutional-investors/investors/corporate-governance/ Code of Ethics and Conduct https://www.mapfre.com/corporate/social-responsibility/definition-objectives/code-ethics-and-conduct.jsp

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
	Anti-competitive behavior	
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	In 2016, no significant legal actions were taken in relation to anti-competitive behavior, anti-trust, or monopoly practices.
	Regulatory compliance	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	The amount paid in fines and sanctions due to non-compliance with legislation and regulations (in general, and regarding the provision and use of products and services) in 2016 is not "material" in the context of the MAPFRE Group.
	Supplier assessment for impacts on society	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	- Chapter 4.5. MAPFRE and its Suppliers: Approval of providers. P. 122
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken.	- Not applicable.
	Grievance mechanisms for impacts on society	
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	In 2016, no complaints regarding impacts on society were recorded through the existing formal mechanisms in the organization.
PRODUCT RESPONSIBILITY		
	Customer health and safety	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	- Not applicable.
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.	- Not applicable.
	Product and service labeling	
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements.	- Not available - Varies in accordance with local legislation. Applies to all Savings and Investment products.

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	- Chapter 4.2. MAPFRE and its Clients. Complaints and Grievances. P. 103
G4-PR5	Results of surveys measuring customer satisfaction.	- Chapter 4.2. MAPFRE and its Clients: Customer loyalty at MAPFRE. P. 102



Marketing Communications

G4-PR6	Sale of banned or disputed products.	- Not applicable.
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	In 2016, there was no record of significant cases of non-compliance with regulations or voluntary codes assumed by the company.



Customer privacy

Material Aspect in accordance with the materiality process completed in 2016

G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Prevention measures and compliance. Security. P. 49 - Chapter 4.2. MAPFRE and its Clients: Complaints and Grievances. P. 103
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Regulatory compliance

Material Aspect in accordance with the materiality process completed in 2016

G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	- Chapter 4.2. MAPFRE and its Clients: Complaints and Grievances. P. 103 The amount paid in fines and sanctions due to non-compliance with legislation and regulations in 2016 is not "material" in the context of the MAPFRE Group.
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GRI Financial services sector supplement indicators

GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
<h3>Product and service impact</h3>		
G4-FS1	Policies with specific environmental and social components applied to business lines.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Management and control of ESG Risks. P. 40 - Chapter 4.2. MAPFRE and its Clients: Products and services with a high social content. P. 94 . Environmental products and services. P. 97 - Chapter 5. MAPFRE's environmental dimension: MAPFRE commitment to the environment and sustainability. P. 135
G4-FS2	Procedures for assessing and screening environmental and social risks in business lines.	- Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Management and control of ESG Risks P. 40 - Chapter 5. MAPFRE's environmental dimension: MAPFRE strategy for mitigating and adapting to climate change. P. 142

GRI G4 INDICATORS	PAGE / INFORMATION (REASON FOR OMISSION)
G4-FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions with customers.	<ul style="list-style-type: none"> - Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Management and control of ESG Risks. P. 40 - Chapter 4.2. MAPFRE and its Clients: Products and services with a high social content. P. 94. Environmental products and services. P. 97 - Chapter 5. MAPFRE's environmental dimension: MAPFRE commitment to the environment and sustainability. P. 135
G4-FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	<ul style="list-style-type: none"> - Chapter 5. MAPFRE's environmental dimension: Integrated Environmental and Energy Management System (SIGMAYE). P. 136 Environmental Culture. P. 155
G4-FS5 Interactions with clients, investees and business partners regarding environmental and social risks and opportunities.	<ul style="list-style-type: none"> - Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38 - Chapter 4.2. MAPFRE and its Clients: Innovation. P. 92. Client communication channels. P. 100 - Chapter 4.3. MAPFRE and its Shareholders: MAPFRE's shareholder and investor relations. P. 113 - mapfre.com: Corporate information for the MAPFRE Group / Shareholders and Investors Section - Chapter 5. MAPFRE's environmental dimension: MAPFRE strategy for mitigating and adapting to climate change. P. 142



Product portfolio

G4-FS6 Percentage of the portfolio for each business line by specific region, size and sector.	<ul style="list-style-type: none"> - Chapter 4.2. MAPFRE and its Clients: Innovation. P. 92 Integrated Report 2016. Business units. P. 13
G4-FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	<ul style="list-style-type: none"> - Chapter 4.2. MAPFRE and its Clients: Products and services with high social content. P. 94
G4-FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	<ul style="list-style-type: none"> - Chapter 4.2. MAPFRE and its Clients: Environmental products and services. P. 97



Audit

G4-FS9 Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	<ul style="list-style-type: none"> - Letter from the Chairman and CEO and CEO. P. 4 - Chapter 3. MAPFRE and Corporate Social Responsibility (CSR): Environmental, social and governance factors and risks (ESG). P. 38. Prevention measures and compliance. - Chapter 5.2. Integrated environmental, energy and carbon footprint management system: SIGMAYE. P. 136 - Chapter 6. Supplementary Information: Principles used to prepare the Corporate Social Responsibility report. P. 161
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GRI G4 INDICATORS		PAGE / INFORMATION (REASON FOR OMISSION)
	Active ownership	
	G4-FS10 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 closing date of this report.
	G4-FS11 Percentage of assets subject to positive and negative environmental or social screening.	
	G4-FS12 Voting policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote or advises on voting.	- Not applicable.
	Local Communities	
	G4-FS13 Access points in low-populated or economically disadvantaged areas by type.	- Chapter 4.2. MAPFRE and its Clients: Products and services with a high social content. P. 94 - Fundación MAPFRE Report 2016
	G4-FS14 Initiatives to improve access to financial services for disadvantaged people	
	Customer health and safety	
	G4-FS15 Policies for the fair design and sale of financial products and services	- Chapter 4.2. MAPFRE and its Clients: Products and services with a high social content. P. 94
	Marketing communications	
	G4-FS16 Initiatives to enhance financial literacy by type of beneficiary	Fundación MAPFRE Report 2016

6.3. External verification report



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.)

In accordance with our engagement letter, we performed a limited assurance review on the non-financial information contained in the Corporate Social Responsibility Annual Report of MAPFRE, S.A. (hereinafter MAPFRE) for the year ended 31 December 2016 (hereinafter “the Report”) including indicators of Argentina, Brazil, Colombia, Spain, United States of America, Mexico, Peru, Puerto Rico 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 Guidelines version 4.0 (G4) and the Financial Services Sector Disclosures of the Global Reporting Initiative as described in item G4-32 of the GRI Content index of the Report and in accordance with Materiality Disclosure Service, 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 2016. 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 General Standard Disclosures 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 G4 Sustainability Reporting Guidelines requirements for the preparation of reports in accordance with comprehensive option.
- 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 Corporate Social Responsibility Annual Report of MAPFRE S.A. for the year ended 31 December 2016 has not been prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines version 4.0 (G4) and the Financial Services Sector Disclosures of the Global Reporting Initiative as described in point G4-32 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 2016 Corporate Social Responsibility Annual Report that covers the indicators of Argentina, Brazil, Colombia, Spain, United States of America, Mexico, Peru, Puerto Rico 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)

Jose Luis Blasco Vázquez

7 March 2017

ARGENTINA INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-SO1
	G4-EC3		G4-LA2		G4-SO2
	G4-EC4		G4-LA3		G4-SO3
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-SO4
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-SO5
Procurement Practices	G4-EC9		G4-LA6	Public Policy	G4-SO6
			G4-LA7	Anti-competitive Behaviour	G4-SO7
Environmental performance indicators			G4-LA8	Compliance	G4-SO8
Materials	G4-EN1	Training and Education	G4-LA9	Grievance Mechanisms for Impacts on Society	G4-SO11
	G4-EN2		G4-LA10	Product Responsibility	
Energy	G4-EN3	Diversity and Equal Opportunity	G4-LA11	Product and Service Labeling	G4-PR4
	G4-EN4		G4-LA12		G4-PR5
	G4-EN5	Equal Remuneration for Women and Men	G4-LA13	Marketing Communications	G4-PR7
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA14	Customer Privacy	G4-PR8
	G4-EN7		G4-LA15	Compliance	G4-PR9
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA16	Financial Services G4 Sector Disclosures	
Biodiversity	G4-EN11	Human Rights		Impact of products and services	G4-FS1
	G4-EN12	Investment	G4-HR2		G4-FS2
	G4-EN13	Non-discrimination	G4-HR3		G4-FS3
	G4-EN14	Freedom of Association and Collective Bargaining	G4-HR4		G4-FS4
Emissions	G4-EN15	Child Labor	G4-HR5		G4-FS5
	G4-EN16	Forced or Compulsory Labor	G4-HR6	Product Portfolio	G4-FS6
	G4-EN17	Security Practices	G4-HR7		G4-FS7
	G4-EN18	Assessment	G4-HR9		G4-FS8
	G4-EN19	Human Rights Grievance Mechanisms	G4-HR12	Audit	G4-FS9
Effluents and Waste	G4-EN23			Active Ownership	G4-FS10
	G4-EN24				G4-FS11
	G4-EN26			Local Communities	G4-FS13
Products and Services	G4-EN27				G4-FS14
Compliance	G4-EN29			Client health and safety	G4-FS15
Transport	G4-EN30			Marketing Communications	G4-FS16
Overall	G4-EN31				
Environmental Grievance Mechanisms	G4-EN34				

BRASIL INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-S01
	G4-EC3		G4-LA2		G4-S02
	G4-EC4		G4-LA3		G4-S03
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-S04
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-S05
Procurement Practices	G4-EC9		G4-LA6	Public Policy	G4-S06
			G4-LA7	Anti-competitive Behaviour	G4-S07
Environmental performance indicators			G4-LA8	Compliance	G4-S08
Materials	G4-EN1	Training and Education	G4-LA9	Supplier Assessment for Impacts on Society	G4-S09
	G4-EN2		G4-LA10		G4-S010
Energy	G4-EN3		G4-LA11	Grievance Mechanisms for Impacts on Society	G4-S011
	G4-EN4	Diversity and Equal Opportunity	Product Responsibility		
	G4-EN5		G4-LA12	Product and Service Labeling	G4-PR4
	G4-EN6	Equal Remuneration for Women and Men	G4-LA13		G4-PR5
Water	G4-EN7	Supplier Assessment for Labor Practices	G4-LA14	Marketing Communications	G4-PR7
		G4-EN8	G4-LA15		Customer Privacy
Biodiversity	G4-EN11	Labor Practices Grievance Mechanisms	G4-LA16	Compliance	G4-PR9
	G4-EN12	Human Rights			Financial Services G4 Sector Disclosures
	G4-EN13	Investment	G4-HR2	Impact of products and services	G4-FS1
	G4-EN14	Non-discrimination	G4-HR3		G4-FS2
Emissions	G4-EN15	Freedom of Association and Collective Bargaining	G4-HR4		G4-FS3
	G4-EN16	Child Labor	G4-HR5		G4-FS4
	G4-EN17	Forced or Compulsory Labor	G4-HR6	G4-FS5	
	G4-EN18	Security Practices	G4-HR7	Product Portfolio	G4-FS6
	G4-EN19	Assessment	G4-HR9		G4-FS7
Effluents and Waste	G4-EN23	Supplier Human Rights Assessment	G4-HR10	G4-FS8	
	G4-EN24		G4-HR11	Audit	G4-FS9
	G4-EN26	Human Rights Grievance Mechanisms	G4-HR12		Active Ownership
Products and Services	G4-EN27			G4-FS11	
Compliance	G4-EN29			Local Communities	G4-FS13
Transport	G4-EN30				G4-FS14
Overall	G4-EN31			Client health and safety	G4-FS15
Supplier Environmental Assessment	G4-EN32			Marketing Communications	G4-FS16
	G4-EN33				
Environmental Grievance Mechanisms	G4-EN34				

COLOMBIA INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-SO1
	G4-EC3		G4-LA2		G4-SO2
	G4-EC4		G4-LA3		G4-SO3
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-SO4
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-SO5
Procurement Practices	G4-EC9		G4-LA6		Public Policy
	Environmental performance indicators		G4-LA7	Anti-competitive Behaviour	G4-SO7
Materials	G4-EN1		Training and Education	G4-LA8	Compliance
	G4-EN2	G4-LA9		Supplier Assessment for Impacts on Society	G4-SO9
Energy	G4-EN3	Diversity and Equal Opportunity		G4-LA10	Grievance Mechanisms for Impacts on Society
	G4-EN4		G4-LA11	G4-SO11	
	G4-EN5	Equal Remuneration for Women and Men	G4-LA12	Product Responsibility	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA13	Product and Service Labeling	G4-PR4
	G4-EN7		G4-LA14	G4-PR5	
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA15	Marketing Communications	G4-PR7
	Biodiversity	G4-EN11	Human Rights	Customer Privacy	G4-PR8
G4-EN12		Investment			G4-PR9
G4-EN13			Non-discrimination	Financial Services G4 Sector Disclosures	
G4-EN14		Freedom of Association and Collective Bargaining	G4-HR2	Impact of products and services	G4-FS1
Emissions	G4-EN15	Child Labor	G4-HR3		G4-FS2
	G4-EN16	Forced or Compulsory Labor	G4-HR4		G4-FS3
	G4-EN17	Security Practices	G4-HR5		G4-FS4
	G4-EN18	Assessment	G4-HR6		G4-FS5
	G4-EN19	Supplier Human Rights Assessment	G4-HR7	Product Portfolio	G4-FS6
Effluents and Waste	G4-EN23	Human Rights Grievance Mechanisms	G4-HR9		G4-FS7
	G4-EN24		G4-HR10		G4-FS8
	G4-EN26	G4-HR11	Audit	G4-FS9	
Products and Services	G4-EN27		G4-HR12	Active Ownership	G4-FS10
Compliance	G4-EN29				G4-FS11
Transport	G4-EN30			Local Communities	G4-FS13
Overall	G4-EN31				G4-FS14
Supplier Environmental Assessment	G4-EN32			Client health and safety	G4-FS15
	G4-EN33			Marketing Communications	G4-FS16
Environmental Grievance Mechanisms	G4-EN34				

SPAIN INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-S01
	G4-EC3		G4-LA2		G4-S02
	G4-EC4		G4-LA3		G4-S03
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-S04
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-S05
Procurement Practices	G4-EC9		G4-LA6	Public Policy	G4-S06
			G4-LA7	Anti-competitive Behaviour	G4-S07
Environmental performance indicators			G4-LA8	Compliance	G4-S08
Materials	G4-EN1	Training and Education	G4-LA9	Supplier Assessment for Impacts on Society	G4-S09
	G4-EN2		G4-LA10		G4-S10
Energy	G4-EN3		Diversity and Equal Opportunity	G4-LA11	Grievance Mechanisms for Impacts on Society
	G4-EN4	G4-LA12			
	G4-EN5	Equal Remuneration for Women and Men	G4-LA13	Product Responsibility	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA14	Product and Service Labeling	G4-PR4
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA15	Marketing Communications	G4-PR7
			G4-LA16	Customer Privacy	G4-PR8
Biodiversity	G4-EN11	Human Rights		Compliance	G4-PR9
	G4-EN12	Investment	G4-HR2	Financial Services G4 Sector Disclosures	
	G4-EN13	Non-discrimination	G4-HR3	Impact of products and services	G4-FS1
	G4-EN14	Freedom of Association and Collective Bargaining	G4-HR4		G4-FS2
Emissions	G4-EN15	Child Labor	G4-HR5		G4-FS3
	G4-EN16	Forced or Compulsory Labor	G4-HR6		G4-FS4
	G4-EN17	Security Practices	G4-HR7	G4-FS5	
	G4-EN18	Assessment	G4-HR9	Product Portfolio	G4-FS6
G4-EN19	Supplier Human Rights Assessment	G4-HR10	G4-FS7		
Effluents and Waste	G4-EN23	Human Rights Grievance Mechanisms	G4-HR11	G4-FS8	
	G4-EN24		G4-HR12	Audit	G4-FS9
	G4-EN26			Active Ownership	G4-FS10
Products and Services	G4-EN27				G4-FS11
Compliance	G4-EN29			Local Communities	G4-FS13
Transport	G4-EN30				G4-FS14
Overall	G4-EN31			Client health and safety	G4-FS15
Supplier Environmental Assessment	G4-EN32			Marketing Communications	G4-FS16
	G4-EN33				
Environmental Grievance Mechanisms	G4-EN34				

USA INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-S01
	G4-EC3		G4-LA2		G4-S02
	G4-EC4		G4-LA3		G4-S03
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-S04
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-S05
Procurement Practices	G4-EC9		G4-LA6	Public Policy	G4-S06
			G4-LA7	Anti-competitive Behaviour	G4-S07
Environmental performance indicators			G4-LA8	Compliance	G4-S08
Materials	G4-EN1	Training and Education	G4-LA9	Supplier Assessment for Impacts on Society	G4-S09
	G4-EN2		G4-LA10		G4-S010
Energy	G4-EN3		G4-LA11	Grievance Mechanisms for Impacts on Society	G4-S011
	G4-EN4	Diversity and Equal Opportunity	G4-LA12		
	G4-EN5	Equal Remuneration for Women and Men	G4-LA13	Product Responsibility	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA14	Product and Service Labeling	G4-PR4
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA15	G4-PR5	
			G4-LA16	Marketing Communications	G4-PR7
Biodiversity	G4-EN11	Human Rights		Customer Privacy	G4-PR8
	G4-EN12	Investment	G4-HR2	Compliance	G4-PR9
	G4-EN13	Non-discrimination	G4-HR3	Financial Services G4 Sector Disclosures	
	G4-EN14	Freedom of Association and Collective Bargaining	G4-HR4	Impact of products and services	G4-FS1
Emissions	G4-EN15	Child Labor	G4-HR5		G4-FS2
	G4-EN16	Forced or Compulsory Labor	G4-HR6		G4-FS3
	G4-EN17	Security Practices	G4-HR7		G4-FS4
	G4-EN18	Assessment	G4-HR9	G4-FS5	
	G4-EN19	Supplier Human Rights Assessment	G4-HR10	Product Portfolio	G4-FS6
Effluents and Waste	G4-EN23	Human Rights Grievance Mechanisms	G4-HR11		G4-FS7
	G4-EN24		G4-HR12	G4-FS8	
	G4-EN26			Audit	G4-FS9
Products and Services	G4-EN27			Active Ownership	G4-FS10
Compliance	G4-EN29				G4-FS11
Transport	G4-EN30			Local Communities	G4-FS13
Overall	G4-EN31				G4-FS14
Supplier Environmental Assessment	G4-EN32			Client health and safety	G4-FS15
	G4-EN33			Marketing Communications	G4-FS16
Environmental Grievance Mechanisms	G4-EN34				

MEXICO INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-S01
	G4-EC3		G4-LA2		G4-S02
	G4-EC4		G4-LA3		G4-S03
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-S04
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-S05
Procurement Practices	G4-EC9		G4-LA6	Public Policy	G4-S06
			G4-LA7	Anti-competitive Behaviour	G4-S07
Environmental performance indicators			G4-LA8	Compliance	G4-S08
Materials	G4-EN1	Training and Education	G4-LA9	Supplier Assessment for Impacts on Society	G4-S09
	G4-EN2		G4-LA10		G4-S010
Energy	G4-EN3		G4-LA11	Grievance Mechanisms for Impacts on Society	G4-S011
	G4-EN4	Diversity and Equal Opportunity	G4-LA12		
	G4-EN5	Equal Remuneration for Women and Men	G4-LA13	Product Responsibility	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA14	Product and Service Labeling	G4-PR4
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA15	G4-PR5	
			G4-LA16	Marketing Communications	G4-PR7
Biodiversity	G4-EN11	Human Rights		Customer Privacy	G4-PR8
	G4-EN12	Investment	G4-HR2	Compliance	G4-PR9
	G4-EN13	Non-discrimination	G4-HR3	Financial Services G4 Sector Disclosures	
	G4-EN14	Freedom of Association and Collective Bargaining	G4-HR4	Impact of products and services	G4-FS1
Emissions	G4-EN15	Child Labor	G4-HR5		G4-FS2
	G4-EN16	Forced or Compulsory Labor	G4-HR6		G4-FS3
	G4-EN17	Security Practices	G4-HR7		G4-FS4
	G4-EN18	Assessment	G4-HR9	G4-FS5	
Effluents and Waste	G4-EN19	Supplier Human Rights Assessment	G4-HR10	Product Portfolio	G4-FS6
	G4-EN23		G4-HR11		G4-FS7
	G4-EN24	Human Rights Grievance Mechanisms	G4-HR12	G4-FS8	
Products and Services	G4-EN27			Audit	G4-FS9
Compliance	G4-EN29			Active Ownership	G4-FS10
Transport	G4-EN30			Local Communities	G4-FS11
Overall	G4-EN31				G4-FS13
Supplier Environmental Assessment	G4-EN32			Client health and safety	G4-FS15
	G4-EN33			Marketing Communications	G4-FS16
Environmental Grievance Mechanisms	G4-EN34				

PERU INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-SO1
	G4-EC3		G4-LA2		G4-SO2
	G4-EC4		G4-LA3		G4-SO3
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-SO4
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-SO5
Procurement Practices	G4-EC9		G4-LA6		Public Policy
	Environmental performance indicators		G4-LA7	Anti-competitive Behaviour	G4-SO7
Materials	G4-EN1		Training and Education	G4-LA8	Compliance
	G4-EN2	G4-LA9		Supplier Assessment for Impacts on Society	G4-SO9
Energy	G4-EN3	Diversity and Equal Opportunity		G4-LA10	Supplier Assessment for Impacts on Society
	G4-EN4		G4-LA11	G4-SO11	
	G4-EN5	Equal Remuneration for Women and Men	G4-LA12	Product Responsibility	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA13	Product and Service Labeling	G4-PR4
	G4-EN7		G4-LA14	G4-PR5	
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA15	Marketing Communications	G4-PR7
	Biodiversity	G4-EN11	Human Rights	Customer Privacy	G4-PR8
G4-EN12		Investment			G4-PR9
G4-EN13			Non-discrimination	Financial Services G4 Sector Disclosures	
G4-EN14		Freedom of Association and Collective Bargaining	G4-HR2	Impact of products and services	G4-FS1
Emissions	G4-EN15	Child Labor	G4-HR3		G4-FS2
	G4-EN16	Forced or Compulsory Labor	G4-HR4		G4-FS3
	G4-EN17	Security Practices	G4-HR5		G4-FS4
	G4-EN18	Assessment	G4-HR6		G4-FS5
	G4-EN19	Supplier Human Rights Assessment	G4-HR7	Product Portfolio	G4-FS6
Effluents and Waste	G4-EN23	Human Rights Grievance Mechanisms	G4-HR9		G4-FS7
	G4-EN24		G4-HR10		G4-FS8
	G4-EN26	G4-HR11	Audit	G4-FS9	
Products and Services	G4-EN27		G4-HR12	Active Ownership	G4-FS10
Compliance	G4-EN29			Local Communities	G4-FS11
Transport	G4-EN30				G4-FS13
Overall	G4-EN31				G4-FS14
Supplier Environmental Assessment	G4-EN32			Client health and safety	G4-FS15
	G4-EN33			Marketing Communications	G4-FS16
Environmental Grievance Mechanisms	G4-EN34				

PUERTO RICO INDICATORS						
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS	
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)		
Economic performance	G4-EC1	Labor practices and decent work		Society		
	G4-EC2	Employment	G4-LA1	Local Communities	G4-S01	
	G4-EC3		G4-LA2		G4-S02	
	G4-EC4		G4-LA3		G4-S03	
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-S04	
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-S05	
Procurement Practices	G4-EC9		G4-LA6		Public Policy	G4-S06
			G4-LA7	Anti-competitive Behaviour	G4-S07	
Environmental performance indicators			G4-LA8	Compliance	G4-S08	
Materials	G4-EN1	Training and Education	G4-LA9	Supplier Assessment for Impacts on Society	G4-S09	
	G4-EN2		G4-LA10		G4-S010	
Energy	G4-EN3		Diversity and Equal Opportunity	G4-LA11	Grievance Mechanisms for Impacts on Society	G4-S011
	G4-EN4	G4-LA12		Product Responsibility		
	G4-EN5	Equal Remuneration for Women and Men	G4-LA13	Product and Service Labeling	G4-PR4	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA14		G4-PR5	
Water	G4-EN7		G4-LA15	Marketing Communications	G4-PR7	
		G4-EN8	Labor Practices Grievance Mechanisms	G4-LA16	Customer Privacy	G4-PR8
Biodiversity	G4-EN11	Human Rights		Compliance	G4-PR9	
	G4-EN12	Investment	G4-HR2	Financial Services G4 Sector Disclosures		
	G4-EN13	Non-discrimination	G4-HR3	Impact of products and services	G4-FS1	
	G4-EN14	Freedom of Association and Collective Bargaining	G4-HR4		G4-FS2	
Emissions	G4-EN15	Child Labor	G4-HR5		G4-FS3	
	G4-EN16	Forced or Compulsory Labor	G4-HR6		G4-FS4	
	G4-EN17	Security Practices	G4-HR7	G4-FS5		
	G4-EN18	Assessment	G4-HR9	Product Portfolio	G4-FS6	
Effluents and Waste	G4-EN23	Supplier Human Rights Assessment	G4-HR10		G4-FS7	
	G4-EN24		G4-HR11		G4-FS8	
	G4-EN26	Human Rights Grievance Mechanisms	G4-HR12	Audit	G4-FS9	
Products and Services	G4-EN27				G4-FS10	
Compliance	G4-EN29				G4-FS11	
Transport	G4-EN30				Local Communities	
Overall	G4-EN31					G4-FS13
Supplier Environmental Assessment	G4-EN32				G4-FS14	
	G4-EN33				Client health and safety	G4-FS15
Environmental Grievance Mechanisms	G4-EN34				Marketing Communications	G4-FS16

TURKEY INDICATORS					
ASPECT	INDICATORS	ASPECT	INDICATORS	ASPECT	INDICATORS
Economic performance indicators		Social performance indicators		Social performance indicators (cont.)	
Economic performance	G4-EC1	Labor practices and decent work		Society	
	G4-EC2	Employment	G4-LA1	Local Communities	G4-S01
	G4-EC3		G4-LA2		G4-S02
	G4-EC4		G4-LA3		G4-S03
Market Presence	G4-EC5	Labor/Management Relations	G4-LA4	Anti-corruption	G4-S04
	G4-EC6	Occupational Health and Safety	G4-LA5		G4-S05
Procurement Practices	G4-EC9		G4-LA6	Public Policy	G4-S06
			G4-LA7	Anti-competitive Behaviour	G4-S07
Environmental performance indicators			G4-LA8	Compliance	G4-S08
Materials	G4-EN1	Training and Education	G4-LA9	Supplier Assessment for Impacts on Society	G4-S09
	G4-EN2		G4-LA10		G4-S010
Energy	G4-EN3		G4-LA11	Grievance Mechanisms for Impacts on Society	G4-S011
	G4-EN4	Diversity and Equal Opportunity	G4-LA12		
	G4-EN5	Equal Remuneration for Women and Men	G4-LA13	Product Responsibility	
	G4-EN6	Supplier Assessment for Labor Practices	G4-LA14	Product and Service Labeling	G4-PR4
	G4-EN7	G4-LA15	G4-LA15	G4-PR5	
Water	G4-EN8	Labor Practices Grievance Mechanisms	G4-LA16	Marketing Communications	G4-PR7
		Human Rights		Customer Privacy	G4-PR8
Biodiversity	G4-EN11	Investment	G4-HR2	Compliance	G4-PR9
	G4-EN12			Financial Services G4 Sector Disclosures	
	G4-EN13	Non-discrimination	G4-HR3	Impact of products and services	G4-FS1
	G4-EN14	Freedom of Association and Collective Bargaining	G4-HR4		G4-FS2
Emissions	G4-EN15	Child Labor	G4-HR5		G4-FS3
	G4-EN16	Forced or Compulsory Labor	G4-HR6		G4-FS4
	G4-EN17	Security Practices	G4-HR7		G4-FS5
	G4-EN18	Assessment	G4-HR9	G4-FS6	
	G4-EN19	Supplier Human Rights Assessment	G4-HR10	G4-FS7	
Effluents and Waste	G4-EN23	G4-HR11	G4-HR11	G4-FS8	
	G4-EN24	Human Rights Grievance Mechanisms	G4-HR12	Product Portfolio	G4-FS9
	G4-EN26			Audit	G4-FS10
Products and Services	G4-EN27			Active Ownership	G4-FS11
Compliance	G4-EN29			Local Communities	G4-FS13
Transport	G4-EN30				G4-FS14
Overall	G4-EN31			Client health and safety	G4-FS15
Supplier Environmental Assessment	G4-EN32			Marketing Communications	G4-FS16
	G4-EN33				
Environmental Grievance Mechanisms	G4-EN34				

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6.4. Table associating Global Compact principles with GRI G4 indicators

AREAS	GLOBAL COMPACT PRINCIPLES	GRI G4 INDICATORS
Human Rights	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence.	SOCIAL PERFORMANCE Investment: G4-HR1, G4-HR2 Non-discrimination: G4-HR3 Supplier human rights assessment: G4-HR10, G4-HR11 Freedom of association and collective bargaining: G4-HR4 Child labor: G4-HR5 Forced or compulsory labor: G4-HR6 Security practices: G4-HR7 Indigenous rights: G4-HR8 Labor/management relations: G4-LA4 Occupational health and safety: G4-LA5- G4-LA8 Diversity and equal opportunity: G4-LA12 Equal remuneration for women and men: G4-LA13 Customer health and safety: G4- PR1, G4-PR2 Customer privacy: G4-PR8 ECONOMIC PERFORMANCE: G4-EC5
	2. Businesses should make sure they are not complicit in human rights abuses.	SOCIAL PERFORMANCE Investment: G4-HR1, G4-HR2 Non-discrimination: G4-HR3 Supplier human rights assessment: G4-HR10, G4-HR11 Freedom of association and collective bargaining: G4-HR4 Child labor: G4-HR5 Forced or compulsory labor: G4-HR6 Security practices: G4-HR7 Indigenous rights: G4-HR8 Assessment: G4-HR9 Human rights grievance mechanisms: G4-HR12
	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	SOCIAL PERFORMANCE Labor/management relations: G4-LA4 Investment: G4-HR1, G4-HR2 Freedom of association and collective bargaining: G4-HR4
	4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	SOCIAL PERFORMANCE Investment: G4-HR1, G4-HR2 Forced or compulsory labor: G4-HR6 Supplier human rights assessment: G4-HR10, G4-HR11
Labor Rights	5. Businesses should uphold the effective abolition of child labor.	SOCIAL PERFORMANCE Investment: G4-HR1, G4-HR2 Freedom of association and collective bargaining: G4-HR4 Child labor: G4-HR5 Supplier human rights assessment: G4-HR10, G4-HR11
	6. Businesses should uphold the elimination of discrimination with respect to employment and occupation.	SOCIAL PERFORMANCE Employment: G4-LA1, G4-LA2 Diversity and equal opportunity: G4-LA12 Investment: HR1, G4-HR2 Non-discrimination: G4-HR3 ECONOMIC PERFORMANCE: G4-EC6

AREAS	GLOBAL COMPACT PRINCIPLES	GRI G4 INDICATORS
Environment	7. Businesses should support a precautionary approach to environmental challenges.	ECONOMIC PERFORMANCE: G4-EC2 ENVIRONMENTAL PERFORMANCE Emissions, effluents, and waste: G4-EN19 Products and services: G4-EN27, G4-EN28 Overall: G4-EN31
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	ENVIRONMENTAL PERFORMANCE Materials: G4-EN1, G4-EN2 Energy: G4-EN3 - G4-EN7 Water: G4-EN8 - G4-EN10 Biodiversity: G4-EN11 - G4-EN14 Emissions: G4-EN15 - G4-EN21 Effluents and waste: G4-EN22 - G4-EN24 Products and services: G4-EN27, G4-EN28 Regulatory compliance: G4-EN29 Transport: G4-EN30 Overall: G4-EN31 SOCIAL PERFORMANCE Product and service labeling: G4-PR3, G4-PR4.
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies	ENVIRONMENTAL PERFORMANCE Materials: G4-EN2 Energy: G4-EN5 - G4-EN7 Water: G4-EN10 Emissions, effluents, and waste: G4-EN19 Products and services: G4-EN27, G4-EN28 Overall: G4-EN31
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	SOCIAL PERFORMANCE Anti-corruption: G4-SO3 - G4-SO5 Local communities: G4-SO2 - G4- G4-SO4 Public policy: G4-SO5 - G4-SO6



6.5. Principles for Sustainable Insurance (PSI) Table

PRINCIPLES FOR SUSTAINABLE INSURANCE	LOCATION IN MAPFRE'S ANNUAL CSR REPORT 2016
<p>1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.</p>	<p>Letter from the Chairman</p> <p>MAPFRE and Corporate Social Responsibility The sustainable value creation and stakeholder relations model Environmental, social and governance (ESG) factors and risks Prevention and compliance measures Commitment to sustainable development: Sustainability Plan Commitments to international initiatives United Nations Global Compact United Nations Environment Programme Finance Initiative (UNEPFI) Principles for Sustainable Insurance (PSI) Signatory to Paris Pledge for Action (COP 21). Signatory to the Carbon Disclosure Program; Water Disclosure and Carbon Action programs</p> <p>MAPFRE's Social Dimension MAPFRE and its Employees: employment policy; diversity; professional development, flexibility and agility, and employee experience. MAPFRE and its Clients: innovation; communication channels; quality; grievances and complaints MAPFRE and its Distributors: selection and training MAPFRE and its Suppliers: supplier relations and support systems; selection and relations criteria; approval; supplier loyalty and evaluation of service quality; training MAPFRE and its Shareholders: FTSE4good and FTSE4Good IBEX. MAPFRE and Society: Sustainable Development Goals and human rights</p> <p>MAPFRE's environmental dimension: MAPFRE's commitment to the environment and sustainability. Integrated Environmental and Energy Management System: (SIGMAYE). Climate Change. Biodiversity Preservation.</p> <p>Supplementary information: GRI G4 Table of Contents</p>
<p>2. We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.</p>	<p>MAPFRE and Corporate Social Responsibility Environmental, social and governance (ESG) factors and risks</p> <p>MAPFRE's Social Dimension MAPFRE and its Clients: innovation; communication channels; quality; grievances and complaints; MAPFRE and its Distributors: selection and training MAPFRE and its Suppliers: supplier relations and support systems; selection and relations criteria; approval; supplier loyalty and evaluation of service quality; training MAPFRE and Society: Sustainable Development Goals and human rights</p> <p>MAPFRE's environmental dimension: MAPFRE's commitment to the environment and sustainability. Objectives Achieved in 2016 and Challenges Climate Change: Initiatives with Suppliers, Products and Services.</p> <p>Supplementary information: GRI G4 Table of Contents</p>

PRINCIPLES FOR SUSTAINABLE INSURANCE

LOCATION IN MAPFRE'S ANNUAL CSR REPORT 2016

3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

MAPFRE and Corporate Social Responsibility
 The sustainable value creation and stakeholder relations model
 Environmental, social and governance (ESG) factors and risks
 Prevention and compliance measures
 Commitment to sustainable development:
 Sustainability Plan
 Commitments to international initiatives
 United Nations Global Compact
 United Nations Environment Programme Finance Initiative (UNEPFI)
 Principles for Sustainable Insurance (PSI)
 Signatory to Paris Pledge for Action (COP 21).
 Signatory to the Carbon Disclosure Program; Water Disclosure and Carbon Action programs

MAPFRE's environmental dimension:
 MAPFRE's commitment to the environment and sustainability.
 Integrated Environmental and Energy Management System: (SIGMAYE).
 Climate Change.
 Biodiversity Preservation.

Supplementary information: GRI G4 Table of Contents

4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

MAPFRE Annual Corporate Social Responsibility Report 2016
 Integrated Report 2016
www.mapfre.com



Design and layout:
Tau Diseño
www.taudesign.com

