

Integrated Report

MAPFRE S.A.



MAPFRE

2018

TABLE OF CONTENTS

1.	LETTER FROM THE CHAIRMAN AND CEO.....	2
2.	MAPFRE GROUP	5
2.1.	Functional and shareholder structure.....	5
2.2.	Deployment.....	8
2.3.	Key figures.....	11
2.4.	Regulatory framework and environment.....	12
3.	BUSINESS MODEL, STRATEGY AND PERFORMANCE	16
3.1.	Business model.....	16
3.2.	Strategy	19
3.3.	Future outlook.....	21
3.4.	Business performance.....	23
3.4.1.	Relevant facts	23
3.4.2.	Information by Business Unit.....	25
4.	Corporate governance	41
4.1.	Governance System.....	41
4.2.	Ethics and Sustainability.....	50
5.	RISKS AND OPPORTUNITIES	64
6.	CREATION OF SHARED VALUE: <i>WE ARE SUSTAINABLE</i>	68
6.1.	FINANCIAL DIMENSION:	69
6.2.	PRODUCTIVE DIMENSION:	76
6.3.	HUMAN DIMENSION:	87
6.4.	INTELLECTUAL DIMENSION:	109
6.5.	NATURAL DIMENSION:	117
6.6.	SOCIAL AND RELATIONAL DIMENSION:	125
7.	SUPPLEMENTARY INFORMATION	145
7.1.	Bases of preparation and presentation of the report.....	145
7.2.	Materiality.....	147
7.3.	GRI content index.....	153
7.4.	Notes	176
7.5.	External verification report.....	200

1. LETTER FROM THE CHAIRMAN AND CEO

[GRI 102 – 14]

Dear Friends:

I am writing to you once again to present our III Integrated Report for the financial year 2018. MAPFRE is a committed company that understands that business and sustainability have to go hand in hand. They must therefore be communicated in an integrated manner, as we do in this publication, in which we offer, in a single reading, an integral vision of our business, our strategy and challenges, together with those most significant elements that show our commitment and action as regards sustainable development. Additionally, in accordance with the regulations approved in the last days of the year past, we also incorporate key non-financial information that provides a more complete and transparent view of the business.

2018 was a very relevant year for the company. We have completed our three-year Strategic Plan with a positive overall outcome, despite the adverse factors encountered in this period, as well as our Sustainability Plan, which has allowed us to make significant progress with this commitment.

The report provides extensive financial information on the business, which highlights the strength of MAPFRE Spain, and that of MAPFRE RE, as well as that of many other countries in which we operate. The profitable growth strategy continues to produce improvements in results in most of them and the optimization initiatives have also borne fruit in GLOBAL RISKS and MAPFRE ASISTENCIA.

Over the course of 2018, the restructuring of the strategic alliance with Banco do Brasil became effective, and our activity in the United States has been reorganized. Although the reader has all company data available to them, I would like to once again draw your attention to our solid position in all markets:

- Revenues rose to 26.6 billion euros, of which 22.5 billion correspond to premium income. Earnings before taxes exceeded 1.3 billion euros and net earnings totaled 529 million euros.
- The combined ratio stood at 97.6%, which represents an improvement of 0.5 percentage points over the previous year.
- The Solvency II results confirm the company's strong capital position and its low volatility. The Solvency II ratio was 207.9% as at September 2018, with a high quality capital structure, since 88% is rated TIER 1.

MAPFRE is without a solvent company that creates economic and social value in the countries in which it operates.

Our world is transforming into a digital and connected environment, and companies are following suit, particularly MAPFRE, because we understand that innovation is one of the levers that can contribute most to this process. In 2018 we launched a set of transformation and innovation platforms called MAPFRE Open Innovation (MOi). We will allocate around 100 million euros per year to innovation, which, together with the annual investment of more than

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600 million euros in technology, gives us very relevant capabilities to take on these new challenges.

Our employees are essential in this transformation process and we are accompanying them on this journey and preparing them for the change. We have an abundance of internal talent, and we promote this with intrapreneurship programs, as MAPFRE innova. Almost 30 percent of the total workforce presented innovative proposals for the company as part of this open call for ideas.

Our people are motivated, capable of contributing their experience and talent in the search for new sustainable business opportunities, in the design of products and services and in the improvement of internal processes. For this reason, we are firmly committed to professional development, investing more than 15 million euros per year in training. We also offer high quality employment, with 97% of our contracts permanent. This is further enhanced by the more than 176 million euros that are allocated each year to social benefits for all workers. Diversity is also a hallmark of our workforce, comprising as it does more than 35,000 employees from 91 nationalities and five generations - veterans, baby boomers, and Generations X, Y and Z. And we continue to make solid progress in terms of equality. Women accounted for 59 percent of new hires in 2018. We are an inclusive company too, greatly enriched by having more than 2 percent of our workforce made up of people with disabilities. MAPFRE is a company of opportunities.

Also, I have to say, with some pride, that we are also a supportive company. More than 7,800 employees participated last year in our Volunteering Program through Fundación MAPFRE. Over the course of 2018, this dedication was evidenced in the more than 1,600 activities that directly benefited more than 111,000 people.

Another distinguishing feature of our identity is the service we provide to our clients. Our activity revolves around them - they are the true center of center of the business. Our clients trust MAPFRE and renew that trust year in and year out on the back of the attention they receive and our multichannel value proposition that is grounded in service quality. Our growing digital business is fully complementary with the more than 86,000 distributors, agents, brokers and banks we partner with worldwide. In addition, we have a network of more than 152,000 providers and professionals who do their work aligned to our principles and values.

As a global group, we are signatories to the United Nations Global Compact, we work on the 2030 Development Agenda, and we are part of the Finance Initiative of the Environment Program - UNEPFI. We are also signatories to the Principles for Sustainable Insurance (PSI), to the Paris Pledge for Action and to the Principles for Responsible Investment (PRI) of the United Nations. We assume these commitments in the management of the business and in the environment in which we conduct our activity.

MAPFRE has an energy efficiency strategy and action plan in place to mitigate the effects of climate change. We take great care of our environmental footprint, and since 2013 we have reduced our CO2 emissions by 51 percent. Renewable energy sources provide us with 58

percent of the electricity we consume, we manage our waste efficiently and we are committed to preserving biodiversity.

The foregoing enabled us to once again renew our membership of the FTSE4Good index in 2018, and saw us recognized as the tenth largest insurer in the Dow Jones Sustainability World Index. For the third consecutive year, we are part of the A-List from the CDP initiative, for our management and initiatives in response to climate change.

MAPFRE is a solvent company, committed to its environment and its stakeholder groups in the creation of value. In a complex period, we also complied with the commitment we gave to maintain a stable dividend. This year we will remunerate our shareholders with a total amount of 447 million euros.

I am convinced that MAPFRE's business model as a sustainable company and the transformation strategy aimed at growing and improving profitability, together with a high level of solvency and a reduced level of debt, will guarantee healthy growth in the coming years.

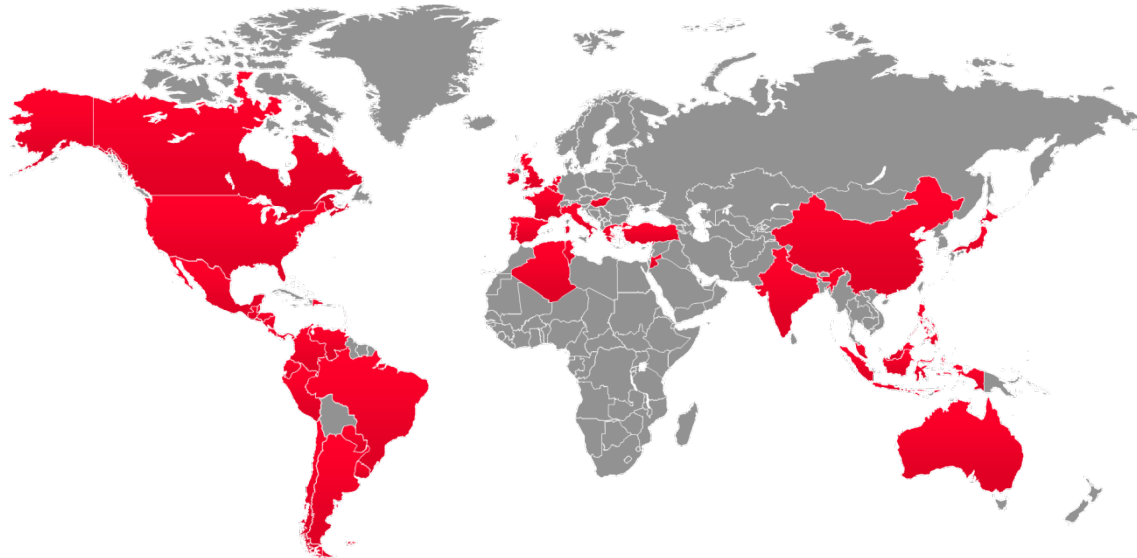
On behalf of myself and the Board, I would like to conclude by expressing our gratitude once again for the confidence that all our stakeholders place in MAPFRE and reiterate our commitment to continue working to create value and contribute to economic and social development wherever we are present.

2. MAPFRE GROUP

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

2.1. Functional and shareholder structure

MAPFRE S.A. (hereinafter the “Company”) is a global company principally engaged in insurance and reinsurance activities in 45 countries worldwide.



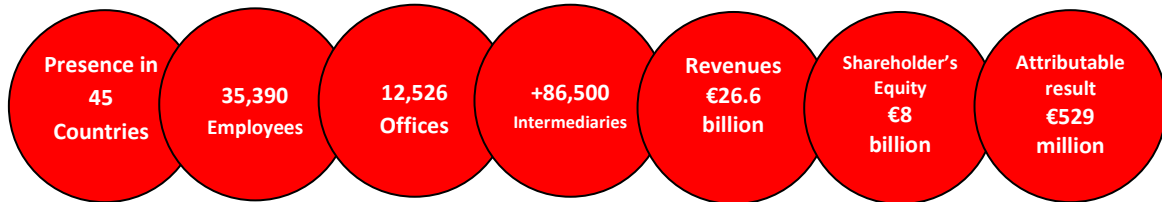
The company’s origins can be traced to MAPFRE MUTUALIDAD, created in 1933 by the Association of Owners of Rural Properties in Spain to mutually cover the risks arising from their farming activities. In the 1960s, it embarked on a process of business expansion consisting of the creation of subsidiary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



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

MAPFRE has:



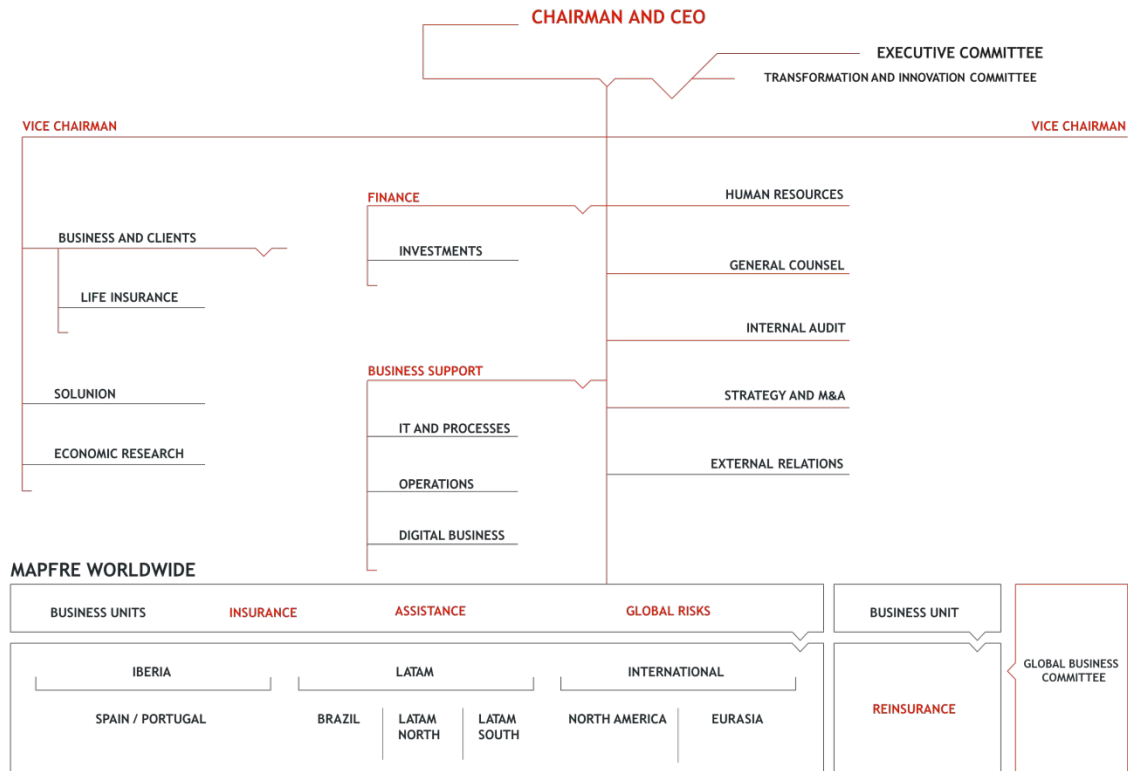
The Group pursues its business activities through an organizational structure made up of four business units (Insurance; Assistance, Services and Specialty Risks; Global Risks; and Reinsurance); three territorial areas (IBERIA, LATAM and INTERNATIONAL); and six regional areas: Iberia (Spain and Portugal), Brazil, LATAM North, LATAM South, North America and EURASIA (Europe, Middle East, Africa and Asia Pacific).

The Insurance Business Unit is organized in line with the regional areas, which are the geographic units that plan, support and oversee the region.

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

The Group has changed its structure in recent years to a form suitable for adapting to the strategic challenges facing a company of its global size and presence.

The current Group organizational structure is shown overleaf.

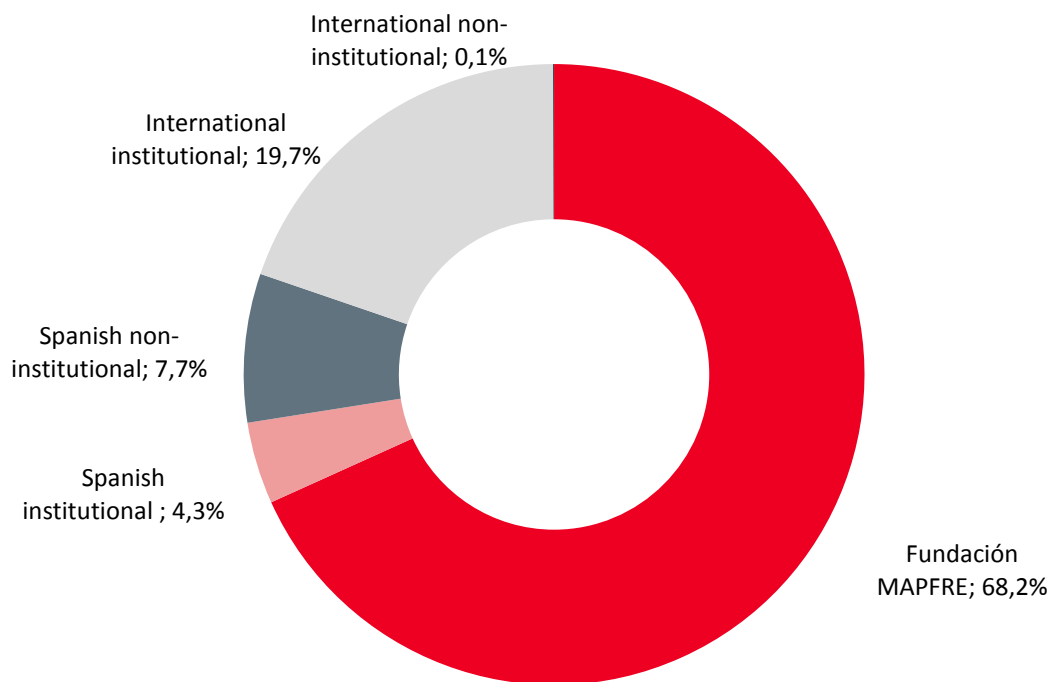


Shareholder composition

The Group’s parent company is the holding company MAPFRE S.A., whose shares are listed on the Madrid and Barcelona Stock Exchanges. MAPFRE S.A. is also a component of the IBEX 35, Stoxx Insurance, MSCI Spain, FTSE All-World Developed Europe, FTSE4Good, FTSE4Good IBEX and Dow Jones Sustainability World indexes.

The majority shareholder of MAPFRE S.A. is Fundación MAPFRE, which owns 68.2 percent of the share capital, including treasury stock, thus guaranteeing the Group’s independence and institutional stability. Fundación MAPFRE engages in general interest activities in the fields of Social Action, Insurance and Social Protection, Culture, Accident Prevention and Road Safety, and Health Promotion.

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2.2. Deployment

[GRI 102-4, 102-6, 102-7]

MAPFRE is present in a total of 45 countries, through 224 companies, with a network encompassing 12,526 offices (7,270 in bancassurance), and more than 86,500 agents and brokers.

The following is the geographic presence of MAPFRE through its business units:

COUNTRY	BUSINESS			
	ASISTENCIA	GLOBAL RISKS	REINSURANCE	DIRECT INSURANCE
GERMANY			•	•
ALGERIA	•			
ARGENTINA	•		•	•
AUSTRALIA	•			
BAHRAIN	•			
BELGIUM	•		•	
BRAZIL	•		•	•
CANADA	•		•	
CHILE	•		•	•
CHINA	•		•	
COLOMBIA	•		•	•
COSTA RICA	•			•
ECUADOR	•			•
EL SALVADOR	•			•
UNITED ARAB EMIRATES	•			

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COUNTRY	BUSINESS			
	ASISTENCIA	GLOBAL RISKS	REINSURANCE	DIRECT INSURANCE
SPAIN		•	•	•
UNITED STATES	•		•	•
PHILIPPINES	•		•	•
FRANCE	•	•	•	
GREECE	•			
GUATEMALA	•			•
HONDURAS	•			•
HUNGARY	•			
INDIA	•			
INDONESIA	•			•
IRELAND	•			
ITALY	•	•	•	•
JAPAN			•	
JORDAN	•			
MALAYSIA			•	
MALTA	•			•
MEXICO	•		•	•
NICARAGUA	•			•
PANAMA	•			•
PARAGUAY	•			•
PERU	•			•
PORTUGAL	•		•	•
PUERTO RICO	•			•
UNITED KINGDOM	•	•	•	
DOMINICAN REPUBLIC	•			•
SINGAPORE			•	
TUNISIA	•			
TURKEY	•			•
URUGUAY	•			•
VENEZUELA	•			•

Group employees by country are distributed as follows:

COUNTRY	No. OF EMPLOYEES	COUNTRY	No. OF EMPLOYEES	COUNTRY	No. OF EMPLOYEES
GERMANY	541	SPAIN	10,918	NICARAGUA	120
ALGERIA	47	UNITED STATES	2,887	PANAMA	494
ARGENTINA	1,169	PHILIPPINES	332	PARAGUAY	185
AUSTRALIA	54	FRANCE	140	PERU	1,568
BAHRAIN	11	GREECE	117	PORTUGAL	421
BELGIUM	27	GUATEMALA	225	PUERTO RICO	624
BRAZIL	5,974	HONDURAS	215	REINO UNIDO	514
CANADA	17			DOMINICAN REPUBLIC	408
CHILE	503	INDIA	50		
CHINA	208	INDONESIA	544	TUNISIA	81
COLOMBIA	1,030	IRELAND	90	TURKEY	1,452
COSTA RICA	67	ITALY	885	URUGUAY	225
ECUADOR	330			VENEZUELA	507
		JORDAN	47	OTHER (Egypt, Hungary, Japan, Russia and Singapore)	22
EL SALVADOR	165	MALTA	313		
UNITED ARAB EMIRATES	9	MEXICO	1,854		
TOTAL EMPLOYEES AS AT 31.12.2018					35,390

Offices and intermediaries are broken down by geographic area as follows:

Offices	2018	2017
TOTAL	12,526	12,860
IBERIA	5,413	5,527
LATAM	6,570	6,840
INTERNATIONAL	543	493

intermediaries	2018	2017
TOTAL	86,564	84,330
IBERIA	17,914	18,014
LATAM	56,682	54,453
INTERNATIONAL	11,968	11,863

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2.3. Key figures

[GRI 102-7, 201-1]

ITEM	DECEMBER 2018	DECEMBER 2017	Var. 18/17
RESULTS			
Revenue	26,589.7	27,983.7	-5.0%
Total written and accepted premiums	22,537.1	23,480.7	-4.0%
- Non-Life	17,060.9	18,154.5	-6.0%
LIFE	5,476.2	5,326.2	2.8%
Attributable net result	528.9	700.5	-24.5%
Earnings per share (euros)	0.17	0.23	-24.5%
BALANCE SHEET			
Total assets	67,290.8	67,569.5	-0.4%
Assets under management	58,484.6	60,082.0	-2.7%
Own funds	7,993.8	8,611.3	-7.2%
Debt	2,670.3	2,327.4	14.7%
Technical provisions	48,723.6	47,814.1	1.9%
RATIOS			
Non-Life Loss Ratio	69.8%	70.7%	-0.9 p.p.
Non-Life Expense Ratio	27.8%	27.5%	0.4 p.p.
Non-Life Combined Ratio	97.6%	98.1%	-0.5 p.p.
ROE	6.4%	7.9%	-1.5 p.p.
EMPLOYEES AT THE CLOSE OF THE PERIOD			
TOTAL	35,390	36,271	-4.4%
- Spain	10,918	10,894	1.8%
Other COUNTRIES	24,472	25,377	-6.9%
THE MAPFRE SHARE			
Market cap (millions of euros)	7,144.6	8,247.0	-13.4%
Share price (euros)	2.320	2.678	-13.4%
Changes in value from January 1 (%)	-13.4%	-7.7%	-570.0%

Figures in millions of euros

ITEM	SEPTEMBER 2018	DECEMBER 2017	Var. 18/17
SOLVENCY			
Solvency ratio	207.9%	200.2%	7.7 p.p.

MAPFRE S.A. and its subsidiaries are rated by the main ratings agencies. These agencies were selected on the basis of their international presence, their relevance for the insurance industry and capital markets, and for their level of experience.

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

Credit ratings as debt issuer	S&P ⁽¹⁾	FITCH ⁽²⁾	Debt rating	S&P ⁽¹⁾	FITCH ⁽²⁾
MAPFRE S.A.	BBB+ / Outlook Positive	A- / Outlook Stable	MAPFRE S.A. senior debt	BBB+	BBB+
			MAPFRE S.A. subordinated debt	BBB-	BBB-
Financial strength rating	S&P ⁽¹⁾	FITCH ⁽²⁾	AM BEST ⁽³⁾	MOODY'S ⁽⁴⁾	
MAPFRE RE	A / Outlook Positive	A / Outlook Stable	A / Outlook Stable	-	
MAPFRE GLOBAL RISKS	A / Outlook Positive	A / Outlook Stable	A / Outlook Stable	A2 / Outlook Stable	
MAPFRE ESPAÑA	-	A / Outlook Stable	A / Outlook Stable	-	
MAPFRE VIDA	-	A / Outlook Stable	-	-	
MAPFRE ASISTENCIA	-	A / Outlook Stable	-	A2 / Outlook Stable	

Financial strength rating	AM BEST ⁽³⁾	Financial strength rating	FITCH ⁽²⁾
MAPFRE USA Group	A / Outlook Stable	MAPFRE SIGORTA A.S.	AA (tur) / Outlook
MAPFRE PRAICO	A / Outlook Stable	MAPFRE SEGUROS GENERALES DE COLOMBIA S.A.	AA (col) / Outlook Negative
MAPFRE MEXICO	A / Outlook Stable	MAPFRE COLOMBIA VIDA SEGUROS S.A	AA- (col) / Outlook Stable

⁽¹⁾ S&P Global Ratings Europe Ltd.

⁽²⁾ Fitch Ratings Ltd.

⁽³⁾ A.M.Best Europe – Rating Services Ltd.

⁽⁴⁾ Moody's Investors Service Ltd.

The companies indicated above are established in the European Union and registered as credit rating agencies in compliance with Regulation (EC) 1060/2009 of the European Parliament and Council of September 16, 2009.

2.4. Regulatory framework and environment

[GRI 102-15]

Regulatory Framework

MAPFRE is a limited liability company constituted in Spain, regulated by the Revised Version of the Corporation Act approved by Royal Legislative Decree 1/2010 of July 2, 2010 and corresponding regulations.

As the dominant company in a consolidated group that includes insurance companies, MAPFRE must maintain the consolidated solvency margin required under Law 20//2015 of July 14, 2015 regarding the ordering, supervision and solvency of insurance and reinsurance companies, under Law 1060/2015 of November 20, 2015 regarding the ordering, supervision and solvency of insurance and reinsurance companies and the accounting standards that regulate insurance activity.

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Since January 1, 2016, the Company and its insurance and reinsurance subsidiaries operating in the European Union are subject to the supervision and solvency regulations of Directive 2009/138/EC of the European Parliament and Council of November 25, 2009, regarding life insurance, access to insurance and reinsurance activity and its exercise (Solvency I) and corresponding regulations.

In addition, the consolidated annual statement of the Group is prepared in accordance with International Financial Reporting Standards for the European Union (IFRS-EU).

On May 18, 2017, the International Accounting Standards Board (IASB) published the International Financial Reporting Standard for Insurance Contracts (IFRS 17), applicable to the preparation of consolidated annual statements for 2022 for listed insurance companies. However, this standard has not yet been adopted by the European Union, with the European Financial Reporting Advisory Group (EFRAG) having ruled in 2018 regarding issues that merit additional consideration.

Furthermore, the insurance companies in which MAPFRE holds an interest are subject to the specific regulations governing this activity in the various countries in which they operate.

Environment

The world economy grew by 3.6 percent in 2018. However, growth will tend to slow overall to 3.3 percent in 2019, entering a period of divergence with some economies slowing down while others maintain their pace. The United States and China will maintain their high growth pace (although the latter will slow down), 2.9 percent and 6.4 percent respectively, while the Eurozone is expected to grow by 2 percent, visibly decelerating. The central banks are also getting gradually out of step with each other, with Japan and the Eurozone still in stimulus phase, while the United States and several emerging economies are in restrictive mode.

The world economy reached its maximum cycle in the first half of 2018 (3.8 percent), and subsequently headed down a path of deceleration.

Predictions on the development of macroeconomic data for the principal markets in which MAPFRE operates are as follows:

ITEM	BRAZIL		SPAIN		UNITED STATES		MEXICO		TURKEY		INDONESIA	
	2018 (E)	2019 (F)	2018 (E)	2019 (F)	2018 (E)	2019 (F)	2018 (E)	2019 (F)	2018 (E)	2019 (F)	2018 (E)	2019 (F)
GDP (% YoY, average)	1.2%	2.3%	2.6%	2.3%	2.9%	2.5%	2.0%	2.0%	3.2%	-1.7%	5.1%	5.2%
CPI inflation (% YoY, average)	4.1%	4.1%	1.6%	1.3%	1.9%	2.2%	4.8%	4.0%	22.8%	15.3%	3.7%	3.7%
Unemployment rate (% EAP, average)	12.0%	10.4%	14.7%	13.3%	3.7%	3.5%	3.5%	3.7%	11.9%	13.3%	5.3%	4.8%
Official interest rate	6.5%	8.0%	0.0%	0.0%	2.5%	3.0%	8.3%	8.0%	24.0%	21.0%	6.0%	6.5%
Population (Million people)	210.9	212.4	46.6	46.6	328.1	330.5	130.8	132.3	81.9	83.0	266.8	269.5

Source: MAPFRE Economic Research. Data 2018 estimated (E) and 2019 forecast (F)

For the time being, growth in economic activity favors development in the insurance market, and to a greater extent in emerging markets, where the even lower insurance penetration rate implies greater elasticity in premium growth in relation to GDP growth, offering significant growth potential for the future. However, given the current circumstances, the slowdown in global economic activity will translate into insurance premium growth worldwide, especially in the Non-Life and Life risk sectors, given how strongly they are in step with the performance of the economic cycle. Although the normalization of monetary policies may help the development of the Life savings and annuities insurance business, as well as improve the financial profitability of insurance companies, once a scenario of higher interest rates materializes.

During 2017, the latest data available, the world insurance market registered estimated growth of 1.5percent in real terms, generating a total value of direct insurance premiums of 4.9 trillion dollars.

The sector ratios for the Non-Life segment in principal markets where MAPFRE operates have shown the following development:

COUNTRY	COMBINED RATIO (Market)			Date	COUNTRY	ROE (Market) 2017
	Loss ratio	Expense ratio	Total			
Brazil	41.8%	48.7%	90.5%	Sep-18	Brazil	17.6%
Spain	71.1%	21.8%	92.9%	Sep-18	Spain	12.0%
United States	75.9%	27.3%	103.2%	Dec-17	United States	11.2%
Mexico	71.8%	29.1%	100.9%	June-18	Mexico	23.4%
Turkey	78.0%	27.1%	105.1%	Sep-18	Turkey	18.7%
Indonesia	57.4%	n/a	n/a	Dec-17	Indonesia	5.0%

Within the insurance business, MAPFRE is the largest Spanish insurer in the world, with a 14.15 percent share of Non-Life insurance and 7.9 percent of Life insurance in Spain. According to 2017 data, (the latest available), MAPFRE is also the tenth largest insurer in Europe and is present in nearly every country in Latin America, where it is the leading Non-Life insurance group, with a market share of 7.8 percent.

Furthermore, the Group's reinsurance business (MAPFRE RE) occupies position number 17 in the 2017 global reinsurance ranking, while in terms of Assistance MAPFRE is the fourth largest company in the sector worldwide by revenue.

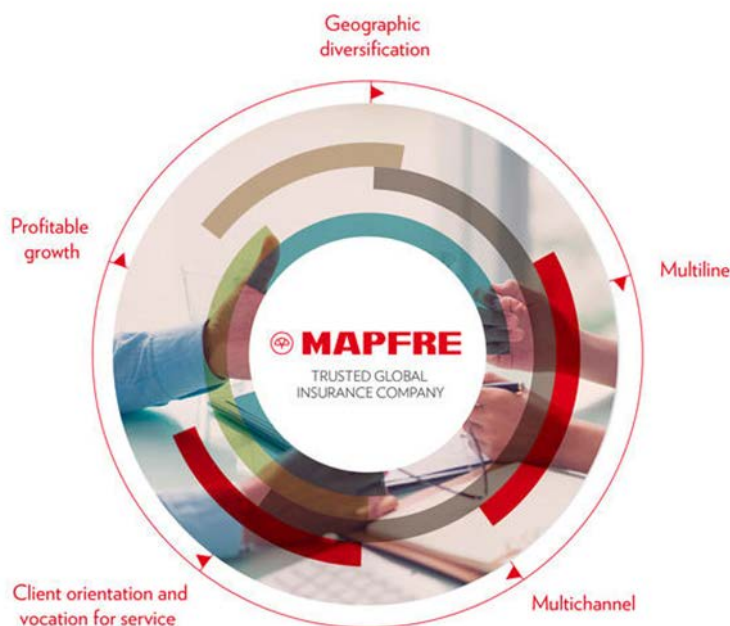
3. BUSINESS MODEL, STRATEGY AND PERFORMANCE

[GRI 102-2, 102-6, 102-14]

3.1. Business model

The vision of MAPFRE is to be THE MOST TRUSTED GLOBAL INSURANCE COMPANY, a concept that refers not only to its geographic presence but also to the wide range of insurance and reinsurance products and services that it promotes worldwide. It aims to become a leader in the markets in which it operates, through its proprietary and differentiated business model, based on transformation and innovation, designed to achieve profitable growth with clear and decided focus on the client, both private and corporate, a multi-channel approach and a firm vocation for service.

The influx of new insurance business models - insurtech - based on digital tools is causing a veritable revolution in the sector, and MAPFRE is acting in an agile manner in order to offer all its stakeholders value experiences. With the business model that MAPFRE has adopted, we are not focused solely on financial results, but also on the social sphere.



Accordingly, MAPFRE:

- Is firmly committed to growth, both in terms of business volume and geographic development, generating adequate and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, reducing structural costs on a continuing basis in order to enhance its competitiveness.

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PERFORMANCE

- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Steers its development by diversifying its portfolio of insurance, reinsurance and service businesses as a means of boosting growth and minimizing risks.
- Deploys a global management model with ample capacity for local implementation, ensuring an appropriate balance between corporate involvement and business development in each country.
- Makes its resources available to the entire organization, thus harnessing the synergies derived from sharing talent, processes and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

[GRI 102 – 16]

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

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

- Solvency: financial strength with sustainable results and full capacity to meet all obligations to stakeholders.
- Integrity: ethical conduct as a core element in how everyone (senior executives, employees, agents and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.
- Vocation for service: the constant quest for excellence in the pursuit of its activities and a continuous focus on building strong relationships with clients.
- Innovation for leadership: differentiation as a key aspect of continuous growth and improvement, using technology to service the different businesses and their objectives.
- Committed team: full engagement of employees, senior executives, agents and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities.

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

PERFORMANCE

1. Financial Dimension: economic resources to develop the business, generated either through operations and/or investments or obtained through financing.
2. Productive Dimension: assets or goods and services used to pursue different activities.
3. Human Dimension: the skills, knowledge, abilities and experience of the people employed by the organization.
4. Intellectual Dimension: knowledge-based intangible assets that favor both intellectual property as well as knowledge of systems, procedures and protocols.
5. Natural Dimension: appropriate management of natural resources and contribution to climate change mitigation and biodiversity conservation.
6. Social and Relational Dimension: trust-based relationships generated with stakeholders; contribution to the development and well-being of the community, and other intangible assets related to the brand and its reputation.

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

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

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

Additionally, MAPFRE supplements its insurance activities with a range of reinsurance products.

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PERFORMANCE

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

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

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

3.2. Strategy

MAPFRE has a structured, focused and participatory strategy planning and management model that provides for continuous updating of the strategic plan, at both corporate level and in each of the Regions, Countries and Business Units.

2018 brought the 2016-2018 strategic plan to a close, during which period MAPFRE set itself very clear objectives and drew up a portfolio of initiatives that would lead to ***Profitable Growth***.

The balance sheet at the end of this plan is positive, following three years of intensive work on advancing the transformation and digitalization of our operations. The principal achievements in each of the strategic pillars of the plan are:

1. Client Orientation

The Group attaches great importance to identifying and understanding client needs, behaviors and aspirations as a means of retaining existing clients and capturing new clients from the market. During the three years of the strategic plan, a large variety of projects were accomplished in several countries where we operate, enhancing relations with clients and offering new opportunities for growth. Some successes in the field of culture and talent are:

- Development of the Client Relationships Model and Large Cities initiatives, seeking to improve the experience for clients and increasing market share in large cities.

PERFORMANCE

- Analysis of the Business Model in 19 countries to identify opportunities that enable us to enhance our product, channel and client mix.
- Creation of a Global Life Business Management area and design of a road map for the development of this business.
- Improvement of asset management thanks to the strengthening of MAPFRE INVERSIÓN.
- New Global Agreements with vehicle manufacturers, dealerships, retail, e-commerce companies and others.
- Creation of the New Innovation Model (MOi) to enhance strategic innovation (intra-entrepreneurship) and disruptive innovation with the launch of insur_space MAPFRE.

2. Digital transformation

It is absolutely necessary that MAPFRE continues making every effort to adapt to the new Digital Era.

Among the achievements reached are the following:

- Execution of the Digital Business Plan, thanks to which we generated almost 1.5 billion euros in digital business premiums.
- Over 200 projects have been developed enabling us to move ahead with digital era changes and offer better service to clients, providers and employees.
- The SAM 3.0 development initiative (MAPFRE Automobile Insurance) that is making it possible to prepare the company to deal with new market conditions in the automobile field.
- Development of Digital Health business model.

3. Excellence in Technical and Operational Management

Our activities require us to constantly strive for operational excellence, adapting to new client, market and regulatory requirements. The principal activities carried out in this respect are:

- Contact Center model implementation.
- Construction of the Self-direction application for the client.
- Implementation of the global provider model.
- Development of new Predictive and Analytical Models.
- Digital marketing and rating solutions.
- Deployment of operational models for issuing, claims and fraud.

4. Culture and Talent

Relying on both employees and the MAPFRE culture is critical to the successful implementation of the Strategic Plan. Some successes in the field of culture and talent are:

- Implementation of the Talent Management initiative, identifying profiles and developing talent.
- The Workforce Harmonization initiative has helped achieve greater standardization at various levels of the organization.
- In terms of execution, the Digital Challenge initiative is focused on changes in the work environment, collaborative work, knowledge management, digital culture and new forms of remuneration.
- Substantial advances in terms of equal opportunity, diversity and workplace inclusion.
- Defining and launching the Sustainability Plan.

3.3. Future outlook

[GRI 102 – 15]

In 2018, MAPFRE undertook a reflective exercise to review its strategic orientation, based on the need to better consolidate and enhance profitability in its businesses as well as seize new opportunities to respond to the speed of transformation in the business environment, in order to maintain competitiveness in the sector.

The strategic plan for 2019 - 2021 was strengthened along these lines, adopting the slogan *WE'RE TRANSFORMING TO GROW AND IMPROVE PROFITABILITY*, supported by the strategic pillars of Client Orientation, Excellence in Technical and Operational Management and Excellence in Culture and Talent.

Transformation will be ever present in all that the company does, acting as a veritable driver across the entire company.



The main financial objectives and the three pillars of the strategic plan for the three-year period 2019-2021 are described below:

1. Profitable Growth

Objectives:

- To create sustainable value for shareholders.
- To grow sustainably above market levels.
- To profitably expand the Life business.

2. Client Orientation

In the next three years, we will continue to get closer to our clients, understanding the new forms of consumption, to offer new value propositions and new experiences.

Objectives:

- To gain and retain our Clients' trust.
- To boost the productivity of distribution channels.
- To innovate in products, services and capacities.

3. Excellence in Technical and Operational Management

Objectives:

- To rigorously manage risk at all levels of the organization.
- To attain high quality service provision and operational efficiency.
- To reduce costs to be more competitive.

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PERFORMANCE

- Open and flexible global technology, with advanced analytics.

4. Culture and TalentObjectives:

- To strengthen people's commitment to MAPFRE's Values.
- To develop people with technical, global, and transformational capabilities.
- To position MAPFRE as a benchmark of sustainability, innovation, and trust.

3.4. Business performance

[GRI 102-2, 102-6]

3.4.1. Relevant facts

[GRI 102 – 10]

The following are among the relevant corporate items for 2018:

- MAPFRE renewed its strategic partnership with Banco Do Brasil, which was first constituted as BB MAPFRE in May 2010. MAPFRE will hold 100 percent of the Non-Life business of BB MAPFRE, including development via the agency channel and the bank channel for automobile and large risk insurance, and for Life business products distributed via the agency channel.
- MAPFRE VIDA announced the acquisition from Bankia of 51 percent of the capital of Caja Granada Vida and Caja Murcia Vida y Pensiones.
- MAPFRE signed a letter of intent with Santa Lucía for the joint development of their respective burial service businesses in Spain.
- MAPFRE issued 30 year subordinated debt with a 10-year call option for 500 million euros, with a fixed interest rate set at 4.125% for the first 10 years.
- MAPFRE launched “Capital Responsable”, a mutual fund managed by MAPFRE AM that invests in stock and fixed income instruments of European companies based on their environmental, social and governance (ESG) criteria.
- MAPFRE converted its 1 billion euro syndicated credit line (maturing in December 2021) into a sustainable loan, becoming the first insurance company in the world to execute a transaction of this nature for general corporate needs.
- MAPFRE participated, through an investment of 25 million euros, as the primary investor in the "Alma Mundi Insurtech Fund, FCRE" venture capital fund.

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PERFORMANCE

- MAPFRE signed a preliminary agreement for real estate co-investment with GLL in European markets to invest up to 300 million euros in office buildings and diversify its financial asset portfolio.
- MAPFRE inaugurated *insur_space*, its new startup accelerator located in Madrid. *insur_space* is one of the pillars of MAPFRE Open Innovation, the open innovation platform that the company has implemented to promote innovation at MAPFRE and within the insurance industry in general.
- MAPFRE approved a new configuration for its global risks business that facilitates greater management and business capacity for these types of risks and brings more stability and financial efficiency to the group.
- MAPFRE agreed to sell its operations in the States of New York and New Jersey to US insurer Plymouth Rock as part of its divestment process under the profitable growth plan.
- MAPFRE INSULAR signed a strategic partnership with First Union Insurance and Financial Agencies Incorporated (FUIFAI), the insurance subsidiary of Union Bank of Philippines (UBP), for the distribution and sale of all MAPFRE INSULAR insurance.
- MAPFRE agreed to renew and expand its sponsorship agreement with the Renault Sport Formula 1 Team and will become one of the principal official sponsors of the racing team for the next five seasons.
- MAPFRE joined the United Nations Environment Program Finance Initiative (UNEP FI) in order to assess the impact of climate change and to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the insurance industry.

Other relevant economic facts from the period:

- At the end of 2018, the Group updated the macroeconomic environment and other risk factors that could affect the insurance business in the future and, consequently, the results forecasts of the Group's business areas. This updating of forecasts has led to a partial deterioration, of an extraordinary nature, in the goodwill of direct insurance operations in the United States, Italy and Indonesia, amounting to 173.5 million euros. This partial impairment of goodwill has no effect on the cash generated by the Group in 2018, nor does it affect its financial strength, nor the capital models that support the current ratings and the high level of solvency of the Group and its subsidiaries, thereby maintaining its significant dividend-generating capacity.

PERFORMANCE

- In fiscal year 2018, MAPFRE RE was affected by several catastrophic events, including typhoons in Japan that have had a net attributable impact of 87.3 million euros and storms in the United States with a net attributable impact of 9.3 million euros.

3.4.2. Information by Business Unit¹.

[GRI FS6]

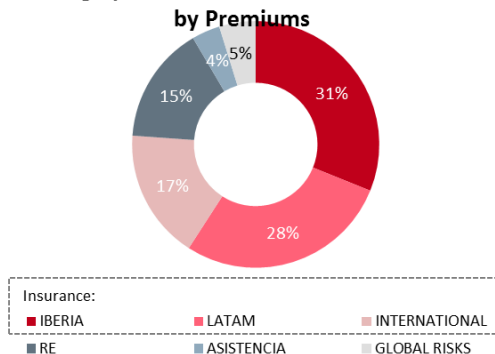
The Non-Life premiums, attributable results and combined ratios are detailed by business unit:

Key figures

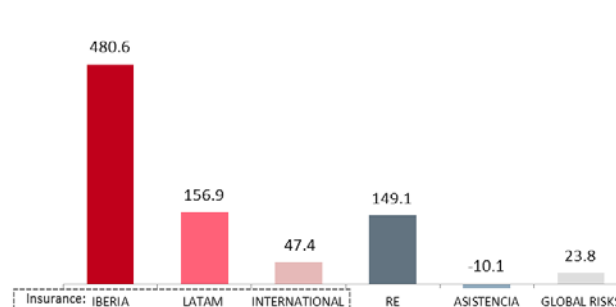
	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17	DECEMBER 2018	DECEMBER 2017
IBERIA	7,657.9	10.0%	480.6	-6.0%	93.8%	93.7%
LATAM	6,887.3	-14.1%	156.9	-31.6%	98.2%	96.6%
INTERNATIONAL	4,191.0	-4.7%	47.4	-46.1%	103.5%	103.6%
TOTAL INSURANCE	18,736.2	-3.3%	684.9	-17.4%	97.8%	97.4%
RE	3,787.1	-10.3%	149.1	-8.3%	96.1%	94.8%
ASISTENCIA	911.0	-7.4%	-10.1	85.2%	103.5%	103.7%
GLOBAL RISKS	1,173.9	-6.6%	23.8	135.9%	91.9%	135.4%
Holdings and consolidation adjustments	-2,071.2	12.2%	-318.9	-104.0%	--	--
MAPFRE S.A.	22,537.1	-4.0%	528.9	-24.5%	97.6%	98.1%

Figures in millions of euros

Geographic distribution of the business by Premiums



Attributable result by Business Unit



Figures in millions of euros

¹ The information in this chapter is supplemented by the Annual Accounts and Consolidated Management Report, which are available on the corporate website.

PERFORMANCE

The most important changes are:

1. The premiums indicate a decrease in all business units with the exception of IBERIA, which, although it regularly enjoys very positive issuing levels, displayed in this case an exceptionally high volume due to the issue of a group Life policy in the third quarter of 2018. The decline in the other companies was due primarily to the sharp depreciation in the principal currencies of the countries where MAPFRE maintains international business operations.
2. IBERIA had very good technical results and a very good Non-Life combined ratio, which at year-end stood at 93.8 percent. Eliminating non-recurring revenue, attributable profit shows growth of 4.9 percent.
3. The LATAM area experienced a drop in profits due to worse results in the Brazil bank channel, due to an increase in acquisition expenses in the Life Risk business and an increase in loss experience in Automobile in the agent channel. Furthermore, the low interest rate environment in Brazil and in other countries in the region generated lower financial income. In addition, Colombia's results worsened due to the higher technical provisions that were required in the Life Savings and Workplace Accident businesses.
4. The INTERNATIONAL area was affected by several storms in the East Coast of the United States, increasing the combined ratio in Automobile and General P&C business, and by the withdrawal from several states, which had a negative impact on results amounting to 18.9 million euros; added to this was the effect in Turkey from the regulatory change in Automobile third-party liability, resulting in a drop in results due to pricing intervention.
5. The GLOBAL RISKS and ASISTENCIA business units showed favorable development, the former due to the lack of severe losses and the latter due to improved loss experience related to technical measures adopted in the previous year.
6. The holding and eliminations at December 2018 included an extraordinary provision totaling 173.5 million euros recognized as a partial impairment of goodwill.

INSURANCE UNIT

3.4.2.1. IBERIA

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

IBERIA represents 31 percent of the total Group premiums.

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PERFORMANCE

Information by country

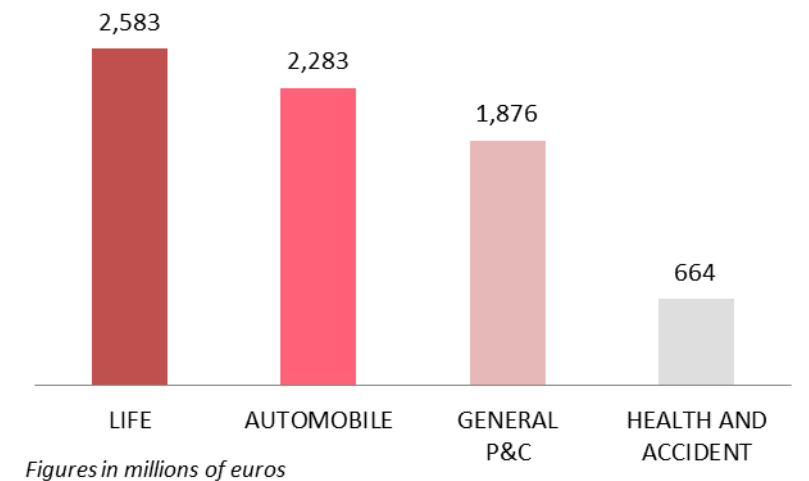
	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17	DECEMBER 2018	DECEMBER 2017
IBERIA	7,657.9	10.0%	480.6	-6.0%	93.8%	93.7%
Spain	7,524.0	10.3%	466.7	-9.4%	93.7%	93.4%
Portugal	133.9	-4.0%	13.9	--	96.5%	112.1%

Figures in millions of euros

Spain is MAPFRE's main market in terms of contribution to the business.

In 2018 MAPFRE ESPAÑA continues to lead the Non-Life insurance rankings and has remained a benchmark company in insurance in Spain.

Premiums for main lines of business



Workforce and distribution network

9,538*
Employees

5,413
Offices

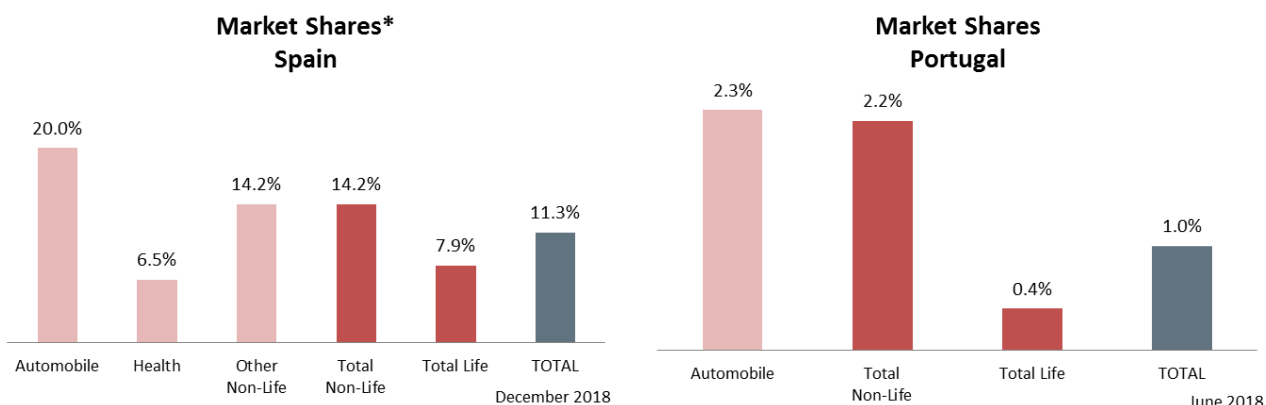
+ 17.900
intermediaries

*Not including Corporate Areas

MAPFRE can rely on the backing and strength of its sales network, and has the biggest insurance distribution system and the largest service provider network in the country.

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PERFORMANCE

Market share

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

Source: Portuguese Association of Insurance Companies

MAPFRE ESPAÑA is a leader in Non-Life business in Spain, and MAPFRE is the Group leader in Automobile, with a market share of 20 percent. It is also expanding in all lines, especially in health and life insurance.

The overall figures for market share in the direct insurance market in Spain are provided below:

DIRECT INSURANCE - RANKING BY GROUPS 2018		
No.	Group	Market share* (%)
1	VIDACAIXA	12.78
2	MAPFRE	11.34
3	GRUPO MUTUA MADRILEÑA	8.20
4	ALLIANZ	5.61
5	ZURICH	5.54
6	GRUPO CATALANA OCCIDENTE	4.44
7	AXA GROUP	4.04
8	SANTALUCIA	4.02
9	GENERALI	3.75
10	SANTANDER SEGUROS	3.07
11	BBVA SEGUROS	2.59
	Other companies	34.62
	Total sector	100.00

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

PERFORMANCE

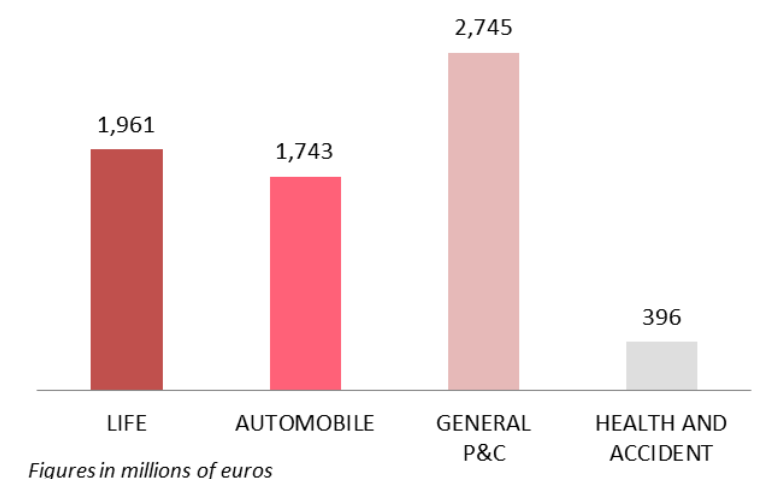
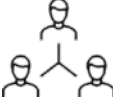
3.4.2.2. LATAM

This territorial area comprises the regional areas of BRAZIL, LATAM NORTH, and LATAM SOUTH and represents 28 percent of the total premiums of the Group.

Information by region

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17	DECEMBER 2018	DECEMBER 2017
BRAZIL	3,972.2	-12.6%	54.1	-56.8%	98.5%	96.1%
LATAM NORTH	1,309.3	-26.1%	43.7	29.3%	98.1%	98.0%
LATAM SOUTH	1,605.7	-5.5%	59.1	-15.8%	97.3%	96.9%

Figures in millions of euros

Premiums for main lines of businessWorkforce and distribution network


12,873*
Employees



6,570
Offices



+ 56,500
intermediaries

*Not including Corporate Areas

Market share

The overall figures for market share in the Non-Life insurance market in Latin America are provided overleaf:

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PERFORMANCE

NON-LIFE INSURANCE RANKING BY GROUP 2017			
No.	Group	Premiums (millions of \$)	Market share* (%)
1	MAPFRE	6,730	7.8
2	PORTO SEGURO	3,621	4.2
3	SURAMERICANA	3,261	3.8
4	ZURICH	3,116	3.6
5	TRIPLE-S	2,809	3.3
6	INNOVACARE	2,348	2.7
7	CHUBB	2,195	2.5
8	BRADESCO	2,097	2.4
9	ALLIANZ	2,078	2.4
10	MCS	1,991	2.3
Subtotal		30,245	35.1
Total sector		86,222	100

Source: MAPFRE Economic Research (with data from supervisory bodies in the region)

BRAZIL

This regional area encompasses insurance activity in Brazil.

Brazil represents 16 percent of the total premiums of the group and is the second largest market for MAPFRE based on contribution to business.

Performance for main lines of business

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17
LIFE	1,355.7	-12.6%	50.3	-8.0%
Automobile	1,013.5	-15.9%	-56.0	--
GENERAL P&C	1,599.7	-10.5%	45.5	-42.1%

Figures in millions of euros

Market share

MAPFRE holds second place in the 2017 ranking of Non-Life groups in Brazil, with a market share in November 2018 of 13.4 percent.

Other information

During the 2018 fiscal year, MAPFRE and Banco do Brasil agreed to renew their insurance business strategic agreement. As a result, MAPFRE now holds 100 percent (previously, 50 percent) of the entire business (Life and Non-Life) generated through

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PERFORMANCE

the agency channel, and the automobile and large risks business distributed via the bank channel. It also maintains its current participation (25%) in BB MAPFRE, which includes its homeowners insurance business from the banking channel. The agreement makes it possible for MAPFRE:

- To significantly increase ownership of the Brazil business.
- To increase the earnings contribution of the local business.
- To simplify the execution of its strategy in Brazil.
- To promote the MAPFRE brand in Brazil and establish itself as the second largest Non-Life company in the country.
- To maintain exclusivity in the Banco do Brasil channel.

LATAM NORTH

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

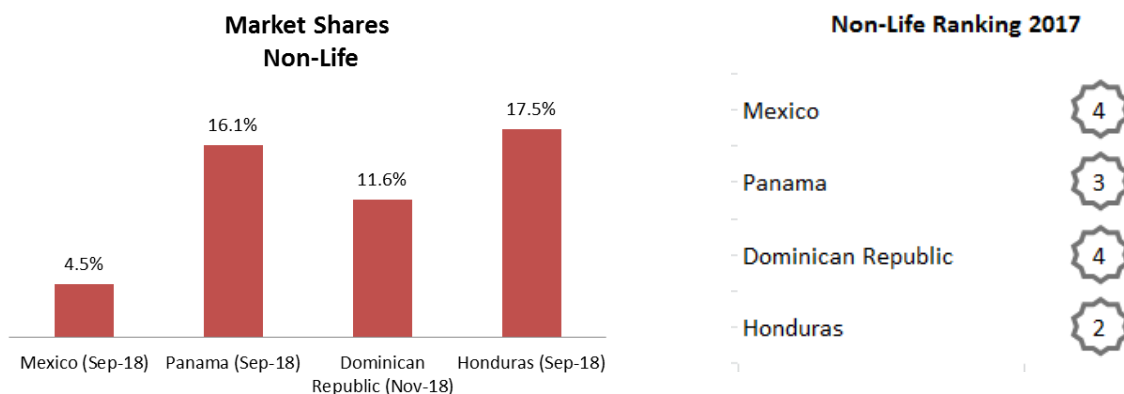
LATAM NORTH represents 5 percent of the total premium volume of the Group.

Breakdown of key countries

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17
MEXICO	719.2	-39.2%	18.0	232.6%
PANAMA	204.0	-6.3%	4.2	-57.7%
Dominican Rep.	131.1	4.6%	9.3	2.9%
HONDURAS	77.3	6.1%	5.7	12.8%

Figures in millions of euros

Market share



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

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PERFORMANCE

LATAM SOUTH

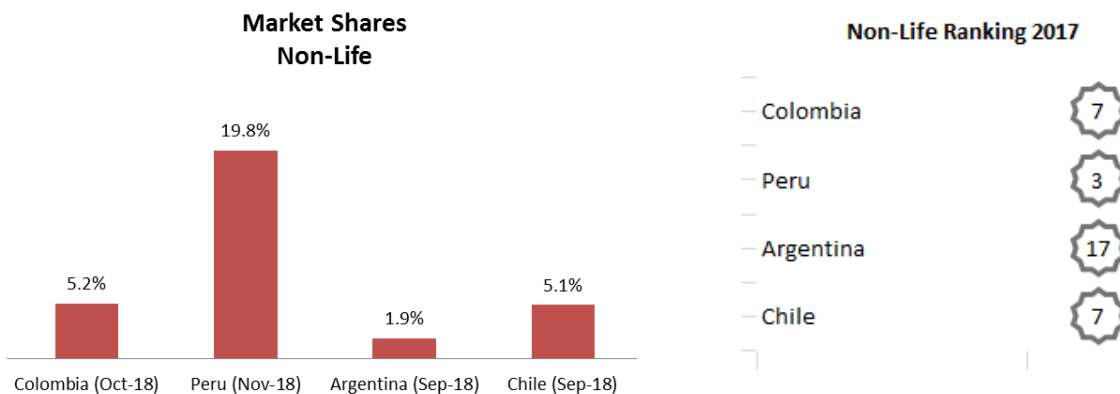
This regional area encompasses the business activities in Peru, Colombia, Argentina, Chile, Uruguay, Paraguay and Ecuador.

LATAM SOUTH represents 6.5 percent of the total premium volume of the Group.

Breakdown of key countries

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17
COLOMBIA	391.2	-0.7%	-9.8	-174.1%
PERU	491.5	4.7%	31.4	-9.9%
ARGENTINA	200.1	-31.5%	0.5	-95.3%
CHILE	289.4	-5.7%	32.1	--

Figures in millions of euros

Market share

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

3.4.2.3. INTERNATIONAL

INTERNATIONAL comprises NORTH AMERICA and EURASIA, and represents 17 percent of the total premiums of the Group.

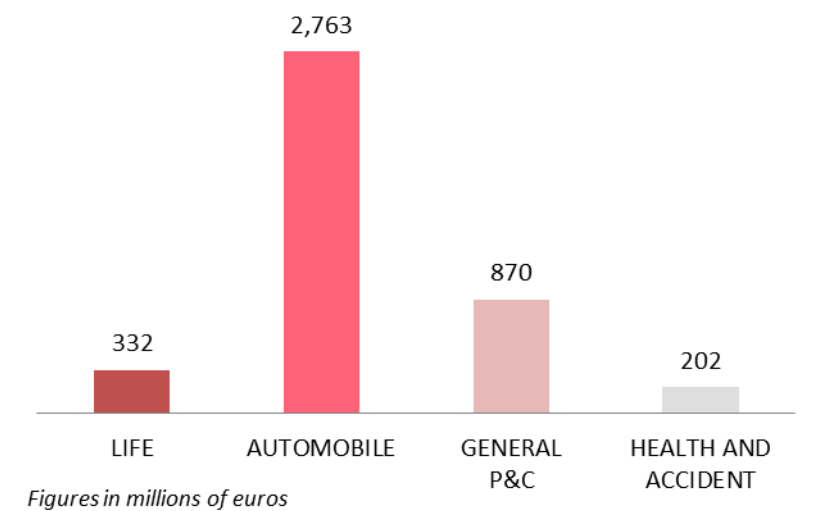

Information by region

	PREMIUMS		ATTRIBUTABLE RESULT		COMBINED RATIO	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17	DECEMBER 2018	DECEMBER 2017
NORTH AMERICA	2,425.3	-4.1%	35.0	-28.1%	102.1%	104.9%
EURASIA	1,765.8	-5.6%	12.5	-68.3%	106.7%	100.9%

Figures in millions of euros

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PERFORMANCE

Premiums for main lines of businessWorkforce and distribution network


6,485*
Employees



543
Offices



+ 11.900
intermediaries

*Not including Corporate Areas

NORTH AMERICA

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

North America produces 10 percent of total Group premiums.

Breakdown of key countries

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17
UNITED STATES	2,038.3	-7.4%	8.2	-87.5%
PUERTO RICO	386.9	18.4%	26.8	--

Figures in millions of euros

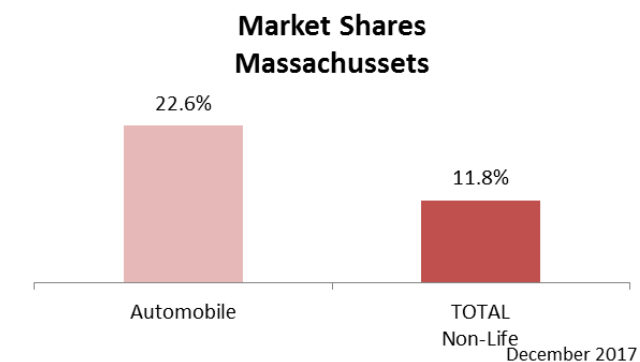
The main regional market is the United States, with operations in 14 states across the nation and with a strong position on the Northeast coast, especially in Massachusetts, where MAPFRE is the leading provider of automobile insurance, homeowners insurance and commercial lines.

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PERFORMANCE

Market share

In the state of Massachusetts, the market shares are as follows:



Source: SNL

In Puerto Rico, MAPFRE occupied first position in the P&C Groups ranking for 2018, with a market share as at June 2018 of 19.0 percent.

Puerto Rico Property & Casualty Groups Ranking. June 2018			Market Share
1	MAPFRE	205,653	19%
2	Universal Group	183,873	17%
3	Cooperativa de Seguros	126,513	12%
4	Triple-S Propiedad	66,355	6%
5	Chubb	60,704	6%
6	Multinational Insurance	56,264	5%
7	American International Group	55,702	5%
8	Real Legacy Assurance	45,961	4%
9	Asociacion de Suscripcion	32,533	3%
10	INTEGRAND Assurance	31,534	3%
	TOTAL MARKET	1,088,436	100%

USD '000

Source: SNL

Other information

During 2018, MAPFRE reorganized its operations in the United States, selling its Life operation and withdrawing from five states where Automobile insurance was principally written, because the business volume was not sufficiently profitable.

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PERFORMANCE

EURASIA

This regional area includes Italy, Germany, Turkey, Malta, Indonesia and the Philippines. EURASIA contributes 7 percent of total Group premiums.

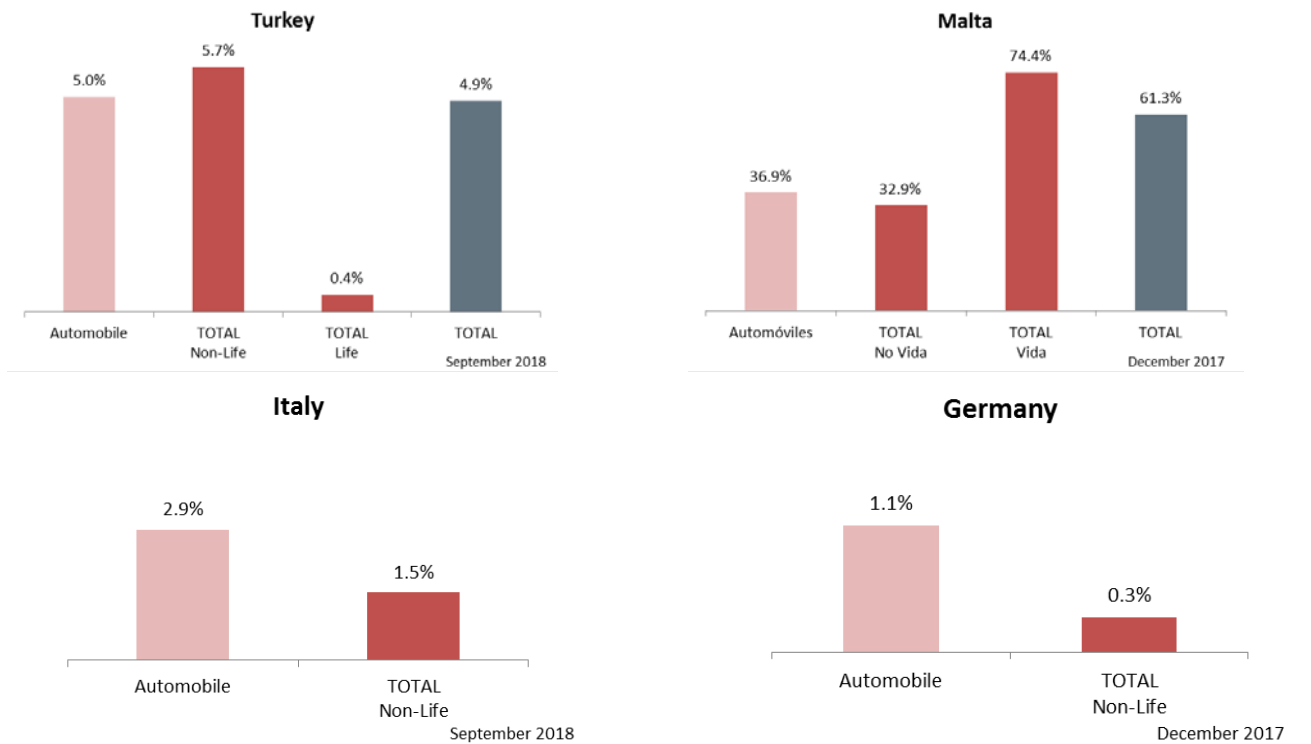
Breakdown of key countries

	PREMIUMS		ATTRIBUTABLE RESULT	
	DECEMBER 2018	Var. 18/17	DECEMBER 2018	Var. 18/17
TURKEY	485.5	-25.7%	14.2	-70.6%
ITALY	474.1	0.6%	-3.9	71.7%
GERMANY	327.3	5.3%	2.7	0.1%
MALTA	389.7	11.0%	4.3	5.7%
PHILIPPINES	27.2	-31.6%	0.2	18.8%
INDONESIA	61.9	42.1%	-2.2	-155.2%

Figures in millions of euros

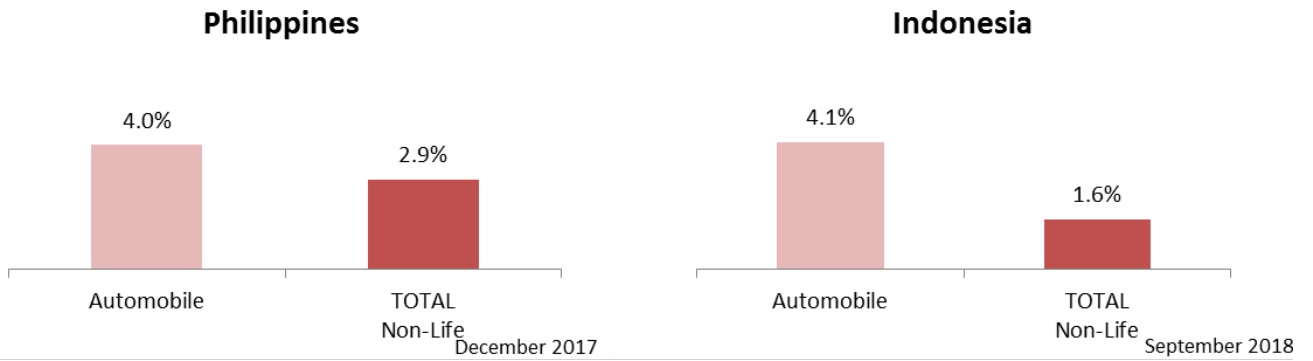
Market share

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



The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

PERFORMANCE



Source: Supervisor in each country

REINSURANCE UNIT

MAPFRE RE is a global reinsurer and is the reinsurer of the MAPFRE Group. It offers reinsurance services and capacities, providing all kinds of solutions for reinsurance treaties and facultative reinsurance, in all Life and Non-Life lines.

MAPFRE RE operates through a global network of 19 offices.

Premiums from this business unit represented 15% of the Group's total premiums last year.

Key figures

	DECEMBER 2018	Var. 18/17
Gross written and accepted premiums	3,787.1	-10.3%
- Non-Life	3,186.7	-10.6%
- Life	600.5	-8.6%
Attributable net result	149.1	-8.3%

Figures in millions of euros

PERFORMANCE

Breakdown of premium distribution to December 2018 is as follows:

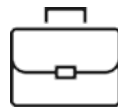
ITEM	%
By Type of business:	
Proportional	77.4%
Non-proportional	15.6%
Facultative	7.0%
By Region:	
IBERIA	21.5%
EURASIA	52.3%
LATAM	17.8%
NORTH AMERICA	8.5%

ITEM	%
By Ceding company:	
MAPFRE	35.0%
Other	65.0%
By Insurance Lines:	
Property	47.7%
Life & Accident	20.5%
Automobile	20.9%
Transport	3.8%
Other Insurance lines	7.2%

Workforce and distribution network



393
Employees



19
representative offices

Market share

MAPFRE RE has established itself over the last few years as one of the major reinsurers worldwide by premium volume.

The latest available global data for reinsurance groups based on gross premiums to third parties is shown overleaf.

PERFORMANCE

No.	Group	NET PREMIUMS 2017 (USD million)
1	Munich Reinsurance Co.	36,454
2	Swiss Reinsurance Co.	32,316
3	Berkshire Hathaway Re	24,212
4	Hannover Rück SE	19,321
5	SCOR SE	16,164
6	Lloyd's	10,747
7	China Reinsurance (Group)	9,970
8	Reinsurance Group of America	9,841
9	Everest Re Group Ltd.	6,245
10	Life Insurance Corporation of India	5,796
11	MS&AD Insurance Group Holdings, Inc.	5,427
12	PartnerRe Ltd.	5,120
13	Korean Reinsurance Co.	4,706
14	XL Catlin Group	3,964
15	SOMPO Holdings, Inc.	3,893
16	Transatlantic Holdings Inc.	3,810
17	MAPFRE RE	3,389
18	R+V Versicherung AG	3,017
19	Tokio Marine & Nichido Fire Insurance Co. Ltd.	2,729
20	Fairfax Financial Holdings Limited	2,577

Source: S&P Global Reinsurance Highlights 2018.

GLOBAL RISKS UNIT

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

MAPFRE GLOBAL RISKS contributes 5 percent of total Group premium volume.

Key figures

	DECEMBER 2018	Var. 18/17
Gross written and accepted premiums	1,173.9	-6.6%
Attributable net result	23.8	135.9%

Figures in millions of euros

PERFORMANCE

Workforce**269****Employees**Other information

Last April, MAPFRE approved a new configuration of its insurance business for large industrial and commercial risks.

Under the new formula, MAPFRE GLOBAL RISKS will continue to develop its management capacity and market knowledge, while at the same time the insurance or reinsurance risk will be assigned to companies in the group, which due to their specialization, scale or capacity, are in a position to assume it with a higher level of efficiency and profitability.

At fiscal year-end 2018, this business restructuring is still pending approval by the Spanish regulatory authority.

ASSISTANCE UNIT

This unit specializes in travel assistance, roadside assistance, and other Group specialty risks. Operating in 40 countries, MAPFRE ASISTENCIA is the fourth largest company in the sector by revenue in the world and has one of the most extensive assistance networks worldwide.

It contributes 4 percent of the total premiums of the Group.

MAPFRE ASISTENCIA covers all assistance needs of travelers, their companions and their luggage, before, during and after each trip, anywhere in the world.

Key figures

	DECEMBER 2018	Var. 18/17
Operating revenue	982.7	-11.7%
- Gross written and accepted premiums	911.0	-7.4%
- Other revenue	71.7	-44.9%
Attributable net result	-10.1	85.2%

Figures in millions of euros

PERFORMANCE

Workforce



4,702
Employees

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4. Corporate governance

4.1. Governance System

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

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

- Corporate governance
- Company structure
- Executive organization

Corporate governance

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

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

The Board of Directors has a Steering Committee in place that acts on its behalf and within all of its powers, except those that cannot be ceded by law or, if expressly prohibited by the bylaws or the regulations of the Board of Directors.

The Board of Directors also features three additional delegate committees:

- Audit and Compliance Committee.
- Appointments and Remuneration Committee
- Risk Committee.

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

Steering Committee

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

Audit and Compliance Committee

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

Appointments and Remuneration Committee

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

Risk Committee

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

The composition of the governing bodies resulting from the resolutions that are expected to be adopted on March 8, 2019 is as follows:

Board of Directors	Steering Committee	Appointments and Remuneration Committee	Audit and Compliance Committee	Risk Committee
Chairman and CEO Antonio Huertas Mejías ⁽¹⁾	Chairman			
First Vice Chairman Ignacio Baeza Gómez ⁽¹⁾	First Vice Chairman			
Second Vice Chairwoman Catalina Miñarro Brugarolas ⁽³⁾	Second Vice Chairwoman	Chairwoman		
Third Vice Chairman José Manuel Inchausti Pérez ⁽¹⁾				
Members				
José Antonio Colomer Guiu ⁽³⁾		Member	Chairman	Member
Georg Daschner ⁽³⁾	Member			Chairman
Ana Isabel Fernández Álvarez ⁽³⁾			Member	Member
Maria Leticia de Freitas Costa ⁽³⁾				
Antonio Gómez Ciria ⁽³⁾				
Luis Hernando de Larramendi Martínez ⁽²⁾	Member	Member		
Francisco José Marco Orenes ⁽¹⁾				
Fernando Mata Verdejo ⁽¹⁾				
Antonio Miguel-Romero de Olano ⁽²⁾	Member		Member	Member
Pilar Perales Viscasillas ⁽³⁾			Member	
Alfonso Rebuella Badías ⁽²⁾		Member		
Secretary				
Angel L. Dávila Bermejo	Secretary	Secretary	Secretary	
Jaime Álvarez de las Asturias Bohorques Rumeu				Secretary

⁽¹⁾ Executive directors

⁽²⁾ Independent nominee directors

⁽³⁾ Independent external directors

Honorary Chairmen
Julio Castelo Matrán
José Manuel Martínez Martínez

Executive Committee
Chairman
Antonio Huertas Mejías
First Vice Chairman
Ignacio Baeza Gómez
Vice Chairman
José Manuel Inchausti Pérez
Members
Aristóbulo Bausela Sánchez
Alfredo Castelo Marín
José Manuel Corral Vázquez
Francisco José Marco Orenes
Fernando Mata Verdejo
Eduardo Pérez de Lema
Elena Sanz Isla
Jaime Tamayo Ibáñez
Member – Secretary
Angel L. Dávila Bermejo

Diversity and experience

(GRI 405-1)

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

As at the date of this report, female directors represented 27 percent of all members of the Board of Directors.² Most of them participate in Board committees and/or play significant roles:

²Antonio Gómez Ciria joined the Board of Directors as an independent director on January 1, 2019.

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

ITEM	2018	2017	2016	2015
% of Women on Board	28.6% ³	26.7%	23.5%	16.7%

The composition of the Steering Committee and the various Special Committees of the Board of Directors by gender as on December 31, 2018 is presented below:

ITEM	Steering Committee		Audit and Compliance Committee		Appointments and Remuneration Committee		Risk Committee	
	M	W	M	W	M	W	M	W
Number of Directors	5	1	2	2	3	1	3	1
% of total	83.3%	16.7%	50.0%	50.0%	75.0%	25.0%	75.0%	25.0%

M: Men W: Women

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

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

³ There were 14 members of the Board of Directors effective December 31, 2018, due to the resignation of Rafael Márquez Osorio.

Other Corporate Governance indicators:

ITEM	2018	2017	2016	2015
QUORUM FOR ANNUAL GENERAL MEETING	82.07%	83.20%	82.76%	78.47%
Directors	14	15	17	18
- Men	10	11	13	15
- Women	4	4	4	3
Executive directors	5	5	5	5
Independent external directors	6	6	7	7
Independent nominee directors	3	4	5	6
Board meetings	10	10	9	10
Steering Committee meetings	5	3	6	8
Audit and Compliance Committee Meetings	14	11	6	6
Appointments and Remuneration Committee meetings	5	7	6	7
Risk Committee Meetings	6	5	6	4

Data in numbers

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

The total remuneration of the Directors of the Group during fiscal year 2018 was as follows:

ITEM	2018
Number of Directors	16
Remuneration paid	15,705
TOTAL	15,705
Contributions to saving systems with consolidated rights and as an amount of accumulated funds	5,738

Figures in thousands of euros

In order to comply with the legal requirements for remuneration of directors and continue adhering to corporate governance best practices regarding remuneration, the Regulations of the Board of Directors govern the areas related to remuneration of the Board of Directors and the Appointments and Remuneration Committee.

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

- Prioritization of the creation of value and profitability in the medium- and long-term over short-term results.
- Proportionality between the company's financial situation and market standards of comparable companies.
- Alignment with the commercial and risk management strategy, risk profile, objectives, and risk management practices.
- Appropriate and efficient risk management within the established risk tolerance limits.
- Attraction and retention of talent.
- Appropriate compensation for dedication, qualification and responsibility.
- Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.
- Deferred payment of a significant portion of the variable remuneration.
- Possibility of ex-post adjustments to the variable remuneration.
- Avoidance of conflicts of interest.

The remuneration system differentiates between external directors and executive directors:

A) External Directors

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

B) Executive Directors

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

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

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

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

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

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

(iii) Incentives indexed to share values.

In relation to the establishment of an appropriate balance between fixed and variable components of remuneration, the MAPFRE compensation policy for the rest of the workforce includes a variable structure that is calculated as a percentage of total remuneration and is paid according to the degree to which employees have achieved their objectives. The weight of the variable remuneration is determined by the position held within the organization, increasing in line with the level of responsibility and the impact of employees' professional activities within the company.

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

Notwithstanding the above, the Annual General Meeting of March 9, 2018 approved the Remuneration Policy for the Directors for the 2019-2021 period, effective January 1, 2019. This standard is prepared with the same terms as the remuneration policy for Directors for the 2016-2018 period, except for the remuneration mechanism for members of the Steering Committee, which is composed of a fixed amount and a travel, subsistence and accommodation allowance for attending meetings.

The Group's Institutional, Business and Organizational Principles determine its actions as a company and contribute to the sustainability of the business conducted in every country in which it operates. These principles are embedded in the company through its core values (solvency, integrity, vocation for service, innovation for leadership, and committed team) and implemented through adherence to its international and local

commitments as well as to the policies, standards and action protocols adopted by the organization. All of this enables the company to act in accordance with the due diligence principle, thereby preventing, detecting and eradicating irregular conduct, whatever its nature, which could have a negative impact on the company and on the environment in which it operates.

The company has a set of policies, regulations, procedures, protocols and other reference documents in place, both corporate and local in nature, which serve as a guide to determine the behavior that is expected of all those who work for or collaborate with MAPFRE.

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

- [Institutional, Business and Organizational Principles](#)
- [Code of Ethics and Conduct](#)
- [Treasury Stock Policy](#)
- [Dividend Policy](#)
- [Corporate Governance Policy](#)
- [Corporate Tax Policy](#)
- [Policy on the Management of Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Representative and Managerial Posts](#)
- [Directors Selection Policy](#)
- [Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors](#)
- [Policy on Attendance Allowances](#)
- [Corporate Social Responsibility Policy](#)
- [Diversity and Equal Opportunities Policy](#)
- [Promotion, Selection and Mobility Policy](#)
- [Policy on Health, Well-being and Prevention of Occupational Risks](#)
- [Respect for People Policy](#)
- [Security and Privacy Policy](#)
- [Business Continuity Policy](#)
- [Environmental Policy](#)
- [Criminal Risk Prevention Model](#)

Company structure

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

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Executive organization

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

4.2. Ethics and Sustainability

[GRI 102-18, 102-19, 102-20, 102-33, 102-34, 205-1, 205-2, 205-3, 405-1, FS1, FS3, FS4, FS13, FS15; L.11/2018]

For MAPFRE, sustainability involves:

- Finding a balance between environmental, social and economic/governance (ESG) concerns over the medium to long term and defining how they affect business and stakeholders with which the company maintains relationships.
- Managing the impact of the company on society and identifying opportunities for sustainable development to create shared value.

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

Being responsible is an attitude, a manner of managing the company, and it is therefore important to involve all groups with which the company maintains relationships (employees, clients, providers, distributors, shareholders, and society in general) to contribute to the economic and social development of the countries in which MAPFRE operates.

Our sustainability model, published on the corporate website, is aligned with MAPFRE’s vision, mission and values, with the Institutional and Business Principles and with its strategy; and its design considers the basic pillars of sustainability - *environmental, social and governance* - along with profitable and sustainable growth.

In 2018 MAPFRE joined the Dow Jones Sustainability Index as the 10th insurance company in DJSIWorld, which recognizes the most sustainable entities based on environmental, social, and governance criteria. It maintains its FTSE4Good ranking, and

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

Corporate Social Responsibility (CSR) Policy

The Corporate Social Responsibility Policy, approved by the Board of Directors of MAPFRE S.A. on July 23, 2015, establishes the reference framework that allows all MAPFRE Group companies to develop and promote socially responsible behavior, irrespective of whether it is related to conventional or digital business. The objective is that corporate social responsibility is perceived as a way of:

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

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

The Policy can be accessed by employees and collaborators on the intranet, and on the corporate website by other stakeholders.

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

Sustainability Plan

Approved in 2016 with a three-year time span, the 2016-2018 Sustainability Plan has enabled the company to improve its performance in this area and strengthen relationships with the different stakeholders with which the Group has a special

relationship, such as shareholders, employees, providers, clients and society in general.

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

Once the period for the Plan was concluded, an overview on its performance was submitted to the board of directors. A compliance level of 96 percent was reached, which is considered quite satisfactory.

Of the 15 proposed lines of work, 10 reached 100 percent compliance, while the remaining 5 attained compliance of between 83 and 92 percent, an indication they will continue.

The Sustainability Plan 2019-2021, which will be released in the next few months, will once again guide the sustainability of the Group's activities.

Sustainability training:

[GRI FS4]

Aware of the importance of involving employees in these aspects, over the past three years a total of 18,055 employees terminated the environmental training program, as well as an online course titled "A stroll through corporate social responsibility" launched in 2018, reaching 2,954 employees.

Ethical Behavior: Main Compliance and Prevention Measures

[GRI 102-16, 102-17, 102-33, 102-34, 205-1, 205-2, 205-3, 406-1, 408-1, 409-1, 410-1, 412-3, 415-1, 419-1; L.11/2018]

Compliance

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

Among the essential values governing MAPFRE operations, integrity, which is understood to be the requirement of ethical, transparent and socially responsible values, is a component of the Institutional, Business and Organizational Principles approved formally by the Board of Directors of MAPFRE S.A.

MAPFRE's commitment to integrity further involves strict compliance with laws and contracts and the obligations arising therefrom, as well as good commercial usages and practices.

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To strengthen the effective observance of this commitment, in 2014 the Board of Directors of MAPFRE S.A. approved the Group Compliance Function, summarizing the general principles, structure, authority, responsibilities and procedures for this function.

As a fundamental function within its governing system, MAPFRE's Compliance Function contributes to minimizing the legal and non-compliance risk of the Group, promoting awareness of conformity and compliance with internal and external requirements, ensuring that such considerations are perfectly internalized in its culture and activities.

Under this Compliance Function Policy, the Compliance Area of the Group and the supervisors responsible for Compliance under its functional dependence for the insurance and reinsurance companies in all the countries in which MAPFRE operates develop various preventive activities related to compliance issues within their area, such as identification and evaluation of risks and effectiveness of controls, monitoring of periodic regulatory obligations, review and self-evaluation of internal policies, training, etc.

In line with strategic objectives at the corporate level, during 2018 compliance activities in these areas focused on the implementation of universal and standardized methodology for verification of non-compliance risk, management of legal risk (regulatory change) and verification of internal policies. The extent for verification of internal policies during this fiscal year was:

1. Solvency Policies II: a total of 25 policies were verified in companies domiciled in Argentina, Chile, Colombia, USA, Mexico, Panama, Peru and Turkey, and 3 policies for companies in Costa Rica, Ecuador, El Salvador, the Philippines, Guatemala, Honduras, Nicaragua, Paraguay, the Dominican Republic, Uruguay, Venezuela and MAPFRE RE subsidiaries in Brazil and Chile.
2. Corporate policies: the following policies were verified in insurance and reinsurance companies domiciled in the European Union:
 - Corporate Tax Policy
 - Corporate Social Responsibility Policy
 - Internal Conduct Regulation regarding listed securities issued by MAPFRE
 - Policy on Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Representative and Managerial Posts

In addition, all the insurance and reinsurance companies domiciled in Spain and MAPFRE S.A. evaluated compliance with MAPFRE's Crime Prevention Model, with a total of ten companies analyzed. Up to now, a total of 464 employees have been trained in compliance.

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All these activities were supplemented by the activities carried out in other areas or functions with responsibilities or authority related to specific compliance matters, such as data security and protection, prevention of money laundering, fiscal, labor and legal matters, etc., that make up the MAPFRE Compliance Function in its totality.

An Institute of Compliance Officials (IOC) has recently been formed in Spain, and MAPFRE participates as a founding member. The IOC is an association formed with the goal of bringing together Compliance professionals, who as a body play a vital role in a global market characterized by increasing complexity and ever more demanding regulation.

Some of the objectives for creating this Institute are as follows:

- Promoting the role of the compliance official as a key function for good corporate governance.
- Driving the development of active regulatory compliance policies.
- Improving the prevention, detection and deterrence of fraud, as well as transparency and good corporate governance through providing information and training on good practices in regulatory compliance.
- Boosting public awareness of organizational competence and excellence on regulatory compliance and the compliance official profession.

Code of Ethics and Conduct

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

MAPFRE has in place a Code of Ethics and Conduct inspired by the Institutional, Business and Organizational Principles of the Group that reflects corporate values and basic principles that are to guide the behavior of its members in their daily work and in relation with interest groups.

This code is made available to all employees via the corporate intranet and published in the group's website.

Contents of the code of ethics and conduct:

Principles of ethical, transparent and socially responsible behavior	
<ul style="list-style-type: none"> • Compliance with current legislation • Respect for and protection of Human Rights • Social responsibility • Sustainability and respect for the environment • Confidentiality of information and protection of personal data • Corporate brand, image and reputation • Intellectual and industrial property 	
Code of conduct in relations with and among employees	Code of conduct in relations with third parties
<ul style="list-style-type: none"> • Respect for people • Equal opportunities and non-discrimination • Work-life balance • Commitment and cooperation in the workplace, efficiency and professional development • Health, Well-Being and Risk Prevention • Resources and equipment for pursuing professional activities 	<ul style="list-style-type: none"> • Relations with clients • Information for shareholders • Relations with providers and collaborating companies • Relations with competitors • Relations with governments and authorities • Relations with partners • Gifts and hospitality • Conflicts of interest • Anti-corruption, bribery • Transparency of information • Prevention of money laundering and financing terrorism
Compliance with the Code of Ethics and Conduct	
Ethics Committee: (composition and powers)	Whistleblower channels (operating framework)

Ethics Committee:

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

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

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

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

A total of two complaints were received via the Corporate Ethical Whistleblower Channel in 2018, one related to a case of harassment and another to abuse of authority. Both complaints have been resolved.

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Whistleblower channels

[GRI 102-17, 102-33, 102-34, 406-1]

MAPFRE has created two channels for use by employees:

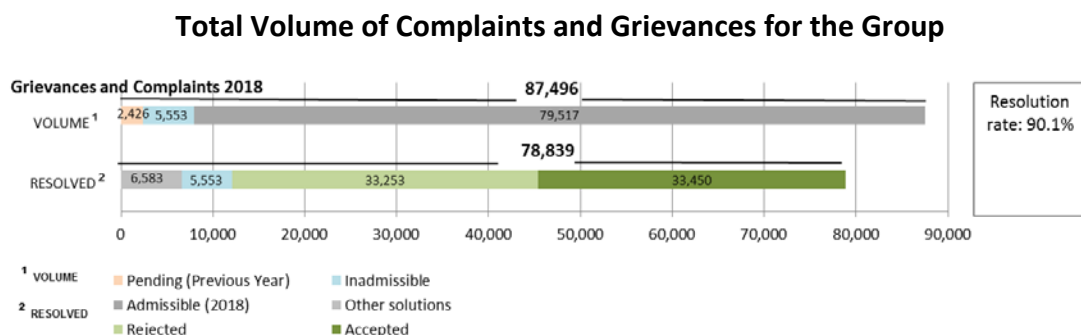
- The Financial and Accounting Whistleblower Channel (www.mapfre.com/CDF) allows Group employees to confidentially report any potentially significant financial and accounting irregularities they observe within the company to the Audit and Compliance Committee of MAPFRE S.A.
- The Ethical Whistleblower Channel - (www.mapfre.com/Etica) allows employees who have queries about the implementation of the code, or who observe a situation that might constitute a breach or violation of any of the ethical principles or standards of conduct set out in the code, to report them in strict confidence to the Ethics Committee.

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

Grievances and Complaints

[GRI 102-33, 102-34, 417-2]

MAPFRE ensures that its clients in any country around the globe where it operates in direct insurance have an internal channel to defend their rights deriving from the policies they take out. The company preserves clients' trust by making good on the commitment to give them the best possible attention and promoting the internal implementation of bodies to protect clients' rights and for the management of their complaints or grievances. The basic amount of complaints and grievances handled within the Group in 2018 are as follows:



Since 2003, Spain has had a Complaints Division, whose duties include the handling and resolving of complaints and grievances submitted by consumers against the

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companies of the Group that adhere to the Regulation for the Defense of Clients and with the Insured Party Defense Committee, a pioneer institution created in 1984.

During 2018, the Complaints Division received 15,650 written comments. Of this number, 11,368 were admitted for processing and 5,949 complaints with specific financial claims were considered, together with 5,419 grievances related to lack of attention or neglect in the handling of benefit processing or issuing/purchase of policies.

Out of this, an estimated 24.7 percent of the complaints and grievances were admitted for processing, 35.6 percent were rejected and 12.5 percent were granted other solutions. In addition, 4,282 of the submissions were not admitted for processing due to not meeting legally prescribed requirements.

User service levels were improved by reducing the average resolution time by 0.4 days, compared to 2016 – it now stands at 8.1 days, compared to the maximum of 60 days allowed by law.

Also, 1,288 grievances were forwarded to the Insured Party Defense Committee, out of which 4.8 percent were processed, 94.4 percent were rejected, and other solutions were found for 0.8 percent. The review period for complaints handled by this entity was 24 days, less than legally provided for.

With a view toward achieving the purpose of its activities, in 2018 the Complaints Division issued 22 general criteria for operations in its Annual Report, and the Insured Party Defense Committee set down 34 recommendations in its report that highlight them all in aspects related to the drafting, editing and interpretation of contracts as well as in management procedures, so as to reduce the number of complaints and grievances by consumers.

For its part, VERTI and investee companies have in place a Complaints Processing Office, which received 191 grievances and complaints, of which 181 were admitted for processing, 17.1 percent of which were accepted, 35.5 percent were rejected and other solutions were found for 42.9 percent of the cases.

Internal Control

[L.11/2018]

The major companies within the Group initiated a Control Environment survey during 2018 to share the internal risk and control culture, making it possible for employees to submit their opinions regarding the existing control environment and so identifying situations that may make it difficult to maintain effective control on a daily basis.

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

Regarding already existing control procedures, the coordination in evaluating risk and control indicators implemented in Group operations, a measure that is supported on the corporate platform Riskm@p, and that 2,400 people in 25 different countries and corporate areas have participated in, should be noted. Additionally, the corrective measures adopted in response to the results of the risk and control assessments carried out previous years continued to be implemented. These measures are designed to improve or introduce controls and response procedures if any of the identified risks materialize.

As for information and communication, the major companies of the Group have proceeded with their formulation of the Quarterly Financial Information Internal Control (SCIIF) Questionnaire, providing documentary evidence of activities and controls carried out for principal financial information preparation processes.

In the area of supervision, the major companies of the Group have undertaken annual self-evaluations of the existence and operation of various activities that make up the Internal Control System, which together with the independent evaluations performed by Internal Auditing makes it possible to identify the control level in the organization and identify necessary improvements for managing the internal control level to assist in meeting business objectives.

Also, in 2018 a total of 8,410 employees terminated their internal control training, which totaled 6,687 hours.

Protection of employees from moral and sexual harassment in the workplace

[GRI 102-33, 102-34, 406-1; L.11/2018]

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

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

The general principles in this area are:

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

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

In 2018, four harassment claims were reported in the Group and were resolved using the in-house procedures. All the professionals providing instruction on this topic first received specific training themselves.

Anti-corruption

[GRI 102-33, 102-34; L.11/2018]

MAPFRE is against all unethical practices aimed at inappropriately influencing the action and will of other people in order to gain advantages or benefits. Nor does it allow other individuals or companies to engage in these practices with its employees. A specific section in the Code of Ethics and Conduct is included for this.

MAPFRE's anti-corruption policy establishes the basic regulations and the framework to prevent and detect corrupt practices in operations relating to the Group's activities.

Employees may not solicit or accept, or otherwise promise, offer or bestow, directly or indirectly, gifts, payments, invitations, commissions, compensation, favors or advantages of any type to obtain remuneration or to attempt to inappropriately influence their commercial or professional relations with public or private companies, public officials, employees, managers and administrators of public companies or bodies, organizations and political parties, politicians or candidates for public office.

Employees must inform the company through their hierarchical superior or the Ethics Committee of any case of corruption or attempted corruption of which they become aware or have reasonable suspicions. The Ethics Committee did not receive any such complaints during the course of 2018.

MAPFRE also has a Criminal Risk Prevention model in place that covers the principles for the prevention of criminal offenses and lays out supervision and control measures.

Considering the relevance of this aspect, over the past year we devoted a total of 4,214 hours to training a total of 5,875 employees in anti-corruption matters.

Fraud Prevention

[GRI 102-33/34; L.11/2018]

Combating fraud is a key issue, and the Group has a corporate anti-fraud technological platform to protect itself for detecting, preventing and analysis of fraud i different business and support processes.

This platform was born out of a combination of advanced technology, large databases and sources both internal and external information sources, as well as MAPFRE's accumulated anti-fraud expertise. The platform has been made available to business areas to help them secure their objectives and drive profitability.

In an increasingly competitive climate, with exponential growth in digital interactions between users and companies, it is vital that we harness sophisticated technology to stay one step ahead of fraud, all while capitalizing on internal synergies at MAPFRE Group.

In addition, MAPFRE has an Operational Model for fighting fraud made up of different work scopes or areas; organization by defining the necessary structures and best functions, implementation of processes and procedures specifically designed for this area, definition of policies and standards and designing a map of indicators for both operations and risks. This model has been implemented in almost all the countries where MAPFRE operates, progressively improving their results.

In addition, training courses in fraud prevention have been given for several years, which have been attended by a total of 7,539 employees, representing 8,346 hours over the past year.

Prevention of Money Laundering

[GRI 102-33, 102-34; L.11/2018]

MAPFRE has put in place sufficient policies, procedures and internal control entities to prevent and avoid operations related to money laundering or the financing of terrorism, establishing specific controls over operations that are complex or with

unusual characteristics or amounts involved or that have no apparent economic or legal purpose or that show characteristics of pretense or fraud.

All the employees and agents of the companies in the MAPFRE Group who are subject to the regulation on the prevention of money laundering and financing terrorism have received specific training in this field (with differing degrees of depth according to the level of risk in the sphere of activities they carry out), with details of the way of proceeding in the case any suspicious operation is detected.

In 2018, 20,940 employees were trained in this matter, with a total number of hours employed totaling 32,035.

Security

[GRI 410-1, 102-33, 102-34; L.11/2018]

Among other issues, MAPFRE focuses its activities related to security on the protection of its employees and facilities, on protecting the information and privacy of its clients, employees and other interest groups and on the sustainability and resilience of its operations and the services that it offers.

- Employees are protected by providing a secure work environment by implementing and maintaining protection measures at its installation starting from the project phase; providing self-protection plans at work centers; designing and implementing specific measures for travel and relocation (particularly to unstable regions), including training measures; and direct and specialized assistance when risk or crisis situations appear.
- The commitment to information security related to clients, employees, providers and other interest groups is implemented via aspects such as setting high standards of compliance with data privacy and protection regulations. To achieve this, various measures are applied guaranteeing the alignment with principles related to processing (“legality, loyalty and transparency”, “limitation of purpose”, “minimization of data”, “accuracy”, “integrity and confidentiality” and “proactive responsibility”) and so responding to the trust placed in MAPFRE by clients, employees, shareholders and other interest groups. To this end, intense efforts were made during 2018 in ensuring MAPFRE adapted to the new General Data Protection Regulation of the European Union (the GDPR), with a comprehensive related training plan executed. Thanks to this new online data protection course, updated in line with new GDPR guidelines, 8,382 employees were trained during the year. Furthermore, the group participated in and collaborated with public institutions and industry forums to implement the GDPR as efficiently as possible.

- In terms of availability, business continuity solutions are designed and implemented to prevent interruption of the services provided to clients in the event of serious contingencies, thus contributing to the sustainability and resiliency of business operations and services provided. Business continuity management systems for MAPFRE GLOBAL RISKS, MAPFRE RE, and the MAPFRE ESPAÑA Operating Area were certified in this area by the Spanish Association for Standardization (AENOR) in compliance with UNE-ISO 22301, improving the service offered and adding a higher level of confidence for clients.

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

Internal Audit

[GRI 102-33, 102-34; L.11/2018]

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

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

- To supervise compliance with and the effectiveness of the Internal Control System and of other elements of the Governance System.
- To carry out the annual internal audit plan, reporting any weaknesses that are detected and making recommendations for their resolution, and monitoring the implementation of those recommendations.
- To evaluate, in accordance with the audit plan or as determined, the reliability and integrity of accounting and individual and consolidated information and other economic information prepared by MAPFRE S.A., its subsidiaries, business units, territorial areas, regional areas and corporate areas, as well as the validity, sufficiency and application of the accounting and legal principles and rules.
- To effectively coordinate the communication of information between the Board of Directors and the internal and external auditors through the Audit and Compliance Committee.

- To undertake continuous monitoring and on-site internal audit review when so determined for acquisitions, new business, strategic projects and developing activities, as well as key risk elements in the strategic plan.
- To support the organization in meeting its objectives by providing professionals in areas in which independent opinions or support may be required for development (internal control, risk management, organization, analysis of financial statements, analysis of investments, etc.).
- To coordinate the work of external auditors and analyze their conclusions before they are finalized.
- To gather the information necessary to support the MAPFRE S.A. Audit and Compliance Committee and other audit committees which are established at subsidiaries due to a legal obligation or on a voluntary basis, and the office of the MAPFRE Chairman and CEO.

5. RISKS AND OPPORTUNITIES

[GRI 201-2, 102-30, 102-31, 102-1, 102-2, 201-2, 410-1, FS1, FS2, FS3, L.11/2018]

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

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

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

All significant aspects related to risk management are handled by the Risk Management Area of the Group, which releases directives and reference criteria to be followed by the risk areas in the individual companies, with adaptations as required.

Governing bodies regularly receive at least quarterly information related to the quantification of the principal risks to which the Group is exposed and the capital resources available to deal with them, along with information related to compliance with the limits set in the Risk Appetite. Assigned capital is generally estimated based on the budget for the coming year and is revised periodically during the year based on risk development, so as to guarantee compliance with the limits set in the Risk Appetite.

Environmental, Social and Governance (ESG) risks and opportunities

[GRI 201-2, 102-15, 102-29, 102-31, 201-2, 410-1, FS2, FS2, FS5, FS9; L.11/2018]

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

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

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it innovates in developing insurance products and solutions for the benefit of its clients and the community. (See pages 107 and 185.)

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

in 2018, MAPFRE joined the United Nations Environment Program Finance Initiative (UNEP FI), along with 15 other leading insurers, in order to assess the impact of climate change and to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the insurance industry. As a global insurance company, MAPFRE is participating in the commitment to contribute to defining a standard of technical and financial action for the entire sector that will help the insurance industry to manage the risks and opportunities of the transition toward a low-carbon economy, and to reduce the impact of climate change for the whole of society. Climate change is part of MAPFRE's sustainability strategy.

Risk of natural disasters

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

- The Nature Risks Area of MAPFRE RE and the Catastrophic Risks department of MAPFRE GLOBAL RISKS, together with MAPFRE's local companies exposed to these hazards, actively work to face the challenges arising from continuously monitoring this type of event.
- *Additionally, MAPFRE GLOBAL RISKS is working on an initiative for a more efficient control of catastrophic exposure in the 200 countries where the company currently insures over 800,000 risk situations. (Update)*

Products and Services

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

In 2018, MAPFRE launched more than 40 Automobile, Life, P&C, Health and Burial products on the market. It also has products in its portfolio offering basic coverage and

reduced premiums for low-income groups in the Automobile, Life, Homeowners and Health business lines. See Note 7 for more information.

Environmental **initiatives aimed at clients are grouped into three categories:**

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

See Note 7 in this document.

Socially responsible investment

MAPFRE is fully committed to socially responsible initiatives when choosing its investments, and has launched an entire range of products encompassing its environmental, social, and governance (ESG) criteria.

During 2018, MAPFRE launched new investment and pension funds, and an EPSV, called MAPFRE Responsible Growth, to be managed by MAPFRE AM, with the assistance of advisors from La Financière Responsable, the French boutique asset management firm specializing in responsible investment, in which it holds 25 percent. The fund is the first of its kind to be launched in Spain and will invest in the shares and fixed income securities of European companies selected on the basis of their ESG attributes, following a strategy that will focus on preservation of capital. The fund will chiefly be distributed in Spain and France, and will be available to international investors, while the pension plans and EPSV will only be available in Spain.

These investment products complement the MAPFRE Good Governance Fund. This latter fund was launched on the market on 2017 and combines investment in value and good corporate governance. It is also the first fund of this type to be managed and promoted in Spain

This line of products is embedded in MAPFRE's commitment to creating a sustainable value model in line with Responsible Investment Principles (RIP), to which the Group adheres. The six RIP actuation principles are part of the investment criteria established under the Annual Investment Plan for equity and real estate investments. The plan defined MAPFRE's policies in this area.

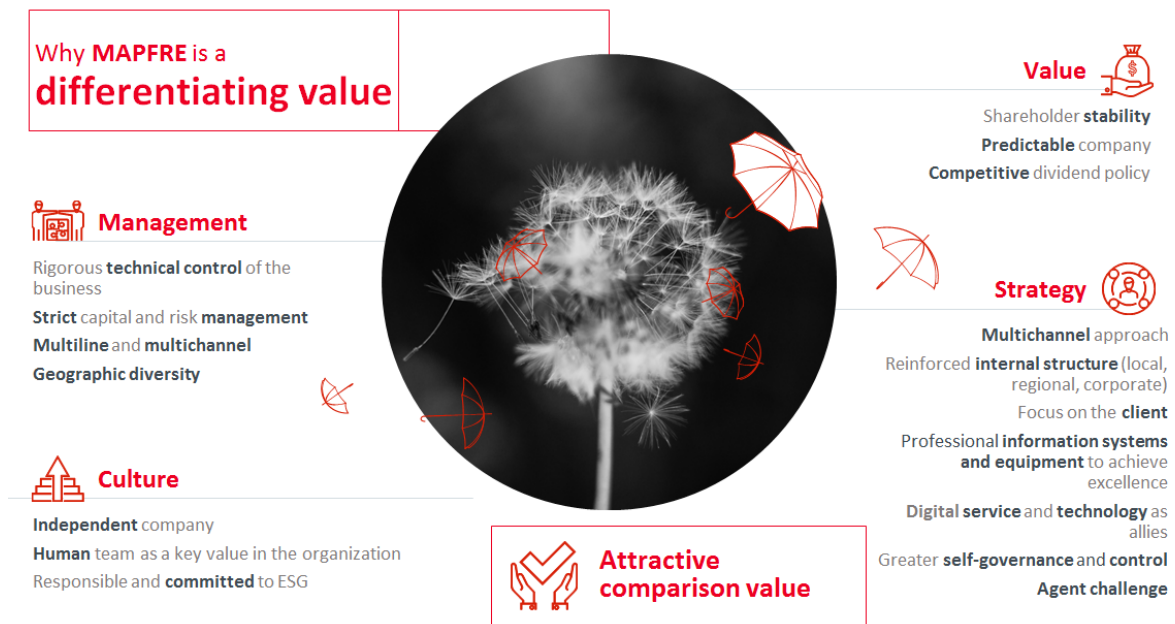
Since 2017, the Group has used its own ESG portfolio analysis model. Conclusions drawn from the ESG analysis are reviewed during Investments Committee meetings as well as the Risks Committee in Spain. The latter included MAPFRE's Sustainability Director as an external advisor.

MAPFRE has also created an internal, multidisciplinary ISR work group, which reports directly to the General Corporate Director of Investments; two members have Environmental Social and Governance Analyst certifications from the European Federation of Financial Analysts Societies (EEFAS). This group provides support for fund managers in incorporating ESG criteria and analysis of their impact on investment processes.

6. CREATION OF SHARED VALUE: WE ARE SUSTAINABLE

Value creation for an organization is achievable when the company responsibly defines its resources and identifies the main areas in which it works and the stakeholders that will be impacted or potentially impacted.

Value creation is not static, and projects are therefore undertaken within a time frame of several years, in line with the Strategic Plan. This chapter describes the main milestones reached in 2018.



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SUSTAINABLE

6.1. FINANCIAL DIMENSION

[GRI 102-2, 102-6, 102-7, 201-1]

WE ARE SOLVENCY	Our business model is built on the foundation of financial strength and a strategy of sustainable results over time, which is what guarantees that we can meet all the obligations we undertake with our stakeholders.
<p>What are we working on to create value?</p> <ul style="list-style-type: none"> • Shareholders' equity • Investments • Financing operations • The MAPFRE share 	

Solvency is one of the fundamental values of MAPFRE that helps develop our mission and achieve the Group's vision.

The pillars on which the Group is supported and that contribute to its solvency and the generation of value for interest groups are:

Shareholders' Equity

Shareholders' Equity	
EQUITY	9,198
Equity attributable to the Controlling company	7,994

Figures in millions of euros

Consolidated equity amounted to 9.2 billion euros as on December 31, 2018, as compared to 10.5 billion euros as on December 31, 2017. Of this amount, 1.2 billion euros correspond to non-controlling interests' shares in subsidiaries, primarily financial entities in Spain and Brazil that MAPFRE has bancassurance agreements with. Consolidated equity attributable to the controlling Company per share was 2.60 euros as on December 31, 2018 (2.80 euros as on December 31, 2017).

SUSTAINABLE

INVESTMENTS

INVESTMENTS	
INVESTMENT PORTFOLIO	49,274
Fixed income	36,518

Figures in millions of euros

MAPFRE manages its investments with consideration of the risks assumed and taking assumable risks. The investment policy of the Group is directed toward being in a position to satisfy the commitments of insureds and pursuing the preservation of asset value, which requires a prudent investment selection and risk assumption policy.

MAPFRE seeks to develop a solvent and profitable business, but never at the expense of sustainable engagement with the environment around us.

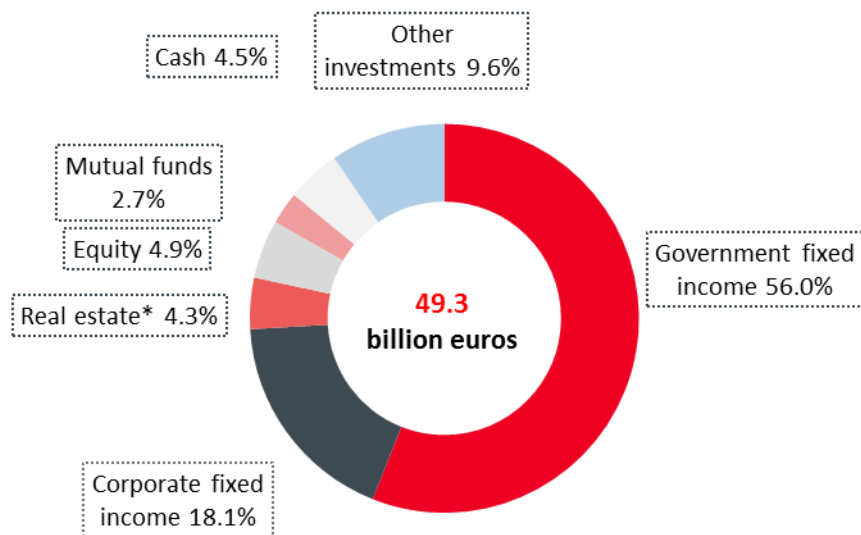
BASIC PRINCIPLES OF THE MAPFRE INVESTMENT POLICY

EQUITY INVESTMENTS	REAL ESTATE INVESTMENTS
<ul style="list-style-type: none"> ✓ Principle of covering the commitments insured ✓ Principle of prudence ✓ Principle of operational security ✓ Principle of liquidity ✓ Principle of profitability ✓ Principle of responsibility ✓ Principles for sustainable investment 	<ul style="list-style-type: none"> ✓ Principle of prudence ✓ Principle of profitability ✓ Principle of liquidity ✓ Standardization ✓ Principle of covering the commitments insured ✓ Management efficiency ✓ Relationship with intermediaries and external collaborators in general ✓ Energy efficiency and environmental sustainability

SUSTAINABLE

Below, details of the investment portfolio by asset type are given:

Breakdown by asset type:



*Real estate includes both investment property and real estate for own use

Breakdown of Fixed Income portfolio by geographic area and by asset type follows:

ITEM	Government	Total Corporate Debt	TOTAL
Spain	15,997.8	1,853.5	17,851.3
Rest of Europe	5,049.7	3,951.2	9,000.9
United States	1,347.3	2,094.3	3,441.5
BRAZIL	2,871.6	1.8	2,873.4
Latin America - Other	1,805.1	712.9	2,517.9
Other COUNTRIES	524.5	308.0	832.5
TOTAL	27,595.9	8,921.6	36,517.5

Figures in millions of euros

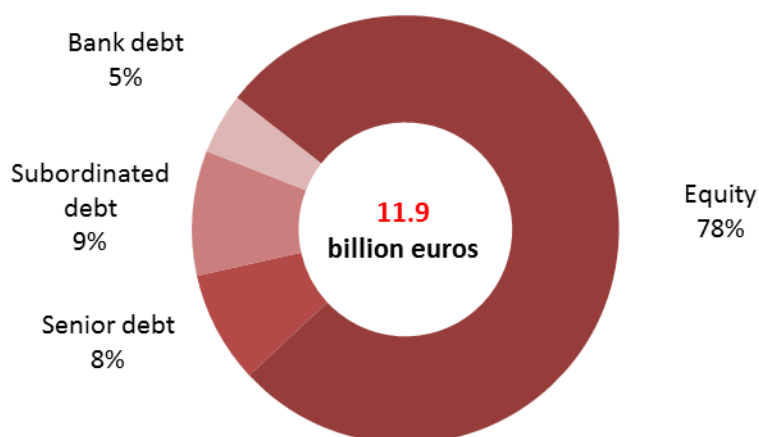
SUSTAINABLE

FINANCING OPERATIONS

FINANCING	
CAPITAL STRUCTURE	11,868
Debt	2,670
Equity	9,198

Figures in millions of euros

The chart below shows the composition of the capital structure at the close of fiscal year 2018:

Capital structure

Capital structure reached 11.9 billion euros, of which 78 percent corresponds to equity.

During the second half of 2018, MAPFRE closed a new issuance of 30-year subordinated bonds, in the amount of 500 million euros with a 10-year call option, placed among more than 80 investors in various countries.

Leverage ratios

The Group has a leverage ratio of 22.5 percent, with an increase of 4.4 percentage points compared to the end of the 2017 fiscal year.

The following table breaks down the development in leverage ratios of the Group:

SUSTAINABLE

ITEM	DECEMBER 2018
Total Equity	9,197.6
Total debt	2,670.3
Earnings before tax	1,330.5
Financial expenses	76.5
Earnings before tax & financial expenses	1,407.0
Leverage	22.5%
Equity / Debt	3.4
Earnings before tax & financial expenses / financial expenses (x)	18.4

Figures in millions of euros

In the first quarter of 2018, MAPFRE converted its 1 billion euro syndicated line of credit (which was to expire in December 2021) into a sustainable loan, thereby becoming the first insurance company in the world to execute a transaction of this nature for general corporate needs, while strengthening its commitment to sustainability and corporate social responsibility.

Both MAPFRE's credit rating and the development of sustainability parameters for the company are taken into consideration when setting the interest rate.

MAPFRE has thus reaffirmed its dedication to sustainability in all areas of the organization and strengthens its position as a company that is committed to social responsibility, the environment and society in general, as well as to reducing its financing expenses and extending financing maturity, while ensuring more advantageous conditions, taking into consideration the performance of the financial markets.

THE MAPFRE SHARE

PERFORMANCE / MAPFRE SHARE	
RESULT FOR THE PERIOD ATTRIBUTIBLE TO THE CONTROLLING COMPANY	529
Earnings per share (euros)	0.17

Figures in millions of euros, except for Earnings per share

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

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Stock Market Information

ITEM	12/31/2018
Total outstanding shares	3,079,553,273
Market cap (million euros)	7,144.6
Share price (euros)	2.320
Book value per share	2.60
Dividend per share (last 12 months)	0.145
Share par value (euros)	0.1

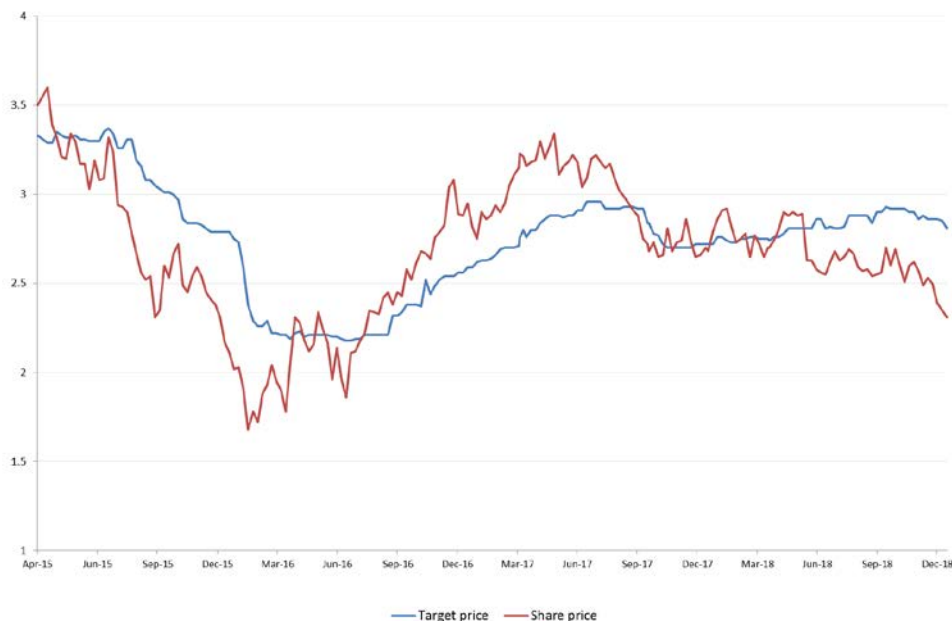
Share Price Movement: January 1, 2018 – December 31, 2018



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Target price (average provided by analysts) and quote: April 1, 2015 - December 31, 2018

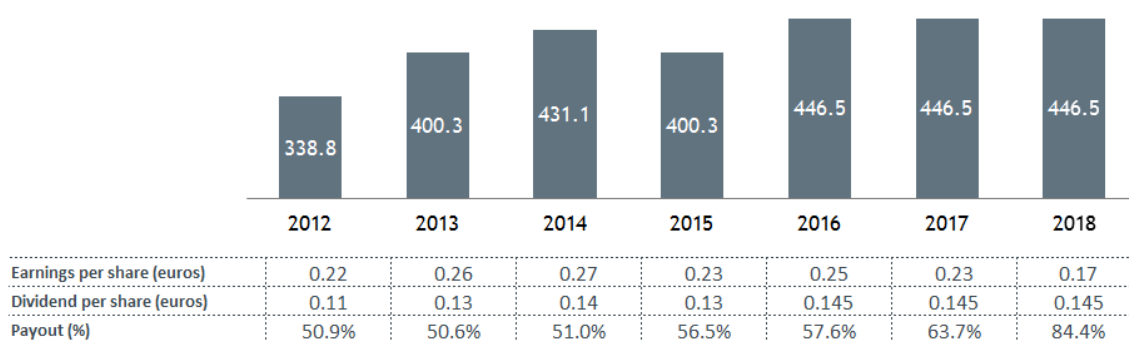


Dividend and Payout

The dividend policy of the Group states that shareholder remuneration must be tied to MAPFRE's earnings, solvency, liquidity and investment plans and in line with the interests of all shareholders.

The commitment of the Group to its shareholders is clear and consistent, as is demonstrated through the profitability that it offers them.

Dividends paid against results (in millions of euros)



The supplementary dividend proposed at the Annual General Meeting for fiscal year 2018 is 0.085 euros per share before tax. Consequently, the total dividend against the results for 2018 amounts to 0.1450.145 euros per share before tax, representing a payout ratio of 84.4 percent.

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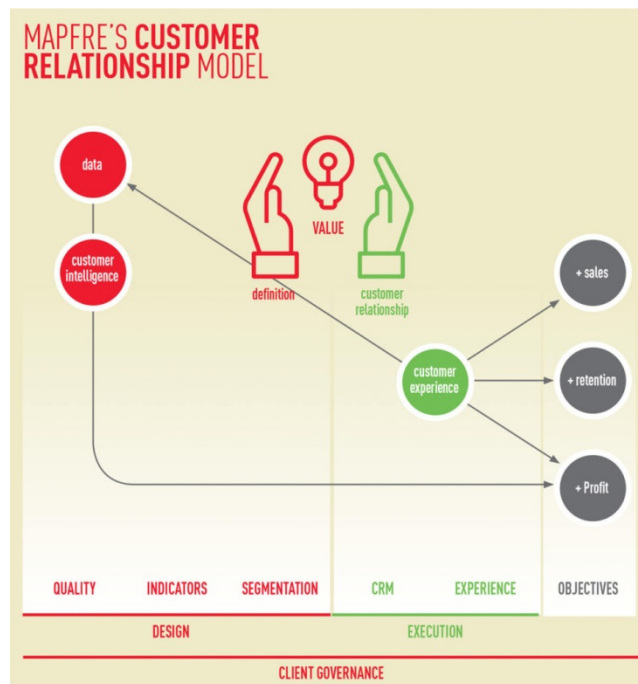
SUSTAINABLE

6.2. PRODUCTIVE DIMENSION

WE ARE SERVICE	We organize our activity thinking of the client, who is the center of the business and we are accompanying them in the transformation process, anticipating the digital insurance solutions they are going to need.
<p>What are we working on to create value?</p> <ul style="list-style-type: none"> • Client Relationship Model • Digital business • Providers • Quality 	

CLIENT RELATIONSHIP MODEL

(GRI 201-1)



The Client Relationship Model, which was worked on throughout 2018, seeks to increase sales, retention and therefore profits, through a cycle of activities running from client experience to data quality. And so as to cover each of these activities both in the design and value proposition execution phases, the initiative is laid out along four vectors:

- Data quality: makes it possible to transform data into useful information to learn more about the client and construct the value proposition.

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SUSTAINABLE

- Segmentation: enables differentiation between the various types of client and offers them the most suitable value proposition based on this knowledge.
- Client Relationship Management (CRM): ensures that the value proposition arrives at management channels and from there to clients.
- Client Experience: makes it possible to listen to client feedback and incorporate same in the model, in a cycle of continuous improvement.

The purpose of the model is to improve relations with the approximately 29 million direct insurance clients that MAPFRE had in insurance unit operations at the close of 2018:

No. of Individual Clients	Regional Area	No. of Corporate Clients
6,655,187	IBERIA	385,694
10,634,497	BRAZIL	509,398
3,778,893	LATAM SOUTH	192,846
882,762	LATAM NORTH	139,732
1,777,665	NORTH AMERICA	123,451
3,607,603	EURASIA	117,102

Omnichannel distribution and customer service

MAPFRE is committed to omnichannel distribution and is adapting its sales structure to the legislation governing the countries in which it operates. In 2017 the MAPFRE Global Agency Network Development Model was designed, and it has provided a strong impetus for the creation a proprietary network. In 2018, it was supplemented with the Direct Office Model and the Delegate Office Model. The Agency Network Development Model will also be added to them, thanks to the sales room, a virtual space where sales teams from all over the world are trained.

Total Distributor Training 2018	Hours	Attendees
Sales Training		
Multimedia	1,391,682	28,941
On-site	457,541	26,014
Cross-cutting Training		
Multimedia	69,574	24,789
On-site	24,664	6,613
Technical Training		
Multimedia	44,924	15,488
On-site	33,982	8,433

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

MAPFRE has several agreements or joint ventures with banks and financial institutions. The agreements with BANKIA and BANKINTER in Spain, BANCO DO BRASIL in Brazil, BANK OF VALLETTA in Malta and BHD in the Dominican Republic, are particularly notable. It also has agreements in place with service companies and associations that distribute MAPFRE products to their clients and partners (companies or individuals).

	IBERIA	LATAM	INTERNATIONAL
Offices			
Direct and delegate	3,084	1,629	543
Bancassurance	2,329	4,941	..
intermediaries			
Agents	9,850	18,106	9,786
Delegates	2,753	3,952	121
Brokers	5,311	34,624	2,061

A growing channel with development potential is distribution agreements with non-financial entities -retailers , dealerships, utility providers - that MAPFRE has agreements with, notably the one signed in Central America with the Monge Group , for example, for sale of appliances and furniture.

Of particular significance is the agreement reached between MAPFRE and Amazon in Spain, including the first virtual insurance company office in the Amazon marketplace, as well as participation in the “Amazon Family” program, with the platform designed to support and assist families. This agreement, the initial phase of which will be conducted in the Spanish market, could soon be extended to the other international markets where MAPFRE operates.



Client service centers

In order to address client needs and guarantee the best possible service, the Group has the following service centers broken down by countries where it operates:

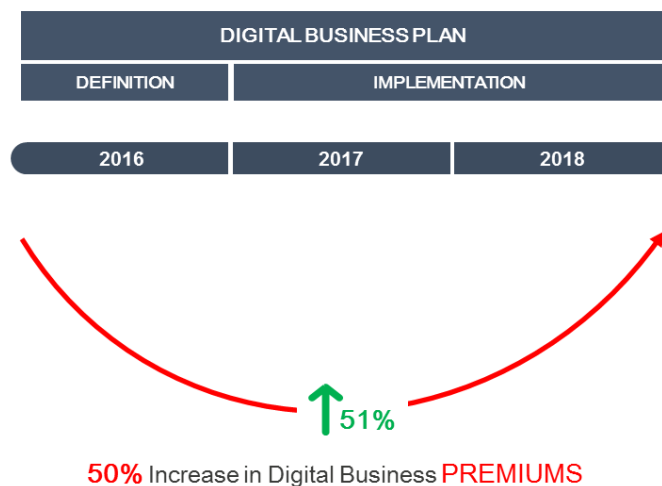
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Service Centers	Number	Countries
In-house claims handling and rapid payment centers	301	15
In-house automobile service centers	35	2
Automobile diagnosis units	13	4
Repair shops with agreements	11,280	25
In-house repair shops	10	3
Research and development centers	7	7
Own health care polyclinics	21	3
Clinics with agreements	14,565	18
In-house dental clinics	6	1
Corporate business management centers	44	6

DIGITAL BUSINESS

MAPFRE has adapted its strategy to the new realities, so that it can continue to be one of the leading global insurance companies of the 21st century. The weight of digital business has increased in its operations through the implementation of the Digital Business Plan designed to grow this business profitably.

In 2016 MAPFRE committed to increasing digital business by the end of 2018 by 50 percent compared to where it was at the close of 2015. This commitment has been achieved, with the corresponding increase in fact standing at 51 percent .



The lines of action that have been developed are:

- **Digital business strategy and performance:** a point of reference has been defined for the development of digital business, based on business modeling, considering

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different methods for selling digital policies and providing a guide for various MAPFRE operations, adapting to the necessities and the reality of each operation. Work has also been done on defining the performance indicators for digital business that will make it possible to measure different operations in a standardized manner and assist in decision-making.

In addition, global sharing of best practices has been implemented, making it possible to duplicate and rapidly adopt knowledge among different operations.

Finally, significant advances were made in the digitalization of operations, with over 10 million transactions managed via intelligent automation in 2018. Also, Big Data Analytics and Artificial Intelligence use cases have been developed to advance predictive valuation of vehicle damages, resulting in operational improvements.

- **Digital Marketing:** action was taken to improve client knowledge and thereby offer them what they need when they need it. The use of the digital campaign manager has been crucial for this, resulting in optimization of marketing investment, as well as that related to social networks and other digital media.
- **Digital Techniques:** monitoring risks, and the consequent taking of measures to prevent fraud in digital procurement and price optimization in renewals are just two of the programs that were undertaken during the year. Work completed in VERTI Spain, which will subsequently be duplicated across Group operations, deserve special mention for the results obtained.
- **Sales and client retention:** tools for online quoting and sales have been implemented. An example of this is client-oriented smart pricing and selling tools that focus on client experience and are highly customizable. Implementation of the ROPO (“Research Online Purchase Offline”) model makes it possible for clients to search for insurance or services online and conclude the purchase in an offline channel. These programs contribute to optimizing acquisition costs.

The self-directed model has also been fostered for significant manageable products and services through mobile platforms, such as the new Health app at MAPFRE ESPAÑA.

New Health App at MAPFRE ESPAÑA



Clients can access all policy information quickly and simply: they can manage any type of health care authorization, request medical appointments or access their entire medical file, among other new features.

- **Digital price comparison engines:** features providing sophisticated pricing and underwriting have been put in place, offering clients the best possible price. Work has been done on achieving a leading position in digital price comparison engines, all based on the construction and application of methodologies and procedures so that MAPFRE can compete profitably in all countries where it operates.

A new training program for over 400 employees was created within the Corporate University and Digital Business Room for price comparison engines.

PROVIDERS

[GRI 102-9, 102-10, 204-1, 308-1, 308-2, 408-1, 409-1, 410-1, 412-3, 414-1/2; L 11/2018]

It is MAPFRE's aim to guarantee an ethical and socially responsible process in transactions with all participants in the supply chain, achieving an adequate level of quality in contracting and client services and increased internal control over all phases of the project.

To achieve this, MAPFRE has a Purchasing standard designed to establish criteria and mandatory compliance principles that must be observed in all contracting concluded on behalf of MAPFRE.

The Group Code of Ethics and Conduct was also revised in 2017, including a specific section for providers and collaborating companies that define the standard under which the relation proceeds. The code provides a specific channel for complaints, which can be forwarded confidentially to the Ethics Committee.

MAPFRE works with more than 152,000 providers, making a distinction between **service providers and specific providers** (those who render services and assistance as per insurance or service contracts offered by the Group's insurance companies or its subsidiaries to its clients) and **support or general providers** (those who do not work

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directly with insureds, but rather with the company as it conducts its affairs, such as suppliers, consulting firms, printers etc.). The following table shows the breakdown by number and total cost:

	IBERIA		LATAM		INTERNATIONAL	
	No. of providers	Cost (€m)	No. of providers	Cost (€m)	No. of providers	Cost (€m)
Of services (Specific)	64,615	1,609	31,026	668	37,864	517
Of support (General)	3,589	431	8,538	307	6,389	299

To strengthen the relationship with providers and provide better service to clients, MAPFRE makes available materials, training dossiers, tools, and online and on-site courses for providers, in order to facilitate them as they go about their work and to keep them updated regarding regulatory changes, technological developments and other relevant issues in the area of sustainability.

Service provider management model

In many cases, service providers are the party that interacts directly with the client on behalf of MAPFRE. Given its importance, the company has a specific model for managing service providers developed under the strategic initiative of “Providers as Band Ambassadors”.

The model is based on applying general principles, which are client orientation, optimization of client contact, two-way commitment, provider value, provider classification and cost optimization.



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This common contribution model implies continuous feedback regarding the commitments between MAPFRE and the provider, such that all matters included in the model result in the establishment of new commitments by both parties. Obviously, these commitments are adjusted based on the category of provider involved.

Provider category defined by MAPFRE and mutual commitments:

	MAPFRE's Commitments	Provider's Commitments
Known	<i>Transactional relationship: Sporadic collaboration under an agreement limited to service delivery and service payments</i>	
Recommended	<ul style="list-style-type: none"> <i>Occasional services assignment derived from strategic and/ or operational necessities</i> <i>Professionalism and solvency in service payments</i> 	<ul style="list-style-type: none"> <i>Quality value-added service delivery</i> <i>Legal requirements compliance</i> <i>Corporate Social Responsibility adoption and fulfilment</i> <i>Integrity in service delivery</i>
Recommended (+)	<ul style="list-style-type: none"> <i>Willingness to maximize provider capacity by assigning more services</i> <i>Technical and new functions training</i> <i>Increase Provider's portfolio of services</i> 	<ul style="list-style-type: none"> <i>Participation in the company's financial model</i> <i>Integration with MAPFRE's service management processes</i>
Ambassador	<ul style="list-style-type: none"> <i>Assignment priority</i> <i>New collaboration opportunity proposals</i> <i>Recognition of provider's contribution to MAPFRE's business development</i> 	<ul style="list-style-type: none"> <i>MAPFRE brand prescription</i> <i>Service management participation</i> <i>Collaboration in new products and services development</i>

The “Providers as Brand Ambassadors” project is currently underway in 24 countries. In 2018, work commenced on promoting transformation projects in every country on the back of the implementation of the common contribution model, as well as policing the main project efficiency and quality indicators.

The MAPFRE service provider network gives priority to providers designated as “Ambassadors” in assignment of services, as they represent an extension of the company and possess both superior quality parameters and more contained costs.

ESG provider approval

[GRI 308-1, 308-2, 410-1; L.11/2018]

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A project was launched under the MAPFRE Group 2016-2018 Sustainability Plan to revise and expand the approval of both support and service providers with regard to environmental, social and governance (ESG) characteristics.

This approval involves an initial process analyzing sustainability practices of providers by means of a specific questionnaire, which includes the following risk factors:

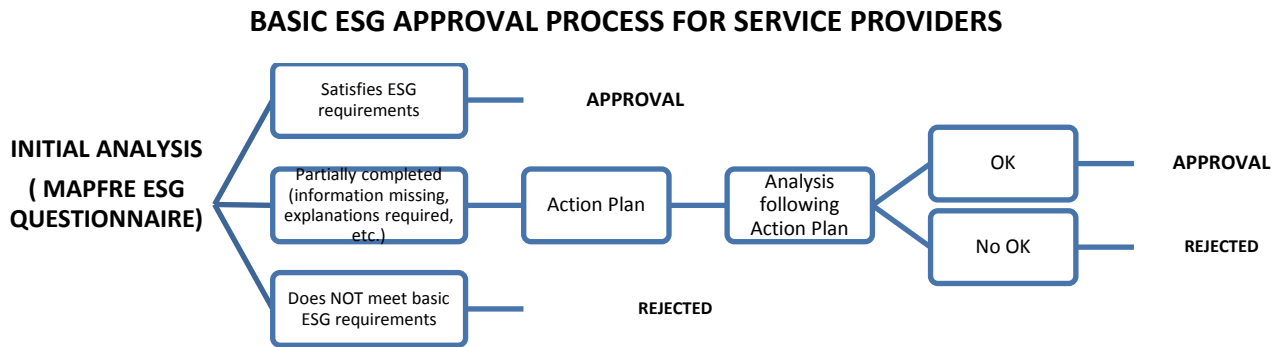
- Aspects of security and workplace safety measures afforded to workers
- Human Rights: child and forced labor, respect for basic labor rights etc.
- Environmental practices and sanctions applied
- Inclusion, diversity and non-discrimination.

To improve the results of the ESG approval process already in place, the following initiatives were implemented:

- For approval of support providers:
 - Various versions of the approval questionnaire were created, adapted to the information requirement levels based on the size of the company that will be worked with (from large companies to SMEs).
 - They include as reasons for rejection a support provider not signing up for, or not complying with, the following clauses: data protection, treatment of provider data, signing an environmental and energy commitment letter, provider equality clause and a declaration of the relationships between contractors, shareholders or other persons linked to the provider and people linked to MAPFRE, as well as a reputation clause.
- For approval of service providers:
 - These are prioritized as ambassadors, recommended+ and recommended, depending on their special relationship with MAPFRE. The ESG information requirement levels are also adjusted based on the type of provider, all the way to freelancers and microbusinesses.

A digital tool has also been developed to manage the entire ESG approval process.

Once the ESG approval process has been completed, the provider (both service and support) are invited to complete online training in Human Rights, held by the Spanish Network of the World Covenant of the United Nations. Since October 2017, 104 providers have been trained in this area.



Since 2017, a total of 6,437 service and support providers have been selected for participation in the ESG approval process; the following table reflects the main results:

	ESG approval	
	No. selected	No. approved
Of support (General)	1,394	882
Of services (Specific)	5,043	4,384

QUALITY

To evaluate the quality perceived by clients, the MAPFRE Quality Observatory applies a global model for measuring the MAPFRE client experience, the aims of which are as follows:

- To constantly be aware of the level of client satisfaction in the different countries and businesses, using a consistent methodology.
- To identify those aspects that impact on the client experience, so they can be enhanced.
- To provide countries with a tool to help them define and implement initiatives, assigning the most appropriate priority level.
- To set goals for improvement and aspire to be a benchmark in client experience across all countries and lines.

Additionally, the MAPFRE Quality Observatory is responsible for measuring perceived quality and delivered and conducts client surveys in every country where the Group

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operates. These surveys cover all lines of insurance and assistance services and are conducted every six months. This is done through the analysis of the Net Promoter Score (NPS) to evaluate client satisfaction and critical client contact points, and recommendations are prepared regarding the main areas that can be improved.

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

In 2018 the 6th and 7th NPS measurement waves were carried out, involving a representative sample of MAPFRE's portfolio. These waves, with over 140,000 respondents, each involve 23 countries and lines of business, covering 81.7 percent of the total personal Non-Life premiums of the Group.

In addition, once a year the Observatory measures the client experience level of MAPFRE's major competitors in each country/line of business. They analyze approximately 120 companies around the world. Thanks to this, we can confirm that the objective set for the 2016-2018 three-year period has been met, with 70 percent of the measured premium volume in the NPS of our clients is greater than the average NPS of our competitors analyzed. Specifically, this higher NPS was reached in 70.4 percent of the Non-Life personal premiums measured.

In 2018 the Quality Observatory performed the second measurement of internal NPS (iNPS) regarding the level of client experience with the reinsurance services rendered by MAPFRE RE to its ceding companies at international level.

MAPFRE has 196 people - a significant number of employees - assigned to quality control and monitoring throughout the world and several companies are in possession of quality certifications. To renew these certifications, these companies must maintain high customer service standards.

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

6.3. HUMAN DIMENSION

WE ARE TALENT

At MAPFRE, we are people who take care of people, and for that to happen, we want to have the best professionals to serve our clients and develop the business. We are also a company of opportunities, one that is inclusive, with a people management model that promotes the development of talent and a proposal for professional development that enriches us.

What are we working on to create value?

- Management model
- Diversity
- Talent
- Transformation and organization
- Employee experience
- Challenges

MANAGEMENT MODEL:

[GRI 401-2, 403-1, 403-2, 403-4; 404-1, 404-2, 404-3, 405-1; L11/2018]

Employee management is particularly relevant in a global company such as MAPFRE, which is present worldwide and has employees from 91 countries. A form of management that must join business in its transformation, enable the commitment of employees to company values, contribute to the development of technical, global and transformational capacities of all members of the company and guarantee a healthy, diverse and collaborative environment.

Some of the most relevant aspects of this management are:

- Integration of different generations of employees that work together at the company and capitalize on each other's knowledge.
- Use of the advantages afforded by new technologies and social media in human resources processes.
- Strengthening of internal communication and transparency to bring MAPFRE's strategy, objectives and culture to all its employees.
- Planning for professional careers and training.
- A firm commitment to the occupational and geographic mobility of employees to ensure that the organization has global versatile teams.

General Data

[GRI 102-7; 102-8; L.11/2018]

GRI 102-7 -Total headcount	2018	2017
Headcount at December	35,390	36,271
Average headcount	35,655	36,716

[GRI 102 – 8; L.11/2018]

Total number of employees by type of employment contract (permanent or temporary) and by gender (Table 1)

BUSINESS UNIT	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORPORATE AREAS	626	465	4	9	630	474
INSURANCE	12,651	15,690	236	345	12,887	16,035
ASISTENCIA	1,857	2,324	219	302	2,076	2,626
GLOBAL RISKS	134	133	1	1	135	134
REINSURANCE	188	194	7	4	195	198
TOTAL	15,456	18,806	467	661	15,923	19,467

Total number of employees by type of employment contract/gender (in line with the MAPFRE Group structure: Regions, Business Units and Central Services) - (Table 2)

ORGANIZATIONAL DISTRIBUTION	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORPORATE AREAS / CENTRAL SERVICES	809	645	5	9	814	654
IBERIA	4,545	4,824	83	185	4,628	5,009
LATAM	6,261	8,273	174	239	6,435	8,512
INTERNATIONAL	3,653	4,870	198	224	3,851	5,094
REINSURANCE	188	194	7	4	195	198
TOTAL	15,456	18,806	467	661	15,923	19,467

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Total number of employees by type of employment contract (full-time or part-time) and by gender (Table 3)

BUSINESS UNIT	PERMANENT		TEMPORARY		TOTAL	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
CORPORATE AREAS	630	472	0	2	630	474
INSURANCE	12,436	13,868	451	2,167	12,887	16,035
ASISTENCIA	1,842	1,993	234	633	2,076	2,626
GLOBAL RISKS	135	134	0	0	135	134
REINSURANCE	195	195	0	3	195	198
TOTAL	15,238	16,662	685	2,805	15,923	19,467

New hires, average age, average length of service, unwanted Group turnover by gender (Table 4)

	2018		2017	
	M	W	M	W
New hires	40.6	59.4	43.9%	56.1%
Average age	40.9	38.9	41.5	39.2
Average length of service	11.2	9.9	9.8	9.3
Unwanted turnover (*)	8.7 % (**)	8.9 % (**)	8.5%	9.1%

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

(**) We consider that for such a large group as this, unwanted turnover is quite low.

Managing the generational differences working together in the workforce, offering employees the opportunity to develop their professional career and personalizing their options, fostering collaboration in work and knowledge management and introducing new technologies as a tool for providing efficiency and effectiveness are some of the challenges that MAPFRE has implemented to contribute with its strategy and reach its objectives through four pillars: diversity and inclusion, the continuing talent challenge, transformation and organization and employee experience.

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DIVERSITY

[GRI 102-8, 102-22, 405-1, 405-2; L.11/2018]

A diverse workforce **adds value to the company** since it fosters learning, supports experience and simultaneously enhances project planning and execution for those that are working.

MAPFRE has a Diversity and Equal Opportunity Policy in place worldwide approved by MAPFRE on July 23, 2015, and there is a public commitment to both gender diversity and functional diversity.

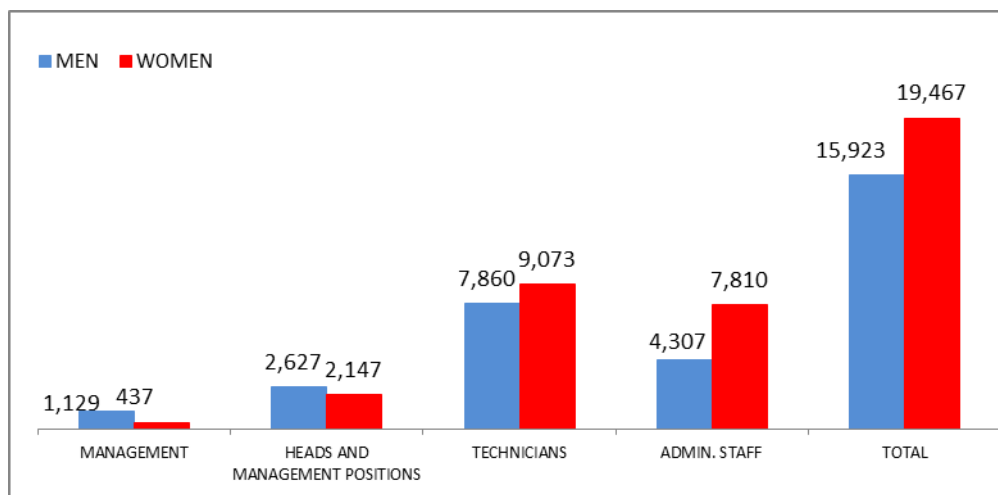
Gender diversity

[GRI 405-1]

The objective proposed three years ago to have at least 40 percent women in positions of responsibility was reached in 2018. All countries have a policy for action to enable equality in all of the personnel management processes.

There are networks in place in Brazil, Turkey, the United States and Spain to foster women in leadership. They are inclusive dialog spaces designed to promote initiatives related to gender diversity.

	2018	2017
Percentage of women in positions of responsibility	40.8 %	38.8%
Number of women in positions of responsibility	2,584	2,161



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In 2018:

- 59.4 percent of new hires were women.
- 77 women occupy senior management positions or positions on Boards of Directors. The Board of Directors of MAPFRE S.A. includes four women among its members, representing 28.6 percent of its members.
- 13 percent of employees in positions of responsibility classified as “Top Management” job positions are women, and 39 percent of job positions classed as “Junior Management” are held by women.

Cultural diversity

There are 35,390 employees at MAPFRE of 91 nationalities, giving the Group great cultural diversity and providing it with the talent it needs to manage its business. 1,104 employees of 22 different nationalities work in the corporate areas.

The Group promotes international mobility, which in 2018 enabled 111 employees to move their job positions to another country.

With regard to senior management and executives who work in the Group’s companies outside Spain, 74.3 percent are hired locally.

Generational diversity

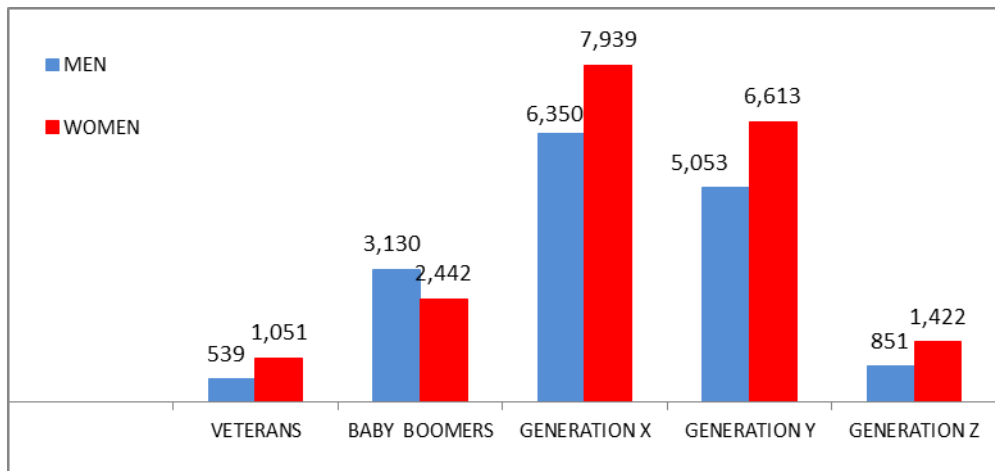
At MAPFRE, different generations with different approaches to work and different values, expectations, motivations and beliefs work together. Challenges in this area are:

- To build an inclusive culture and enable different generations to share knowledge
- To recognize and maximize their strengths and capabilities so that they give the best of themselves
- To implement work models that address the needs of the different generations.

Work has begun on developing specific programs for senior workers, addressing three fundamental areas: professional development, employment experience and social protection.

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



The mentoring program, both traditional and inverse, continued in 2018, an initiative that began in 2016 and that promotes a development process across different generations.

Functional diversity

MAPFRE is firmly committed to integrating people with disabilities into the workplace with a global program implemented in all countries since 2015 with measures to enable true consolidation of this group within the business.

	2018		2017	
	No.	%	No.	%
People with disabilities in the workforce	902	2.5%	768	2.1%

Principal activities undertaken in 2018 regarding disability:

- Awareness:
 - 955 employees took an e-learning course on disability during 2018 (16,901 have taken it over the past three years)
 - 150 volunteering activities involving people with disabilities.
 - 33 discussions and awareness activities in development training programs.
 - 36 news items on the intranet and dissemination of studies carried out by Fundación MAPFRE.
- Actions to improve quality of life:
 - Personalized attention procedure for disabled employees and those who suddenly develop a disability.
 - Development of computer applications with accessibility criteria.

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- Workplace Integration Actions:
 - In 2018, 125 people with disabilities joined the workforce.
 - At present, 902 MAPFRE employees with disabilities work in 33 countries.
 - 23 with disabled individuals worked at MAPFRE.
 - Donations totaling 245,060.32 euros were assigned to actions related to workplace inclusion for disabled people.
 - Promotion of indirect employment through contracts with special employment centers or similar companies totaling 532,986.70 euros.
 - Cooperation commenced on the Agora project in Latin America (Colombia, the Dominican Republic, Chile, Guatemala and Paraguay) in 2018. The purpose of the project is to include disabled individuals into the production areas in our Latin American operations, so with this in mind, advisory units were formed, offering training and work intermediation to help them find employment.

Best practice: Project Inserta

Dating back to 2014, MAPFRE Spain has been aligned with the Inserta Agreement with the Once Foundation focusing on workplace integration of the disabled.

As a result of this agreement, in 2018 MAPFRE was designated to measure and evaluate the impact of employment on the social inclusion of its disabled employees. PwC's IS_IMPACT methodology was used, within the framework of the D_INNOVAR project financed by the European Social Fund.

The conclusions drawn from the above study indicate that job placement at MAPFRE represented improvements in this area in the amount of 8,788 euros annually per person, and a total of 210,912 euros for 24 disabled individuals currently employed at MAPFRE ESPAÑA thanks to this Agreement.

TALENT

[GRI FS4; L.11/2018]

MAPFRE manages talent, letting employees all over the world participate in it, having implemented a global project to identify the profiles required for business strategy and organizational talent and to draft development plans for each employee to guarantee succession and direct relief plans and to cover strategic needs. Development plans were developed in 2018 for 3,702 employees, involving the implementation of 16,481 development activities.

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This features the MAPFRE's Promotion, Selection, and Mobility Policy approved on July 23, 2015.

Professional career plans have also been developed for 1,888 employees, among them underwriters, actuaries, auditors and business advisors. During 2018, 4,169 employees were included in the training itineraries for claim handlers, issuers and telephone support staff. These itineraries establish common technical training worldwide for all countries.

Hiring external and young talent

Recruitment moved forward in 2018, with a digital management tool for selection processes being developed.

Regarding **recruitment of external talent**, this project entailed the launch of a new Career page, first in Spain and worldwide beginning in 2019, with additional functionalities and a more attractive design. The referral channel is also available as a recruiting source, allowing company employees to participate in the process. This new system will be connected to social networks, allowing for more fluid management of processes and greater impact.

During 2018, 1,030 selection processes were published, and followers increased from 121,291 to 180,207.

MAPFRE continues its commitment to **young talent**, promoting its global "Grow with Us" program to implement practices in the company, and two new training programs were launched for trainees in 2018.

- Global Internship Program: involving 328 agreements with universities, business schools and university institutions and in 2018, 1,073 people received training in various areas of the organization.
- Trainee Programs: the main objective of these programs is to recruit recent graduates who are highly prepared and have high potential. In 2018, two trainee initiatives were developed (Global Actuarial and Symbiosis in Spain), and 30 young people were included from four nationalities, joining 78 selected employees from other programs in recent years.

Internal Mobility

[GRI 202-2, 404-2; L.11/2018]

Mobility continues to be key in employee development and enhancing employability, so we remain committed to it along with the strategic plan. In 2018, the benchmark objective of reaching a global mobility percentage greater than 10.5 percent of the

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workforce was reached, and the internal mobility percentage in 2018 reached 12.11 percent, involving 4,318 employees:

- Out of the 6,986 positions advertised, 1,780 were covered by internal mobility, and 53.3 percent involved a promotion.
- Through geographic mobility international careers, global mobility and temporary transfers, 23 countries have been able to enjoy the services of professionals from other 22 countries. Currently, 266 managers and employees are working outside their country of origin.

MAPFRE employees may also participate in the temporary mobility program, Task Force, which involves the launch of new businesses or transversal transformation projects through the immediate and coordinated action of a specialist team. This mobility encourages employee development, increases employability and the development of global skills, thanks to its international scope, with 22 employees participating in task force projects this year.

Career and development plans

[GRI 404-2; L.11/2018]

In 2018, professional career plans have also been developed for 1,888 employees. Career plans are defined for global application, and are intended to develop and promote strategic company groups. At the end of 2018, the following were implemented:

Group	No. of Employees
ACTUARIES:	278
Auditors	190
Sales Technicians	1,249
Specialized underwriters	171

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Another chief development initiative rolled out during 2018 was the start-up of the Individual Talent Development Plans. They help our employees gain the necessary knowledge and habits in alignment with business needs. These plans include training programs, mentoring, mobility, recognition, and compensation. In 2018, a total of 3,702 individual development plans were defined.

<i>INDIVIDUAL DEVELOPMENT PLANS</i>		<i>% of total</i>
<i>MAPFRE ESPAÑA</i>	<i>1,076</i>	<i>29.1%</i>
<i>NORTH AMERICA</i>	<i>396</i>	<i>10.7%</i>
<i>BRAZIL</i>	<i>334</i>	<i>9.0%</i>
<i>LATAM NORTH</i>	<i>454</i>	<i>12.3%</i>
<i>LATAM SOUTH</i>	<i>559</i>	<i>15.1%</i>
<i>EURASIA</i>	<i>325</i>	<i>8.8%</i>
<i>CORPORATE AREAS</i>	<i>273</i>	<i>7.4%</i>
<i>REINSURANCE UNIT</i>	<i>68</i>	<i>1.8%</i>
<i>Global Risks Unit</i>	<i>71</i>	<i>1.9%</i>
<i>ASSISTANCE UNIT</i>	<i>146</i>	<i>3.9%</i>
<i>TOTAL</i>	<i>3,702</i>	<i>100</i>

Learning and knowledge management

[GRI 404-1, 404-2; L.11/2018]

Training is a key pillar at MAPFRE. The Group promotes learning and technical knowledge management for employees through the MAPFRE Corporate University, focusing on strategy and business objectives.

A knowledge management governing model was defined at MAPFRE during 2018. A taxonomy was created, which identifies knowledge by subject matter, with the technological support making it possible to share know-how with all MAPFRE employees worldwide.

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The Corporate University was initiated in 2014 with all the global learning activities offered at its 15 Schools, 10 Learning Classrooms, and an InnoLAB. It is in operation in all countries where MAPFRE operates, providing training in the three corporate languages and five local languages.

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

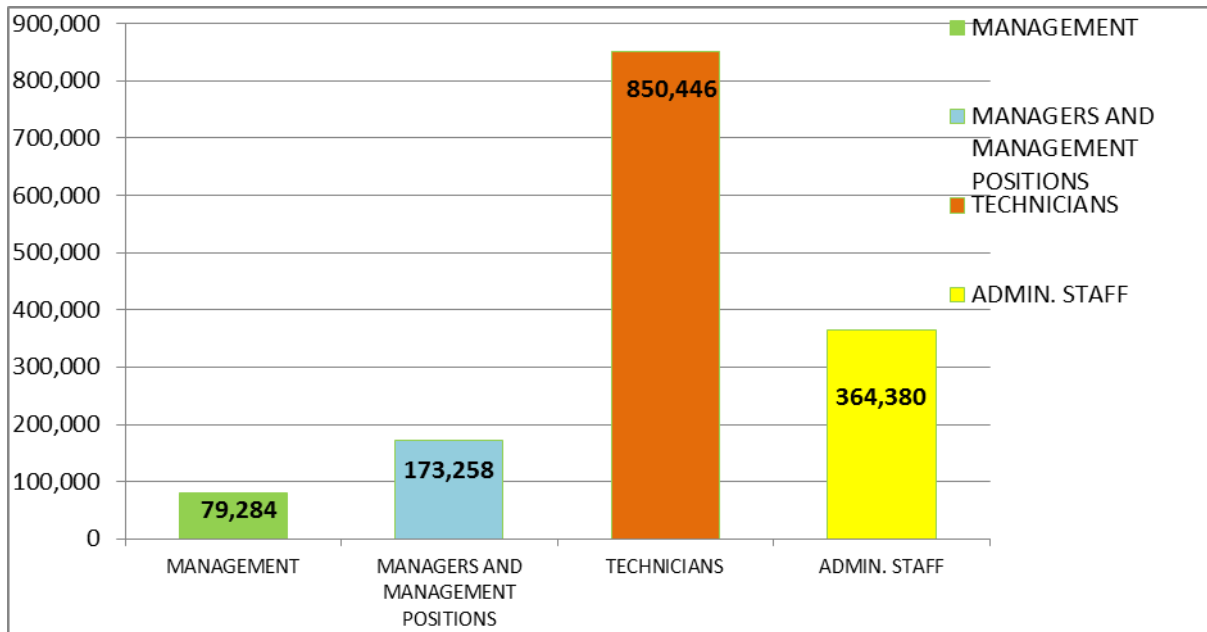
Some relevant information:

- Over the course of the year training was provided to 100 percent of the workforce, via 1,467,368 hours of training, which represents an average of 41.5 hours.^[KPMG1]

	Hours
EXECUTIVES	79,284
MANAGERS AND MANAGEMENT POSITIONS	173,258
TECHNICIANS	850,446
ADMIN. ASSISTANTS	364,380
TOTAL	1,467,368

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- More than 74 global technical and transversal programs were carried out.
- This has represented an investment totaling 15,462,601 million euros, which is 437 euros on average per employee.
- The Sales Room and the Client Room were created in 2018 as part of the client orientation pillar. The Digital Knowledge Room was launched as part of the digital transformation pillar. To encourage excellence in technical and operational management, the global insurance program was also created for all employees together with the global Life business technical program and the global digital business and digital client experience program.
- Also, as part of Culture, the program for culture in a digital world was created and began training in 2018.
- Technical and technical-commercial training represents 81.30 percent of the total training provided.

MAPFRE's Knowledge Management highlights the assessment of workplace knowledge transfer in the different training programs offered globally.

Measuring knowledge transfer at work is focused on the effective use of know-how, abilities, and attitudes learned during training sessions. Generally, the Area or Department supervisors are in charge of evaluating their collaborators' training needs.

Overall, across all MAPFRE companies, a total of 3,207 questionnaires were filled out by those supervising the program participants, with 85.44 percent of assessments rated 4 out of 6 for applying their knowledge at work.

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Training itineraries

Itineraries set up common technical training worldwide for all countries in Spanish, English and Portuguese. During 2018, 4,169 employees were included in the training itineraries for telephone handlers, talkers and administrators.

Self-learning

Implementation and reinforcement of the **Self-learning** tool, which offers training content to employees through open catalogs that lay out their own particular *learning path*, based on their concerns. In 2018, over 1,400 employees participated in some 203 available training programs, reflecting a total of 5,176 self-registrations.

Mentoring programs

Mentoring, both traditional and reverse, was still being implemented throughout 2018 both as a form of development and collaboration, and for transferring knowledge between teams. Mentoring not only promotes development but also transmits the company culture and collaborative, respectful and listening behavior.

- Traditional mentoring, where the mentor (the senior partner) transfers his or her knowledge, experience and culture to the mentee (junior partner). During 2018, there were 215 mentors and 263 mentees.
- Reverse mentoring, where the mentor (junior digital partner) supports the mentee (senior partner) in developing digital skills, the use of technological tools and collaborative platforms, knowledge of digital trends and use of social networks. During 2018, there were 64 mentors and 75 mentees.

TRANSFORMATION AND ORGANIZATION**#Digitalchallenge**Driving us forward at **MAPFRE****THE DIGITAL CHALLENGE**

The Digital Challenge is the strategic initiative brought forth at MAPFRE in the middle of 2017 to sponsor the transformation and change that the organization needs to adapt to new digital requirements, imparting a flexible work environment, with tools that allow collaborative working, development of digital profiles and new forms of leadership.

The development of this initiative has been expressed by four pillars:

- **Work environment**, with flexible hours and remote working, technological mobility and open and collaborative physical spaces are promoted. As of the end of 2018, 14,216 organization employees are working on a flexible

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timetable, 5,846 people can work remotely and use technological mobility and 10,586 are already working in open, collaborative physical spaces.

- **Collaborative work and knowledge management.** Communities were created over the corporate intranet in the course of 2018 with 113 active communities where 3,024 employees continually react with each other. There are expert and project communities. 708 terms have also been identified in knowledge classification and 1,248 experts for their definition and revitalization. A search engine has been created on the corporate intranet that has been successful in 73 percent of searches.
- **Culture in a digital world.** Three approaches have been identified for all employees: be collaborative, be innovative, and be agile. These three approaches are being promoted throughout the entire organization via various communication and learning activities, including an e-learning course that involved 14,627 employees at the end of 2018. For managers, these three approaches are supplemented by two others: be respectful and be communicative.
- **New forms of remuneration and recognition.** A new overall evaluation system has been defined, to be released in the first half of 2019. This system covers objectives, specific quarterly activities related to objectives and key results (OKR methodology), continuous feedback and evaluation of new behaviors. A new per project bonus system and new recognition plans were also launched during 2018.

Change management offices have been set up and a global communication plan has been developed to foster the initiative. The Personas app, with 169 employees participating, was launched in 2018, and it will be deployed in the major countries in 2019. The app permits quicker and more agile communication with the company.

REMUNERATION AND RECOGNITION

[GRI 102-35, 102-36, 102-37; 102-38, 201-3, 401-2, 404-3, 405-2; L.11/2018]

MAPFRE has a global compensation policy applicable to all the companies of the Group designed to establish adequate remuneration based on the function and work position and the performance of its professional staff, as well as act as a motivating and satisfaction component, making it possible to achieve defined objectives and comply with company strategy.

The MAPFRE Group's Remuneration Policy was approved by the Board of Directors on December 21, 2016, and guarantees equality and the internal/external competitiveness of each of its markets. The pay structure comprises the following items:

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- Fixed remuneration
- Variable remuneration tied to objectives. As one of the forms of variable remuneration with long-term remuneration programs and multi-annual incentives worldwide for over 200 managers, designed to increase company involvement in a newly challenging context.
- Recognition programs.
- Social benefits.
- Other allowances.

In order to determine the percentage of variable compensation compared to fixed compensation, the following optimal target percentages of variable compensation have been established with respect to fixed compensation for each job level.

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

The assignment and settlement of annual variable remuneration happens via the objectives-based management model implemented worldwide, which determines the weight of the various categories of objectives for each job position level.

JOB POSITION	GROUP OBJECTIVES				
	(*)GLOBAL BSC	CORP. AREA/BUSINESS UNIT/REGIONAL/TERRITORIAL	COUNTRY/COMPANY	AREA / DEPARTMENT	INDIVIDUAL OBJECTIVES
CHAIRMAN AND CEO	100%				
EXECUTIVE COMMITTEE	60%	40%			
MAPFRE SENIOR MANAGEMENT	40%	30%	30%		
MANAGEMENT	10%	10%	40%	40%	
MANAGERS AND MANAGEMENT POSITIONS	5%	5%	30%	60%	
TECHNICIANS AND ADMIN. STAFF	5%	5%	10%	20%	60%

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(*) BSC refers to goals related to MAPFRE's Strategic Plan at global level. In general, it applies to MAPFRE S.A.'s earnings after taxes and non-controlling interests.

For MAPFRE, valuing and recognizing the individual efforts of each employee is key, and the evaluation is the process whereby the individual compensation of each employee with the strategy is objectively valued and recognized, internal talent is identified and the strengths and areas for development of employees is learned.

[GRI 102-37]

MAPFRE has an established global, standardized performance evaluation process in which 31,287 employees participated in 2018, representing 88.4 percent of the workforce. The new continuous evaluation model, with defined objectives, specific actions related to those objectives, continuous feedback and evaluation of other new areas, was implemented in 2019.

Throughout 2018, MAPFRE developed an analysis methodology for calculating salary discrepancies based on gender. During the first phase, MAPFRE contemplated all the Group staff in Spain (representing 30.9 percent of the Group's total workforce), using the mean fixed remuneration of men and women. To reach equal pay, objective factors such as hierarchical position, professional family, and seniority in the company were considered. During 2018, the adjusted gap based on these objective factors was 5.67 percent (fixed remuneration).

This difference, which has its origin in the sectorial context of insurance, a traditionally male-dominated sector, translates into a higher average age of men compared to women. It is therefore an inherited gender difference that MAPFRE combats through a remuneration policy and a selection process model that guarantees full equality that will be reinforced with specific action plans for each country in which areas for improvement are detected. In addition, MAPFRE will also carry out this analysis in Germany, Brazil, the US, Italy, Mexico, Peru, Puerto Rico and Turkey, which together with Spain, represent more than 70% of the Group's workforce.

See Note 2 and Note 3 for information on average compensation.

ORGANIZATION

Fostering team work culture and collaboration, all through an agile organization, is one of MAPFRE's objectives. MAPFRE has a universal task and job position map in place for global use, which assists in the definition of strategic profiles and knowledge within the organization. Flexible working hours and technological mobility is also being worked on around the world.

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Work was begun during 2018 on the dynamic structures project, enabling the organization to adapt proactively to the needs of the business. Work is also being done on agile methodologies in projects and new business initiatives. In 2018, 950 individuals worked with agile methodologies, and 50 projects were deployed through them. The MAPFRE innova initiative also got underway in 2018, and further information can be found under the “Innovation” section of the Intellectual Dimension.

EMPLOYEE EXPERIENCE

[GRI 403-1, 403-2, 404-3, 403-4]

The employee experience area was created at corporate level over the course of 2017, including well-being and health, volunteering, actions related to improving the internal climate and internal communications with employees.

With the goal of personalizing and segmenting employee proposals and so improving their experience, the HR-Analytics project was initiated to enhance human resource management through modeling. The first predictive model for identifying positions and employees with a higher probability of rotation was established in 2017, and parameters and levers to work on each situation were defined. The predictive compensation model was developed during 2018.

- **Conciliation and well-being**

[GRI 401-3, 401-2]

The table below outlines the number of employees in 2018 who benefited from any of these work-life balance measures related with their working hours.

To facilitate employee well-being and work-life balance, MAPFRE offers a wide range of company benefits.

Work-life balance measures	No. of employees benefiting
Flexible working schedule	14,216
Part-time working arrangements	2,975
Reduced workday	1,012
Remote working	1,185
Paid and unpaid leave	18,332
<ul style="list-style-type: none"> • Parental leave 	808

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• Maternity leave	1,024
Sabbaticals for study/family purposes	52
Employee reintegration program following a protracted leave of absence	58

Type of Company Benefit	% of employees who enjoyed the benefit from among entitled employees
Health insurance	96.1
Retirement/Life insurance systems	96.8
Insurance discounts	66.1
Length of service awards	23.0
Education grants for the children of employees	40.2
Newborn child bonus	4.0
Loans	19.2

All benefits are offered regardless of whether employees are on permanent or temporary contracts. The total allocated to social benefits in 2018 amounted to 176.6 million euros.

Aid was also made available to employees for special situations, normally resulting from health problems. In 2018, the total for this aid amounted to 130,301.53 euros. Likewise, financial aid was granted to retired employees in the amount of 543,343.64 euros.

MAPFRE has in place a Health and Well-Being Policy and Work-Related Risk Prevention Policy, approved by the company on July 23, 2015, the general principles of which are:

1. Achieving a healthy working environment that provides for well-being and allows all employees to carry out their work in the best possible physical, psychological and social conditions.
2. Achieving an optimal level of occupational safety, beyond mere compliance with regulations in the area of prevention of occupational risk.

[GRI 403-1, 403-4; L.11/2018]

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It also adopts a prevention model through which workers may actively participate in everything that might affect their health and safety at work, for which there are legally established representation channels. A total of 28,340 employees, or 80.1 percent of the workforce, are represented on joint management-employee health and safety committees, which have been set up to help, monitor and advice on this issue. The key matters dealt with are:

- Evacuation plan and emergency exits
- Frequency and content of employee medical checkups
- Workplace Health and Safety Management Systems
- Returns to work after long periods of absence
- Specific workstation/workplace studies
- Health awareness plans

Beyond work-related risk prevention, health promotion in the wider sense is involved, with the company envisaged as an important promoter of health. For this reason, work has been ongoing since 2014 on a Health Company model, created based on current international directives, where risk factors that at the statistical level cause most deaths, illnesses and suffering in the world are identified and worked on so as to lower their incidence among workers.

Data related to the 2018 fiscal year:

[GRI 403, 2-3]

	2018		2017	
	Men	Women	Men	Women
• Number of workplace accidents (*)	168	245	214	225
• Total number of work hours lost due to absenteeism as a result of non-workplace accidents and common illnesses	496,030	1,289,852	501,981	1,348,571
• Number of work hours lost due to workplace accidents	40,153	59,378	30,907	46,717
• Percentage of hours lost over total of theoretical hours.	2.0 %	4.2%	2.0%	4.3%

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

Maternity leave was taken by 1,024 employees in 2018, while paternity leave was used by 808 employees. At the end of this leave, 77.3 percent of women and 91.5 percent of men return to work. From the 1,181 maternity/paternity leaves in 2017, 846 remained in the workforce, resulting in a retention rate of 71.6 percent.

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*Work return rate : (total number of employees that returned to work after parental leave/total figure of employees that are supposed to return to work after parental leave)*100. **Retention rate:** (total number of employees retained 12 months after returning from parental leave/total number of employees that return after parental leave during the reporting period)*100.*

See Note 5 of this document for more information on accident rates.

One of the key factors in the healthy company model is training in health and healthy habits, and prevention of work-related risks. In this regard, in this fiscal year:

- Employees received a total of 28,362.4 hours of specific training.
- During the week from June 4 to 8, 2018, the IV MAPFRE Health Week was held in 30 countries representing 87.87 percent of the workforce. 743 activities were organized for employees and their family members: 48 of them focused on the labor environment, 231 on health promotion, 254 on physical activity and diet, 87 on mental well-being, and 123 on the personal environment.
- Several global campaigns were launched with common content via the intranet and made available for all MAPFRE employees. The selection of topics was made with consideration of WHO recommendations (the “Positive Thinking” psycho-emotional health campaign, Bone marrow donation awareness campaign, and the stroke information and prevention campaign).
- A series of self-help booklets were provided to employees via the intranet. The topics selected were: care of caretakers for elderly or dependent persons, mourning, breakups, separations and divorces and other topics related to women's health.

To find out more about campaigns started by the Group, see Note 4 in the complementary information.

- **Internal atmosphere: Organizational environment surveys**

The GPTW (Great Place to Work) survey is sent to all MAPFRE employees every other year; however, in countries such as Brazil, Costa Rica, Guatemala, Mexico, and Peru, they are conducted annually.

MAPFRE has been recognized as a Great Place to Work in: Brazil, Guatemala, Costa Rica, Nicaragua, and generally throughout Latin America, Central America, and the Caribbean. In Brazil, it was also considered the “Best Workplace for Women.”

During 2018, the foundation was set for implementing a system for measuring employees’ life cycle thanks to the Employee Net Promoter Score, to determine

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degree of satisfaction and pinpoint areas for improvement revealed by employees in these surveys, at different stages in their careers.

Under the auspices of our employee-experience management strategy, we will be incorporating a new survey designed to identify employee degree of commitment.

- **Volunteering:**

[413-1, 413-2]

MAPFRE's Corporate Volunteering Program is integrated in its Human Resources and Sustainability strategies, and is aligned with Sustainable Development Goals. The program will be rolled out in 28 countries through Fundación MAPFRE.

In 2018, a total of 7,840 employee/family volunteers participated, with over 1,600 activities taking place worldwide, related to education, nutrition, health, emergency aid, etc., with a direct impact on over 111,000 individuals. Over 16 percent of the entire staff have volunteered.

MAPFRE's bodies support and monitor its Corporate Volunteering and Work Group programs, which are comprised of management representatives from different corporate areas, regional areas, and business units, as well as participation of Fundación MAPFRE.

During 2018, for the second consecutive year, MAPFRE's Global Volunteering Day was organized under the slogan "Everyone for the Environment". Nearly 1,600 volunteers from 25 countries in 58 environmental activities participated and 1,700 trees were planted, and 35 tons of trash was collected.

Apart from the Corporate Volunteering Program, employees also collaborated on other social initiatives, such as the Charitable Euro Project. In January of 2017, Spain's Charitable Euro Project was launched. This scheme was born as a result of the Spanish initiative of individuals donating one euro a month from their paychecks to a charity of their choice, with the understanding that MAPFRE will match each euro donation.

Until today, a total of 228,953 euros were donated to social projects, 94,292 euros to beneficiaries of the first edition in 2017 - Debra "Butterfly Skin" and the Society of Saint Vincent de Paul, and another 124,072 euros to the beneficiaries of the 2018 edition - Asión and Fundación Cris. At the end of 2018, the two new projects selected as winners of this second edition were the Aladina Foundation and the Cuenca Province Autism Association, granted their first donation of 10,586 euros. Nearly 50 percent of employees collaborate to this project monthly, which is without a doubt, a huge contribution to society from our employees, who help those who most need it.

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CHALLENGES

In 2019, a new cycle commenced for MAPFRE's strategy, and To monitor it, towards the end of 2018, HR defined a new Balanced Scorecard that will enable measurement of compliance with objectives arising from the strategic Human Resources lines linked to the continuous challenges created in the areas of Talent, Diversity and Inclusion, Transformation and Organization, and Employee Experience.

6.4. INTELLECTUAL DIMENSION

WE ARE INNOVATION	Being innovative is also about ensuring that we are sustainable, that we will continue to be leaders in insurance, even if the world is transformed. We have an Innovation Model in place to develop not only the internal capacity of the company, but which also incorporates the disruptive solutions that are out there in the market.
<p>What are we working on to create value?</p> <ul style="list-style-type: none"> • Innovation • Cybersecurity • Branding and Reputation 	

INNOVATION

The innovation mission at MAPFRE is to develop the company's value proposition by seeking to create elements of differentiation with respect to the competition, and to be an active player in the disruption currently sweeping the sector by adopting an anticipatory and responsive attitude. The organization's priorities in terms of innovation derive from its strategy, centered on the client (taking account of the different segments).

To deal with the fundamental change that the insurance industry is experiencing, the organization must be streamlined, making it more agile and efficient. In 2018, MAPFRE Open Innovation (MOi), a collection of transformation and innovation platforms, was launched, involving the allocation of approximately 100 million euros to innovation and transformation annually and which, together with an annual investment of 600 million euros in technology, provide significant capacity to take on these new challenges.

Innovative functions were adapted and governing bodies were set up with agile and efficient communication mechanisms at both the internal and external level to create the new MAPFRE open innovation model.

The functional parts of MOi are summarized below:

Strategic Innovation aims to propose solutions using a short- and medium-term methodology with reasonable returns and perfectly measurable objectives that will tackle strategic challenges that enable the organization to stand out from the competition. The Strategic Innovation Area supports the development of all these local innovation projects developed by the Innovation Offices, coordinating their development and internal cooperation with the various business and transversal entities in the organization as well as external ones in the entrepreneurial ecosystem. To this end, several action points were launched worldwide, facilitating innovation

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without borders, equipping MAPFRE with the necessary tools to position it as a leader in innovation.

These action points are focused on four pillars:

- Establishing knowledge centers worldwide on current trends that directly or indirectly affect the business;
- Deploying a Startup and Case Builder radar to build bridges between the company and the entrepreneurial ecosystem so that the value chain can take advantage of this innovation wherever it is most effective;
- Managing a global innovation portfolio of work methodologies so that agility, flexibility and change become the common denominator in developing products, constructing a client-focused design thinking mentality so as to implement innovative solutions that respond to the challenges the business faces;
- Launching MAPFRE innova, the company's intrapreneurship program, a participatory innovation process open to employees of the Group, aimed at finding the best possible solutions to a broad spectrum of challenges, generating competent ideas that fit strategically, fostering a culture of innovation via guided immersion and the development of prototypes and tests with potential clients while simultaneously identifying internal talent, which is the company's greatest asset. In 2018, MAPFRE innova was launched in three countries: Spain, the USA and Peru, reaching almost 14,500 employees. More than 450 ideas were received, out of which 9 were selected to be converted into innovation projects with the assistance of experts.

Disruptive Innovation was born out of the desire to construct a relationship model with agents outside the organization that allows MAPFRE to import innovation and accelerate its transformation capacities.

The Disruptive Innovation vision is focused on:

- The accelerator, *insur_space* MAPFRE, which facilitates direct interaction with selected and relevant startups, is a commitment to an open, non-invasive innovation model. It supports insurtech startups in developing projects related to some element in the value chain of our organization and in line with our strategic priorities, thereby embedding entrepreneurial innovation in MAPFRE. *insur_space* was inaugurated in November of 2018 with the participation of 19 startups in different areas of the world, after 1,700 startups were evaluated, 300 of which were submitted online.
- Participation in investment vehicles that facilitate a broader grasp of disruptive innovation in insurtech, positioning the company favorably to capitalize on same.

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Assuming the role of venture capitalists, MAPFRE invests in insurtech companies nationally and internationally, actively collaborating in the selection, investment, development and divestment processes of the companies. MAPFRE invested 25 million euros in the Alma Mundi venture capital fund in 2018.

- Maintaining strong relationships with universities and business schools is a proven way to attract talent to the organization and guarantee success in the future, and cooperation agreements with universities and/or business schools that make it possible to recruit, develop and retain talent. In addition, productive relationships with universities also extend to developing joint research projects on issues of interest to MAPFRE.

An Innovation and Transformation Committee, headed up by the chairman and CEO of MAPFRE, and comprising the Chief Innovation Officer and senior Group executives, was created to oversee the innovation system, establishing the steps to be followed, approving the most relevant projects and taking responsibility for their execution.

At MAPFRE, innovation has been part of our DNA for a long time. With the changes set in place in 2018 and the consolidated vision this open innovation model encompasses, the company is well-placed to successfully tackle the sweeping changes facing the industry over the next few years and ensure that new social realities can be adapted to in order to ensure it remains a leader in the markets where we operate.

New products and services launched in 2018

[GRI 102 – 2]

MAPFRE firmly believes that it is crucial to be as close as possible to the client, continuously adapting to their needs. As such, the company develops new products and services to continue offering a greater range of solutions to the growing and changing needs of clients.

In 2018, 26 new services related to improving client relationships and better meeting their expectations were launched. These included both applications and improvements to client web portals.

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

Line	No. of Products
Life Risk	5
Life Savings	13

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Automobile	4
General P&C	6
Individual risks	1
Health and Accident	3
Personal assistance	1
Renewable Energies (Global Risk)	1
Other Non-Life	1
Other Activities	11
Total	46

MAPFRE also has products and services in its portfolio aimed at lower-income groups, as well as environment-related products and services. See Note 7 herein.

CYBERSECURITY

[GRI 102-33, 102-34, 418-1; L.11/2018]

Another phenomenon of technological disruption that seriously affects the areas that constitute our society has been added to the increasing dependence that companies and individuals have on information and communication systems: cybersecurity.

In this context, MAPFRE understands cybersecurity to be a key and priority element, perceiving it as a critical element in the protection of:

- Information regarding third parties (clients, employees and other stakeholders) that is provided by them so that the business may be carried out and they may be provided with the contracted services when needed.
- The information owned by MAPFRE that gives it a competitive advantage and/or brand value.
- The technological systems and the information that support the company's business processes.

The strategic guidelines that govern our cybersecurity-related activity are:

Protection against cyber risks	<ul style="list-style-type: none"> • Evaluation and improvement of cyber attack prevention, detection and response mechanisms. • Continuous development of Information Systems and Communications Networks protection mechanisms. • Evaluation and improvement of Disaster Recovery mechanisms.
Proactive Privacy	<ul style="list-style-type: none"> • Timely conformity with privacy regulations applicable in the different areas where we operate. • Centralization and concentration of capacities at the Corporate Office for Privacy and Data Protection (OCPPD).
Culture of cybersecurity and privacy	<ul style="list-style-type: none"> • Activities to raise awareness of employees, clients and other stakeholders. • Educational and training activities for employees and agents.

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Cybersecurity and privacy from the Start	<ul style="list-style-type: none"> • Integrating cybersecurity and privacy in the life cycle of new initiatives of the company, guaranteeing protection by design and default, including analyzing the impact on privacy of new procedures and the corresponding implementation of controls and measures. • Evaluation of cybersecurity and privacy in processes covering the procurement of technology solutions and the contracting of technology services.
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The lines of action include the protection of information when gathered, transmitted, stored or processed that makes it possible to exercise diligence when establishing preventive measures and detecting and responding to cyber attacks or business interruption incidents.

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

- Cyber threats, with increasingly lower barriers for hackers and the more common appearance of systemic vulnerabilities and/or “day zero” and advanced attacks.
- Regulatory or legislative changes, such as the General Data Protection Regulation, or new security, privacy or data protection laws in the various countries in which MAPFRE operates, as well as the growing demand and requirements of large clients, with respect to protecting information in general and the personal data regarding its own clients in particular.
- Business initiatives associated with the need for agility and the use of new technological trends involved in the digital transformation of companies.

Furthermore, MAPFRE makes use of its cybersecurity capacity to generate added value in business terms through efforts such as process digitalization, harnessing the capabilities of electronic signatures, the technological fight against fraud or the defining and underwriting of cyber-risk products.

To implement its strategy in this area, MAPFRE has developed advanced capacities designed to enhance the Group’s cyber-resilience. These capacities include:

- Highly specialized and accredited personnel (MAPFRE has a total of 171 certifications in cybersecurity, and 71 certified employees), responsible for identifying, defining, designing and, where appropriate, implementing and operating the various security controls and the technological tools intended to protect the company's digital assets, as well as incorporating requirements,

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controls and functionality in the cybersecurity area (including privacy) within the company's new initiatives.

- Specific monitoring, detection and protection technologies covering security incidents that have been integrated into the corporate technology platform.
- Tools, methodologies and specialists continually reviewing and evaluating the level of cybersecurity, covering all assets and participants involved (information systems, people, etc.) and identifying deficiencies and absences of control in a timely manner.
- A General Control Center (CCG-CERT), integrated into the FIRST network and the CSIRT.es group, which receives alerts of global menaces and attacks for continuous monitoring (on a 24/7 basis) both of the information contained in the technology platform operated by MAPFRE as well as the information that it owns that is accessible via third-party systems, thereby allowing for the early detection of any cyber incidents and providing an agile response to them.
- Incident and crisis situation response plans, which are subject to constant and systematic updating.

MAPFRE has in place a Corporate Data Privacy and Protection Committee, a Corporate DPO (Data Protection Officer) and a specific area responsible for ensuring compliance with existing privacy and personal data protection regulations and for adequately protecting the privacy of the data entrusted to the company by clients and other stakeholders. Intense work was carried out over the course of 2018 in the following areas:

- Compliance with the European General Data Protection Regulation, with action taken through various transversal working groups at the corporate level as well as groups for specific companies and businesses.
- Timely compliance with the Brazilian Data Protection Act.
- Consolidation of the Corporate Office for Privacy and Data Protection (OCPPD), whose mission is to be the point of reference for all activities relating to privacy and data protection at MAPFRE, providing a single comprehensive view of the subject, encouraging uniformity in all processes and criteria relating to this area and improving its efficiency.

During 2018, one disciplinary proceeding was filed against MAPFRE ESPAÑA arising from infringements related to Private Data Privacy and Protection legislation. Another two incidents were reported to the Control Authority related to compliance with General Data Protection Regulation of the European Union (the GDPR).

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

BRANDING AND REPUTATION

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

Trust and global reach are the two overriding concepts that set our vision apart, and they must find their way into all related content, that is later adapted to the specifics of each market. This content is built up through activities such as advertising, communication or sponsorship, both in the conventional manner and digitally, as is amply demonstrated through the company's three principal corporate sponsorships: the MAPFRE team in the Volvo Ocean Race, Rafael Nadal and the Spanish Tennis Federation and the Renault F-1 team. These actions deliver greatly enhanced recognition. Which translates into brand awareness, recognition appreciation in each market.

As a result of these efforts, according to the "Top Empathic Brands 2018" study conducted by the consulting firm SUMMA, MAPFRE is seen as the fourth most empathic brand of those listed on the IBEX 35. Among other variables, this report analyzes the use of emotional intelligence and the skill to truly listen to and understand the public.

Furthermore, MAPFRE is the 31st most valuable insurance company in the world, according to the ranking compiled by the international consultancy firm Brand Finance. This ranking analyzes the 100 most valuable insurers for the point of view of brand recognition and the values that best enhance customer loyalty. In the same ranking, MAPFRE is the ninth most valuable brand in Spain. In this report, MAPFRE has showed a growth of 17 percent, reaching 2.8 billion euros.

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

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MAPFRE uses the Reprtrak methodology, produced by the Reputation Institute, regarding its reputation among the general public. Reputation is measured monthly with this report, considering seven factors (proposal, innovation, work, integrity, citizenship, leadership and finances) that allow for subsequent measurement of the attributes of the brand. MAPFRE finished the year with a strong global reputation based on this methodology.

Furthermore, MAPFRE was included in the ten companies with the best reputation, and first in the insurance sector, on the Business Corporate Reputation Monitor (MERCOR). The company is among the top 100 in Argentina, Mexico, Panama and Peru. MAPFRE in Spain moved to the 9th position in the Merco Talent ranking, and once again leads the insurance sector, while in Peru and Argentina it remains one of the 100 best-rated companies.

Also, MAPFRE S.A. Has obtained the prestigious “Equality in Business” designation awarded by the Spanish Ministry of Health, Social Services and Equality after extensive evaluation of all equality measurements, and MAPFRE ESPAÑA maintains its certification as a Family Responsible Business (EFR).

MAPFRE was also recognized as the Best Place to Work in Brazil, Mexico, Peru, Guatemala, Costa Rica, Nicaragua, and generally speaking, in Latin America including Ecuador. In Brazil, it was also considered the “Best Workplace for Women”.

For the sixth consecutive year, MAPFRE was also considered the most recognizable insurance company based on a study conducted by Randstad, while *Actualidad Económica* ranks it as 11th among the best places to work in Spain.

Lastly, it should be noticed that MAPFRE belongs to CORPORATE EXCELLENCE, a platform composed of a relevant group of multinationals working to promote and measure corporate branding and reputation management as strategic values for companies. This enables us to share best practices and to discover the latest trends in this field. Furthermore, a worldwide level reputation working group was created in 2018 that has begun working on the management model that will be followed over the coming years.

6.5. NATURAL DIMENSION

WE ARE ECOEFFICIENT	MAPFRE is a company that is deeply committed to its environment. We take care of our environmental footprint, we have a strategy for action against climate change and we are firmly committed to biodiversity.
<p>What are we working on to create value?</p> <ul style="list-style-type: none"> • Environmental strategy model • Climate change action strategy • Biodiversity Preservation 	

STRATEGY MODEL	
Volume of premiums managed using MAPFRE'S environmental management system (SYGMAYE)	60.73%

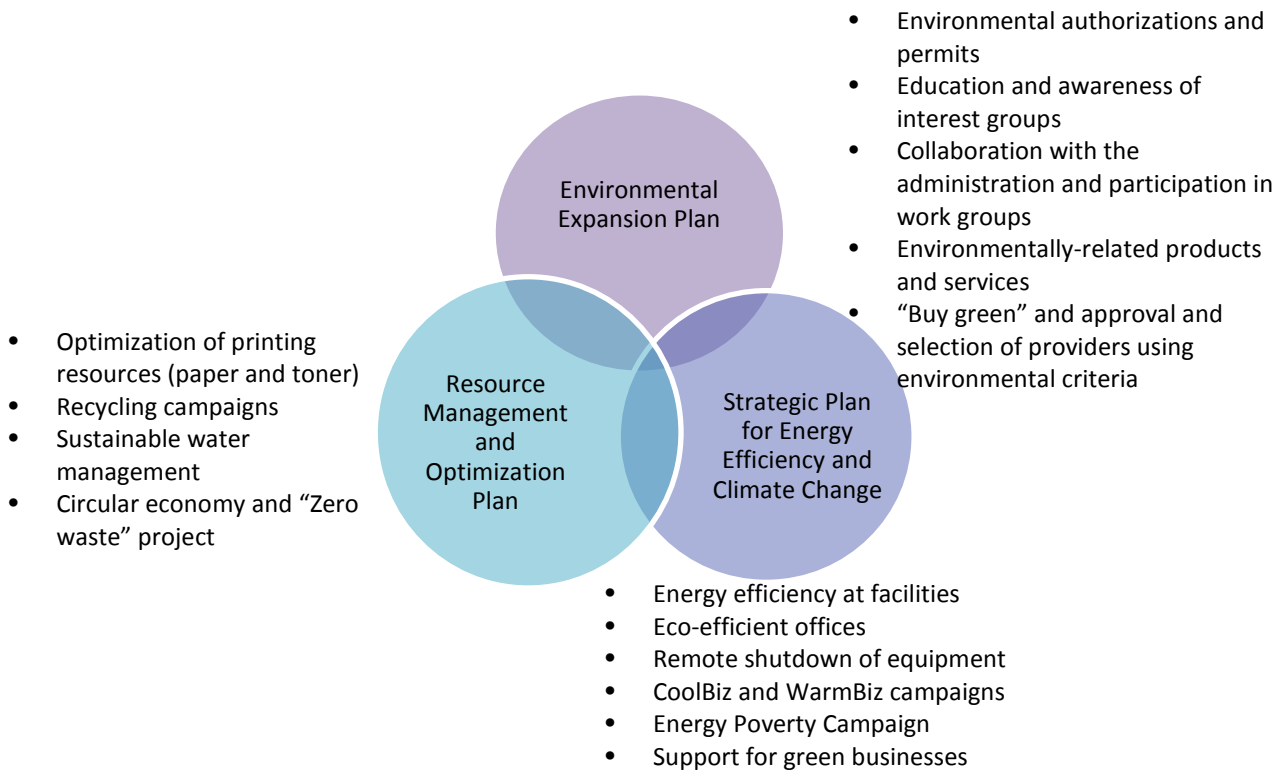
ENVIRONMENTAL STRATEGY MODEL

[GRI FS1, FS3, FS4, FS9; L.11/2018]

MAPFRE has an Environmental Policy in place approved by the MAPFRE S.A. Board of Directors on December 13, 2018 and implemented in all companies, primarily through the Triple Integrated System designed in accordance with international standards ISO 14001, ISO 50001 and ISO 14064 for Environmental, Energy and Carbon Footprint Management (SIGMAYE).

This system provides a common benchmark for managing all the aspects associated with environmental sustainability, including energy and greenhouse gas effects, and environmental plans are derived based on it that cover the activities of the Group directed at minimizing environmental, energy and carbon footprint impact.

The socioeconomic environment of the country, the size of the company in terms of business volume, the uniqueness of the existing buildings, the number of employees, the legal environmental requirements and the degree of implementation of the Security and Environmental function are among the criteria that are considered when selecting plans and programs for each of the entities of the Group.



The following table shows the development of SIGMAYE across various concepts over the last three years.

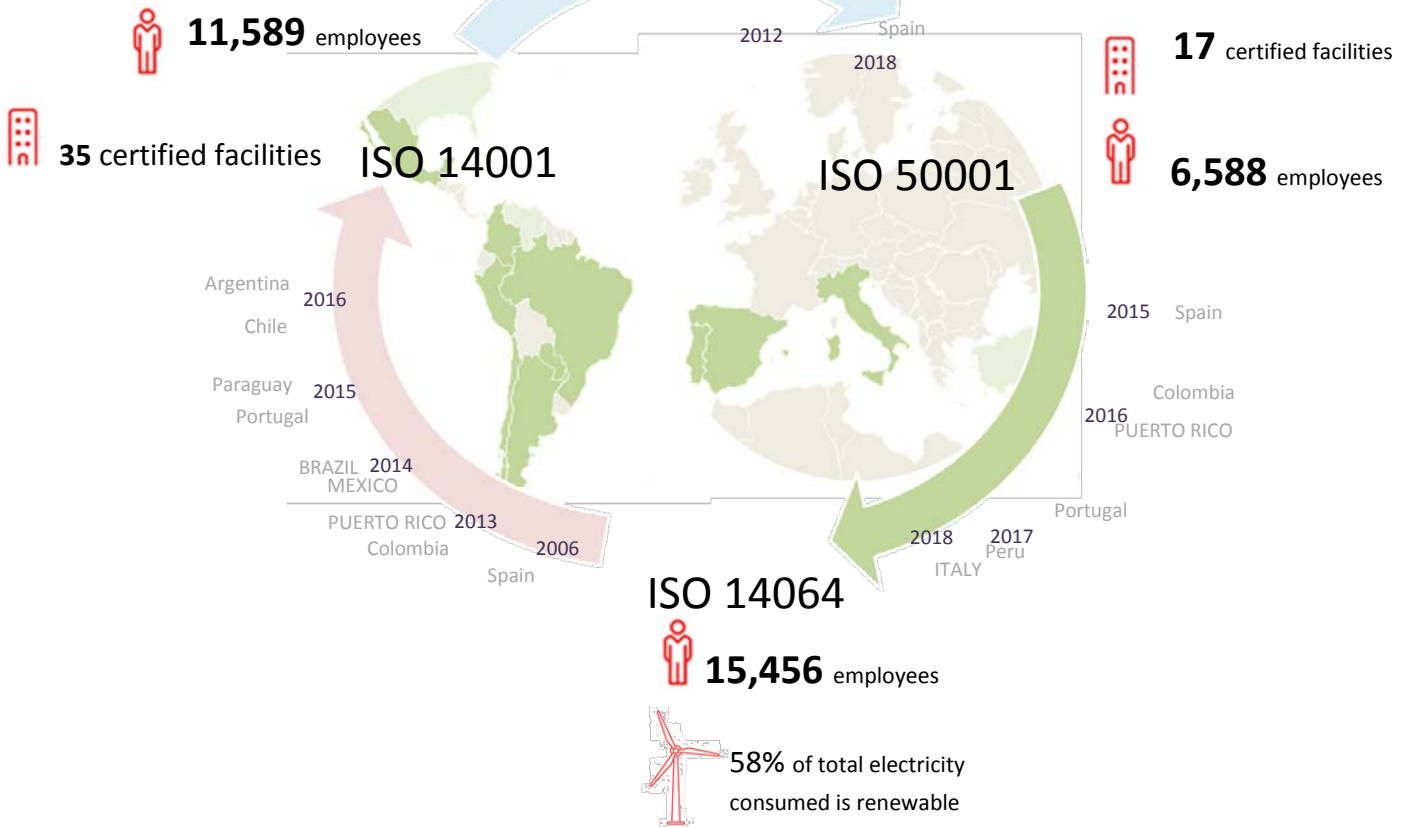
	2018	2017	2016
Employees working under environmental management certification (ISO 14001)	11,589	11,369	10,620
Employees working under energy management certification (ISO 50001)	6,588	4,885	4,233
Employees working under carbon footprint verification (ISO 14064)	15,546	12,701	12,720

60.73 percent of the premium volume of the company was managed using this system in 2018.

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SIGMAYE: development and principal



60.73%

Volume of SIGMAYE-managed premiums

32.75%

employees subject to environmental control

2,627

hours of environmental training

9

international offices with sustainable construction certification

[KPMG2]



12 countries are Members of Earth Hour



Savings of 154.297 kwh under the CoolBiz Campaign

32,434.62

cubic meters of water savings in Spain



Participation by over **1,586** volunteers from **25** countries in the World Environment Volunteering Day

CLIMATE CHANGE ACTION STRATEGY

CLIMATE CHANGE STRATEGY	
Reduction of tons of CO ₂ compared to the baseline	51%

[GRI 201-2; 302-1, 302-2, 302-3, 302-5, 305-1, 305-2, 305-3, 305-4, 305-5, FS2, FS5] L.11/2018]

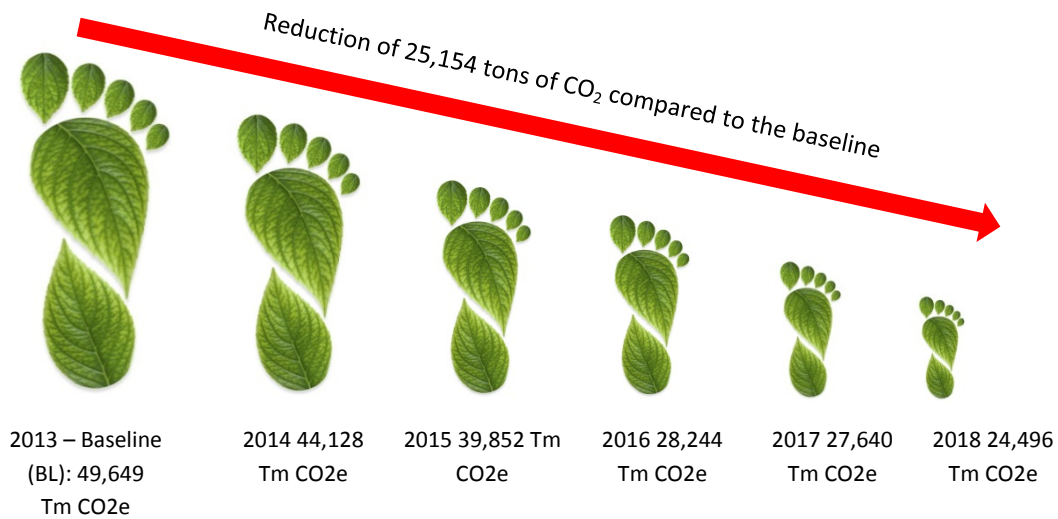
Contributing to a decrease in the greenhouse gas emissions generated by the organization in the course of its activity is considered to be both a challenge and an opportunity for the Group. It also represents a key element in its actions concerning environmental responsibility.

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

- Physical risks: frequency and impact of sever and chronic meteorological phenomena;
- Transition risks: evaluation of current and emerging regulatory pressure and instability of legal bases; changes in market trends; pressure and performance of interest groups in terms of reputation.

MAPFRE has an Energy Efficiency and Climate Change Strategic Plan with a time horizon of 2020, calling for the reduction by 20 percent of tons of CO₂ in the carbon footprint of the Group in 2013 (reduction of 14,710,519 kWh and 9,924 tons of CO₂e compared to base year 2013). This target was reached three years ahead of plan. At the close of 2018, a reduction of 51 percent compared to the baseline was achieved in the nine countries.

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Scope:

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

Categories included: Scope 1 (natural gas, building diesel, fuel for company vehicles); Scope 2 (electricity); Scope 3 (paper consumption, emissions avoided thanks to recycling paper and company trips within MAPFRE Spain).

Achieving the objectives of the plan has led the company to assume new commitments. Short-, medium- and long-term objectives have been set with a time horizon to 2050, the year in which the Group is seeking to reach neutrality in emissions of CO₂. However, the Group is studying the possibility of bringing that date forward.

Linked to the Group's transparency and performance regarding this issue, these actions led to the CDP recognizing the MAPFRE Group as a leading global company in the fight against climate change.

In 2018, MAPFRE joined the United Nations Environment Program Finance Initiative (UNEP FI), along with 15 other leading insurers, in order to assess the impact of climate change and to incorporate the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in the insurance industry. This working group is developing a series of tools to assess the risks, to provide relevant information to investors about the effects of this global phenomenon, and to help in the transition toward low-carbon climate-resistant societies and economies.

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

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The following greenhouse gas effects are reported: CO₂, CH₄, N₂O, HFCS, PFCS, SF₆, NF₃, for the three scopes under the GHG Protocol and ISO Standard 14064:

MT CO ₂ eq	2018(**)	2017(**)	2016(*)
Scope 1	10,330.06	13,271.93	13,445.24
Scope 2 (market-based)	16,214.91	15,495.87	19,267.39
Scope 2 (local-based)	35,900.94	28,719.05	31,399.33
Scope 3	26,435.20	28,719.05	31,399.33

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

(**) 2017 & 2018: Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

(***) Data for Scope 3 in 2016 and 2017 was modified in the last report to include new categories.

PERFORMANCE INDICATORS					
ITEM	Unit	GRI	2018	2017	2016
Emissions Employee	MTCO ₂ /employee	[GRI 305-4]	1.59	1.67	1.83
Emissions activity	TonCO ₂ /premium	[GRI 305-4]	2.78	2.95	3.23

For more information about the consumption and management of waste, please see Note 3 of the Annex to this document.

Biodiversity Preservation	
Corporate volunteering day: "Everybody for the Environment"	1,720 trees planted 35m tons of trash collected

BIODIVERSITY PRESERVATION

[GRI 304-2, FS4; L.11/2018]

The consequences of climate change on ecosystems prompted the Group to assume a firm commitment to conservation of the environment and preservation of biodiversity for which, under the slogan “Without biological diversity there is no economic diversity”, it has signed up to the Biodiversity Pact of the Spanish Companies and Biodiversity Initiative and has undertaken various activities contributing to conservation.

This is why MAPFRE is firmly committed to the protection of the environment and the conservation of biodiversity, as demonstrated by its involvement in various initiatives to protect ocean habitats and marine wildlife:



The MAPFRE boat participating in the Volvo Ocean Race in 2018 was a highlight, joining the UN’s #CleanSeas campaign. Under the theme “Turn the Tide on Plastic”, the stopovers on the regatta were turned into seven ocean summits to raise awareness, issue calls for action and present solutions to stop plastic pollution of the world’s oceans,

which has promoted the reduction in use of plastic bottles at MAPFRE in Spain.



The company has also joined the *100 Empresas por los bosques* (100 Business for the Forests) initiative for the second year, contributing to the preservation of biodiversity and regeneration of vegetation by sponsoring the reforestation of two hectares in the Doñana Nature Park.



Also worthy of mention is MAPFRE’s collaboration, for the fourth year running, with the NGO WWF Spain for the conservation of biological diversity with the participation of employees that select the species and habitat to be protected.



MAPFRE volunteers carried out environmental activities on the second annual corporate volunteering day, working on reforestation, beach and riverbank cleanups and refitting of public infrastructures, resulting in the planting of 1,700 trees and collecting over 35 tons of trash.

Through participation in these initiatives, the performance of commitments assumed for the preservation of natural resources of common interest for humanity continued to be developed, given their importance for social well-being and economic development. The participation of employees in achieving environmental objectives and their awareness of how direct their interaction with those objectives are is decisive. These processes include eco-efficiency and responsible use, where the contribution of employees is key to minimizing the use of resources and appropriately managing generated waste - all these are indispensable aspects to achieving the decarbonization of the economy and contributing to a circular and collaborative economy.

6.6. SOCIAL AND RELATIONAL DIMENSION

WE ARE COMMITMENT	This is the attribute that best defines us, not only with our interest groups, but also with society at large and the people we interact with. We have taken on the challenges of the UN 2030 Agenda.
<p>What are we working on to create value?</p> <ul style="list-style-type: none"> • Management of the relationship with stakeholders. <ul style="list-style-type: none"> ○ Stakeholders ○ Stakeholder engagement channels • International commitments relating to sustainability undertaken by MAPFRE <ul style="list-style-type: none"> ○ 2030 United Nations Agenda and Human Rights • Social footprint: Social Value, Shared Value 	

MANAGEMENT OF THE RELATIONSHIP WITH STAKEHOLDERS

[GRI 102-40, 102-42, 102-43, 102-44, 103-1, 103-2; L.11/2018]

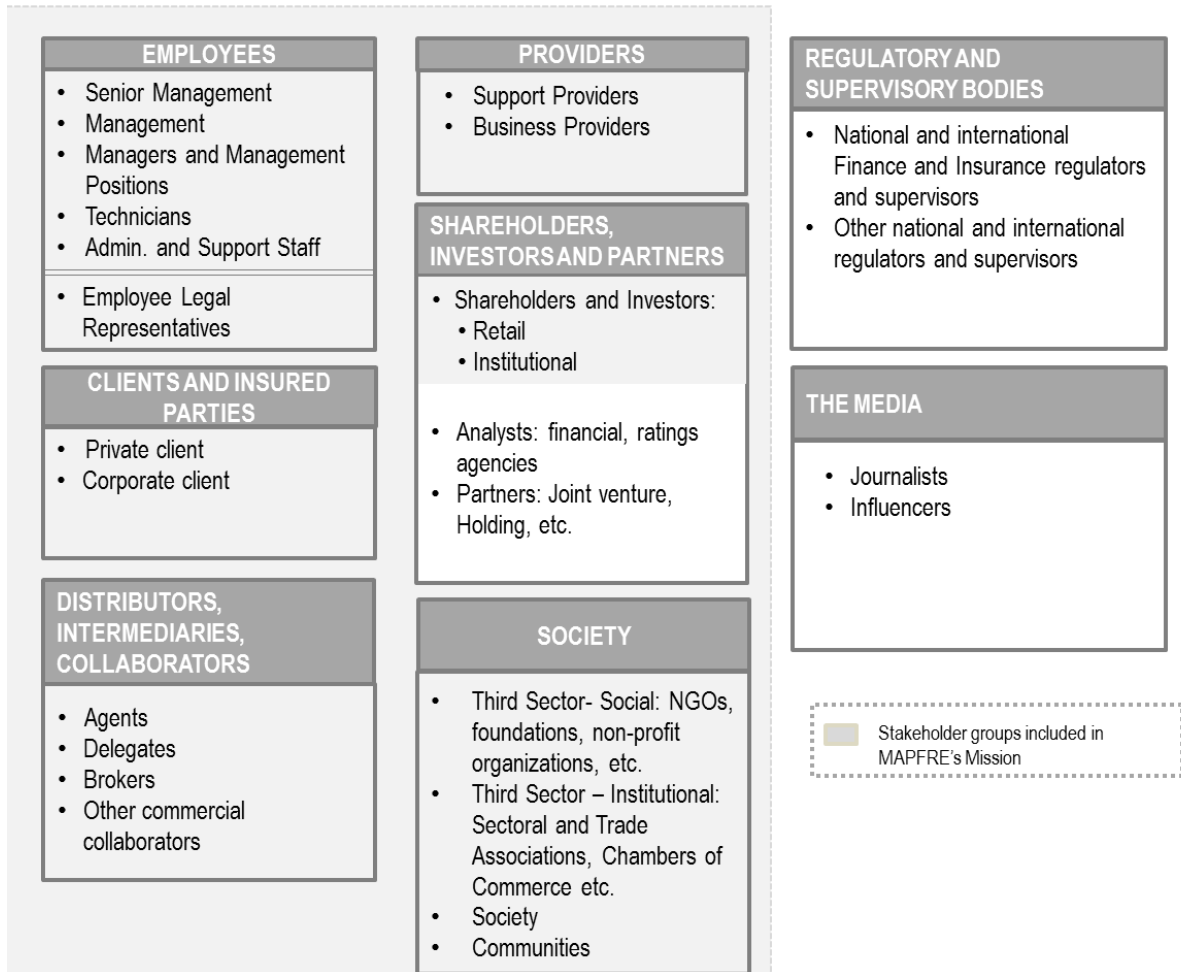
Stakeholders

For MAPFRE, its stakeholders are the individuals, groups, and organizations with legitimate interests which could potentially be directly or indirectly impacted by the company's decisions or activities, and possibility influence the company's ability to reach its goals and sustainability in the long term.

MAPFRE's vision is to be the most trusted global insurance company, while its vision is to act as a team working to continually move forward in service provision and to forge solid relationships with clients, distributors, providers, shareholders, and society in general, basing its activity on the values which characterize it as a company: leadership, and team commitment.

Therefore, MAPFRE's strategy with different stakeholders comes from the definition of MAPFRE's vision and mission, with the intention of building long-term trust-based relationships founded in commitment and dialogue, enacted from the perspectives of integrity, responsibility, and transparency, thereby contributing to the sustainable creation of value which motivates the Group.

The following map is a basic representation of MAPFRE's most relevant stakeholders:



Relationship channels

[GRI 102-43, 102-44, 407-1; L.11/2018]

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

Relationship channels		Stakeholder groups included in MAPFRE's Mission					
		Shareholders / Investors and partners	Clients and Insured Parties	Distributors, Intermediaries, Collaborators	Employees	Providers	Society
Surveys and consultations	Materiality survey						
	Great Place to Work (GPTW)						
	Other surveys and consultations						
Face-to-face	Participation or representation bodies						
	Regular meetings						
	Lectures						
	Offices						
Corporate email	Generic and public email						
	Specific for stakeholders						
	Complaints and grievances email						
	Whistleblower email						
Website/online portals	Corporate and country						
	Specific for stakeholders						
	Internet Office						
	Corporate Intranet						
	Other online tools						
	Mobile apps						
Magazines and bulletins	Corporate						
	Specific for stakeholders						
Telephone	Specific for stakeholders						
Social networks	Social networks.						

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Investor and shareholder relationship channels

Among the initiatives taken in 2018 to improve relationships with shareholders and investors, the following are noteworthy:

- Within the framework of the “MAPFRE Shareholders, a unique value,” meetings were held in Madrid and Barcelona to outline business performance to shareholders, and handle any comments or questions that arose.
- In conjunction with Club MAPFRE, the “We take care of our shareholders” campaign was launched, with at least 1,000 options offered to the beneficiaries of the loyalty program.
- A quarterly bulletin on the website containing updated information on MAPFRE, its results, and main corporate news.
- The “Shareholders and Investors” section on the website has been restructured to include the new “Shareholders space” which features new content such as the “Equity Story” - a global vision of the company's performance, transcripts of quarterly results presentations, a selection on debt issues, as well as a diary highlighting the most relevant events coming up.

Summary of communications activity with shareholders and investors during 2018:		Summary of communications activity with financial markets during 2018:		
Relationship Channel	No. of interactions	Relationship Channel	No. of actions carried out	No. of participants
Call the shareholder telephone number (toll-free 900 10 35 33)	1,079 consultations	Lectures	18	168
The corporate website and the email address relacionesconinversores@mapfre.com	254 requests handled	Meetings with investors	56	147
Shareholder forum	192 visits 118 unique visits	Meetings with analysts	119	165
		TOTAL	193	480

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Insured and client relationship channels

Gaining an understanding and familiarity with clients' needs stands out as one of MAPFRE's strategic pillars. That is why special bi-directional communication channels have been created, including:

- The network of offices devoted to personalized, face-to-face assistance for clients and policyholders:
 - Own offices: 5,256 direct and delegate
 - 7,270 bancassurance offices
 - Over 86,500 representatives, agents, and brokers
- More than 50 contact centers worldwide
- MAPFRE's webpage and internet office (in website and mobile app formats) are digital tools through which clients may consult and manage personal data and contracts, communicate and handle claims, request and solicit documentation, initiate contact, etc.
- The complaints and grievances channel can be accessed via web/email, by post, and using forms available at our offices.

Employee and workers' representatives relationship channels

[102-41, 402-1, 403-1, 407-1]

- Direct and continuous communication is open with employees, with all relevant matters reported and opinions taken into account; we request active participation through a number of different channels, such as:
 - The corporate intranet features all the news related to the Group and its endeavors, and also has contact forms, blogs, forums, places for sharing opinions, and @Ane, our virtual assistant, who responds to consultations from our employees and assists them in the use of the diverse intranet resources and functions.
 - The Great Place to Work survey allows employees to share opinions on many different aspects of the company and their jobs.
 - The materiality survey was designed in order to determine which sustainability aspects are deemed crucial.
- Relationship management with employee representatives: 65 percent of the staff is represented by labor representatives, which is a great deal higher than the

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average representation in other countries. In Germany, Spain, and Italy MAPFRE's employees enjoy the highest percentage of representation: 91.68 percent, 96 percent, and 97.84 percent.

Collective bargaining is not structured in the same manner in all the countries in which MAPFRE is present, as not all have applicable Collective Bargaining Agreements in place due to local legislation, social conditions, or the type of business/sector permitting their implementation. Therefore, 20,818 MAPFRE employees are included in collective bargaining agreements in 14 countries: Germany, Argentina, Australia, Belgium, Brazil, Spain, France, Greece, Italy, Malta, Peru, Portugal, Uruguay, and Venezuela.

The coverage of MAPFRE employees in the following countries is a high percentage.

COUNTRY	% EMPLOYEES WITH COLLECTIVE BARGAINING AGREEMENT
Germany	91.50
Argentina	78.02
Australia	100.00
Brazil	99.63
Spain	100.00
France	85.00
Greece	100.00
Italy	98.08
Portugal	87.89
Uruguay	100.00
Venezuela	100.00

The relationships between legal representatives and workers are handled through the following channels:

- Company participation bodies with the workers' representatives and formal committees.
- Periodic meetings agreed by both parties.
- Direct contact by phone or email, thereby fostering fluid relationships and continuous negotiation.

Workers' representatives communicate with them via specific email addresses or on the internet, by visiting work centers, specific meeting rooms or assemblies organized by the company to foster fluid communication and dialogue with its employees.

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In 2018, the main collective bargaining agreements reached with the workers' representatives were: (i) Spain: the 2018-2021 MAPFRE Group Insurance Agreement, (ii) Argentina: 2018 Salary Agreement, (iii) France: Internal Regulations on Gender Equality, (iv) Mexico: Review, negotiation, signing, and filing of the Collective Labor Agreement, and (v) Germany: Company Organization. All the above agreements deal with workplace conditions, remuneration, company organization, training, equality and health, and work-related risk prevention, among others.

Distributor relationship channels:

To improve relationships with distributors, the following specific channels are available:

- Online tools which facilitate and speed up sales processes
- Broker portals featuring resources and tools which favor sales activity
- Meetings and video-conferences

Provider relationship channels

To forge stronger bonds and improve communication with providers, the following specific channels are available:

- Web platform and specific sites, such as the Corporate Purchasing portal and Sygris, devoted to managing relationships with providers.
- Parties responsible for providers and specific work groups which oversee these relationships,
- Specific newsletters.

Regulatory authorities and Institutional Framework supervisors

- **Relationships with governments and authorities**

MAPFRE conducts its business activities in the full observance of the current legislation, the regulatory bodies and all the authorities in the countries where it operates, and takes a neutral stance with regard to the different political options.

The company's actions are adapted to the principles of ethical, transparent and socially-committed conduct governing private entities during the appropriate development and progress wherever it is present.

- **Collaboration with sector and business organizations**

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Beyond strict compliance with legislation and contracts, and their related obligations, MAPFRE collaborates and participates in business and sector organizations to gain a more comprehensive and global vision of the setting in which the insurance industry operates, as well as its impacts, risks, and opportunities, while at the same time permitting it to gain an understanding of an ever-complex, interconnected social and economic fabric.

Collaborating within this institutional environment fosters the establishment of orderly and inclusive dialogue with certain stakeholders on matters material to their activity, which thereby enables making greater contributions to value thanks to the forging bonds with stakeholders in general, and specifically, with regulatory authorities and bodies.

As part of this endeavor, at all times it fosters the Group's values and Code of Conduct and Ethics. Integrity understood as imposed ethical, socially-responsible, behavior which generates long-term commitments, is projected as a key value within MAPFRE's institutional bodies.

The MAPFRE Group belongs to the following Foundations, Chambers of Commerce, and other non-profit organizations, through which it carries out its institutional activities:

Entity	Country
Spanish Chamber of Commerce	Spain
Spanish Confederation of Business Organizations - CEOE	
Spanish Union of Insurance and Reinsurance Entities (UNESPA)	
FEDEA. Foundation for Applied Economics Studies	
Cooperative Research among Insurance Entities and Pension Funds (ICEA)	
Association of Collective Investment Institutions and Pension Funds (INVERCO)	
IDIS Foundation (Health Integration Development Institute)	
Spanish Confederation of Entrepreneurs - CEAT	
Spanish Confederation of Young Businesspeople	
Latin American Business Alliance Council – CEAPI	
Latin American Business Foundation	
Brazilian-Spanish Chamber of Commerce	
American Chamber of Commerce in Spain	
Spanish Business Association Asean - ASEMPEA	
Hispano-Turkish Chamber of Commerce	
National Federation of General Insurance FENSEG	Brazil
Federação Nacional de Capitalização-FENACAP	
Federação Nacional de Saúde Suplementar-FENASAÚDE	
Federação Nacional de Previdência Privada e Vida-FENAPREVI	
Federação Nacional das Empresas de Resseguros-FENABER	Mexico
Mexican Insurance Institution Association	
Massachusetts Insurance Federation Inc.	United States
Ohio Insurance Institute	

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Insurance Association of Connecticut	
New York Insurance Association	
National Association of Mutual Insurance Companies (NAMIC)	
Puerto Rico Association of Insurance Companies	Puerto Rico
Puerto Rico Chamber of Commerce	
Insurance Association of Turkey - TSB	Turkey
Ticaret Odasi Aidati	
Associazione Nazionale Imprese Assicurazione –ANIA	Italy
Gesamtverband der Deutschen Vericherungswirtschaft-GDV	Germany
Industrie und Handelskammertag - IHK	

MAPFRE is also a member of the following European/global sector organizations:

Entity
Institute of International Finance (IIF)
CCO Forum
CRO Forum
Pan-European Insurance Forum
The Geneva Association
European Financial Services Roundtable (EFR)
International Insurance Society
Global Reinsurance Forum-GRF

Expenditure on contributions to sectorial and institutional entities listed amounted to approximately 3 million euros in 2018.

Relationship channels common to all stakeholders: presence on social networking sites

MAPFRE has a social network community comprising 2,366,161 users, 15.06 percent more than the previous year. In 2018, more than 15,125 items were published on different social networks, and users interacted 13,790,643 times with MAPFRE profiles. On Facebook alone, 800 million users were reached, and content was viewed more than 1.07 billion times, generating an engagement rate of 1.211 percent.

	FB	TW	IG	YT	LK	TOTAL
Followers	1,978,182	124,802	39,024	23,828	200,325	2,366,161
Posts	6,078	7,216	1,579	252		15,125
Interactions*	13,301,222	87,672	277,691	24,058		13,690,643

* Interactions on each network have been used.

Success stories:

- Corporate Bot

4,500 **recorded** interactions Information for journalists is the most requested item, and specifically, press releases. The most consulted item within shareholder information was the **share price**.

- Rafa Nadal automatic responses

This bot provides automatic responses with information on the matches that Rafa Nadal is playing. 1,700 mentions of 564 separate writers and about 1,038 interactions were recorded.

- Fundación MAPFRE Bot

The Fundación MAPFRE Culture Bot provides basic information on how to enjoy its exhibits, and has recorded a total of 52 interactions since October. The most requests were received for information on educational activities.

- Economic KPI

An economic KPI has been developed to measure brand presence on Social Networks economically, which represents the investment that you would need to get the impressions that you have obtained. The economic value of MAPFRE's presence on Facebook is over 2.5 million euros.

INTERNATIONAL COMMITMENTS RELATING TO SUSTAINABILITY UNDERTAKEN BY MAPFRE

[GRI 102-12, 102-13; L.11/2018]

Benchmark international initiatives assumed by MAPFRE

United Nations Global Compact: This commitment entails integrating within its management the 10 principles of action related to human rights, as recognized in the International Bill of Human Rights, labor rights, the environment and the fight against corruption. The MAPFRE Progress Report for 2018 obtained the maximum "Advanced" rating classification.

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

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

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

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

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

Principles for Responsible Investment (PRI) of the United Nations: this initiative aims to understand the impact that environmental, social and governance aspects have on investments, and advise signatories on how best to incorporate same into their decision-making.

The Group has decided to progressively these principles with its investment policy.

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

United Nations Sustainable Development Goals 2030 and Human Rights

[GRI 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-1, 412-2, 412-3, 413-1, 413-2; L.11/2018]

MAPFRE has publicly reaffirmed its commitment to the 2030 United Nations Agenda, with the understanding that respect for human rights is a crucial aspect for sustainable development, and in fact, are present in each of the Agenda goals. The Agenda is based on prosperity, the planet, and people.

Commitment to Human Rights

MAPFRE has been a member of the United Nations Global Compact since 2004, and is committed to seeing that its ten principles are woven into the fabric of the organization, and shared with its closest collaborators.

This means that within its scope of influence, it acts decisively in favor of the defense of human rights as outlined in the International Bill of Human Rights; it establishes the appropriate control mechanisms to ensure that by action or omission, no Group companies are involved in the infringement of these rights, all contemplated within the framework of the UN's Guiding Principles on Business and Human Rights.

Similarly, in regard to the principles related more specifically with the protection of workers' rights, MAPFRE's adherence to the Global Compact directly commits the Group to the respect, defense and protection of human rights in the conventions of the International Labor Organization (ILO) and the Declaration on Fundamental Principles and Rights at Work. MAPFRE, and the people in it who are tasked with ensuring that these obligations are strictly fulfilled, therefore undertakes to

- Avoid practices that are discriminatory or harm people's dignity.
- Reject child labor and forced or compulsory labor.
- Respect its employees' freedom of union, association and collective bargaining and the role and responsibilities that apply to workers' representation in accordance with the current legislation in each country.
- Offer decent employment.
- Implement supervisory procedures that allow the detection, with due diligence, of any possible situations of risk of human rights violations, and the introduction of mechanisms to prevent and mitigate these risks.

Protecting human rights is linked to the Group's internal regulations, approved at the utmost level of organizational hierarchy; they expressly state MAPFRE's Institutional, Business, and Organizational Principles, its Code of Conduct and Ethics, and Corporate Social Responsibility Policies. This approach is bolstered thanks to participation in noteworthy international initiatives in which MAPFRE is involved, or assumes an express role. (See page 132 of this report, and Note 8 of the complementary information.)

MAPFRE does everything within its power to involve company stakeholders, especially its providers and contractors, in this commitment.

MAPFRE's Ethics Committee is responsible for ensuring implementation of the MAPFRE Code of Ethics and Conduct and for supervising compliance with same. In 2018, this committee did not receive any complaints related to human rights, as established in MAPFRE's Code of Ethics and Conduct. Additionally, in 2018, four

SUSTAINABLE

complaints were received related to harassment, for which the corresponding protocol was activated, with the result being that all four were resolved (see section on Code of Ethics and Conduct).

Furthermore, in the Corporate Social Responsibility area, the Corporate Sustainability Committee oversees compliance with these policies as well as sustainable strategies.

Measures adopted to guarantee respect for human rights

Apart from guaranteeing and monitoring compliance with internal regulations, in which the Group's Compliance area is involved, MAPFRE also has due diligence mechanisms in place to facilitate the control and evaluation of Human Rights, among others:

- In 2016, self-assessment of its impact took place, based on The UN Guiding Principles on Business and Human Rights prepared by the Spanish Global Compact Network.
- This analysis of materiality is done annually, and features a special section on Human Rights. During 2018, "**Compliance with and respect for human rights**" was considered a material matter; the perception of the stakeholders consulted (collaborators, providers, distributors, and clients) on MAPFRE and how it is approaching this matter is quite positive. (See section 7.4.)
- The Financial and Accounting Whistleblowing Channel is available to employees and through different channels in order to notify lack of compliance with the Code of Conduct and Ethics, available to all employees and providers. (See page 54.)
- Specific channels and means designed to protect customer rights and handle their complaints. (See page 54.)
- Analysis of environmental, social, and governance risks (ESG) affecting the business and sustainable investments and RepRisk report, making it possible to identify, evaluate, and monitor business conduct risks and ESGs involved in human rights, work, the environment, and corruption, among others. (See page 62.)
- Internal systems and procedures established to detect signs of corruption, and prevent fraud/money laundering. (See page 58.)
- To manage its people, MAPFRE's specific mechanisms are designed to guarantee equality and the lack of workplace discrimination, and salary improvements, among others: global/standardized processes, performance evaluations, satisfaction and working environment surveys, progress

SUSTAINABLE

assessments, and anti-harassment protocols implemented within the Group. (See Human Dimension, page 85.)

- MAPFRE's security and workplace safety prevention model is participative, and involves the proper legally-established representative channels, and health and safety committees involving management and employees; these were all created to help control and assist this area.
- MAPFRE has a Healthy Company model, created based on current international directives, where risk factors that at the statistical level cause most deaths, illnesses and suffering in the world are identified and worked on so as to lower their incidence among workers.
- It also has an environmental management system designed in line with international ISO 14001, ISO50001, and ISO 14064 standards.
- MAPFRE has specifically-designed approval processes for its providers, including areas related to human rights, non-discrimination, and compliance with environmental and workplace regulations.
- MAPFRE fosters seamless dialogue between its employees and their legal representatives by providing specific email addresses or on the internet, by visiting work centers, specific meeting rooms or assemblies organized by the company to foster fluid communication and dialogue with its employees.

For further information, see Note 8 of the summary of compliance with Global Compact Principles and MAPFRE's due diligence measures.

MAPFRE assumes the involvement of its stakeholders as part of its commitment, and as such, fosters awareness and offers training to them. Since 2017, it has offered a course which was specifically designed by the Spanish Network of the World Covenant of the United Nations to train company staff and providers. During 2018, a total of 5,900 employees and 104 providers took part.

MAPFRE also is committed to a policy of continuous, open, and honest communication with its stakeholders and any other groups potentially affected by the company's activities.

2030 United Nations Agenda and Sustainable Development Objectives

The insurance sector is "key for sustainable growth;" for this reason, MAPFRE is fully committed to the United Nations road map, and to comply with and foster its Sustainable Development Goals (SDG).

Its work related to SDG is framed against the Group's 2016-2018 Sustainability Plan, which over this time was focused on:

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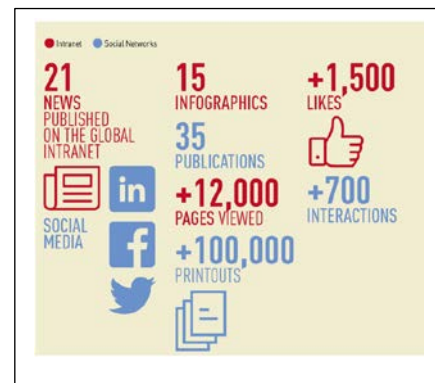
- **Determining SDG activities is a priority for MAPFRE;** based on United Nations recommendations, and contemplating the company's strategic and sustainability plans, a total of 9 further SDG were identified as linked to the company's activity.

Work progressed on these goals during 2018, with those subject to the company making the biggest contribution identified. Nonetheless, we are firmly committed to moving forward in pinpointing indicators which will allow the company to present a specific report on its contribution and alignment with the upcoming 2019-2021 Sustainability Plan.

PRIORITY SUSTAINABLE DEVELOPMENT GOALS FOR MAPFRE



- **Communication and awareness of the 2030 Agenda: progress on the** internal and external communication of the SDG thanks to the Companies4SGDs program, sponsored by the Spanish Network of the World Covenant of the United Nations, as part of the collaboration with IMPACT2030. Each month, a news item on this specific matter has been published on the global intranet, with details provided on MAPFRE's contributions, and even more important, offering recommendations to help employees become part of the 2030 Agenda, inviting them to participate by making suggestions and offering ideas. All the above has been shared on MAPFRE social networking sites and corporate profiles.



The fourth edition of the Creativity Contest "Portrait of a Sustainable World" awarded prizes to the best photographs taken by MAPFRE employees in 20 countries on topics related to sustainable development goals.

The most recent edition during 2018 of our internal magazine "The world of MAPFRE" featured a report covering MAPFRE's work in SDG throughout the year, incorporating many of its most noteworthy benchmarks.

SOCIAL FOOTPRINT: SOCIAL VALUE, SHARED VALUE

[GRI 201-1; L11/208]

As an integral part of our commitment to sustainability, below we highlight the main milestones of the MAPFRE Group's footprint in economic, social and environmental aspects over the course of 2018:

ECONOMIC FOOTPRINT

Our insurance activity generates a direct economic impact through the constant flow of transactions made, among which we highlight the following figures:

ITEM	2018
Benefits paid ⁽¹⁾	17,083.6
Payments to providers ⁽²⁾	5,588.5
Wages and salaries, and other ⁽³⁾	1,491.9
Activity subtotal	24,164.0
Dividends ⁽⁴⁾	863.1
Shareholders subtotal	863.1
Public administrations subtotal	529.3
Social Security	237.2
Public Administrations Subtotal	766.5
Interest paid	57.3
Financing subtotal	57.3
TOTAL	25,850.9

Figures in millions of euros

ITEM	2018
Funds under management (third- party)⁽⁵⁾	37,747.6
Total Investments	43,977.0
Financial investments	41,246.0
Fixed income	36,517.5
- Issued by governments	
- Other fixed-income securities	
Other financial investments	
Real estate investments⁽⁶⁾	27,595.9
Other investments	8,921.6
Funds under management (third- party)⁽⁵⁾	4,728.5
Total Investments	1,243.6
Financial investments	1,487.4

Figures in millions of euros

SUSTAINABLE

- (1) Benefits paid and related expenses of direct insurance and accepted reinsurance.
- (2) Includes payment of commissions and other activity services.
- (3) Salaries amounted to 1,257.8 million euros in 2018 (1,234.9 million euros in 2017).
- (4) Dividend payments made during the year.
- (5) Technical provisions for Life, pension funds, mutual funds and managed portfolios, before shadow accounting adjustments.
- (6) Excluding real estate for own use.

Net payments for tax on profits per country:

ITEM	2018
IBERIA	-191.8
SPAIN	-189.4
PORTUGAL	-2.4
BRAZIL	-223.4
LATAM NORTH	-8.2
MEXICO	-0.7
PANAMA	0
DOMINICAN REPUBLIC	-4.1
EL SALVADOR	-1
HONDURAS	-2
GUATEMALA	0.1
COSTA RICA	-0.4
NICARAGUA	-0.1
LATAM SOUTH	-41.1
COLOMBIA	-14.5
ARGENTINA	-7
CHILE	-2.2
PERU	-8.3
URUGUAY	-4.2
PARAGUAY	-4.5
ECUADOR	-0.5

ITEM	2018
NORTH AMERICA	-18.3
UNITED STATES*	-18
VERTI USA	0
PUERTO RICO	-0.3
EURASIA	-3.5
TURKEY	-1.3
MALTA	-2
GERMANY	3.5
ITALIA	0
PHILIPPINES	0
INDONESIA	-3.6
CHINA	0
TOTAL INSURANCE	-486.3
GLOBAL RISKS	-1.7
ASISTENCIA	-10.5
MAPFRE RE	-82.6
HOLDING, ELIMINATION AND OTHER	51.8
MAPFRE VENEZUELA	0
MAPFRE S.A.	-529.3

Figures in millions of euros

ENVIRONMENTAL FOOTPRINT**ENVIRONMENTAL CERTIFICATIONS**

- 11,589 employees working under environmental certification ISO 14001.
- 6,588 employees working under energy management certification ISO 50001.
- 15,546 employees working under carbon footprint verification ISO 14064.
- 9 international head offices certified as being sustainably constructed.

CARBON FOOTPRINT

- We have cut our carbon footprint by 51percent with respect to the baseline established in 2013.

PRODUCTS AND SERVICES OFFERING ENVIRONMENTAL COVERAGE

- More than 57,300 policies in force with environment-related coverage.
- 160,000 policies with free environmental responsibility coverage.
- 108,195 hectares of agricultural land and sustainable forests insured.
- 34,326 MW derived from wind and solar renewables insured.
- 41 hybrid tow trucks form part of our provider fleet.
- 124 charging stations for electric cars installed.

ENVIRONMENT-RELATED TRAINING

- 18,055 employees have received environment-related training.
- 1,600 volunteers planted more than 1,700 trees and collected more than more than 35 tons of trash on MAPFRE's second corporate Volunteering Day, under the banner of "Everyone for the Environment".

BIODIVERSITY AND ECOSYSTEM

- 2018 was the second year in which MAPFRE maintained its commitment to the *100 Empresas por los bosques* (100 Companies for the Forests) initiative.
- 2018 was the fourth year of collaboration with the WWF Spain for the conservation of biological diversity.
- The #CleanSeas campaign promoted by the United Nations, which the MAPFRE boat in the Volvo Ocean Race took part in.

SOCIAL FOOTPRINT

SUSTAINABLE

**DIRECT AND INDIRECT EMPLOYMENT**

- 96.8 percent of employees on permanent contracts
- 152,000 providers with whom MAPFRE maintains sales and service relationships
- 86,564 agents, delegates and brokers work with MAPFRE
- 5,266 approved providers out of the 6,437 selected for the ESG approval process

FLEXIBILITY AND CONCILIATION

- 40.2 percent of employees avail of flexible working schedules
- 2.9 percent of employees avail of reduced workdays
- 5.2 percent of employees avail of parental leave
- 16.5 percent of employees equipped for technological mobility (remote working)
- 1,805^[KPMG3] teleworking employees
- 12.1 percent of employees availed of internal mobility to change their job positions.
- 176.6 million euros were invested in social benefits for employees.

TRAINING AND TALENT

- 100% of the workforce received training via 1,467,368 hours of training, which represents an average of 41.5 hours per employee and an investment of 15,462,601 euros
- 5.3 percent of employees have had career plans developed for them
- 3.9 percent of employees accessed the self-learning tool to design their own learning road map, with 5,176 enrollments for the 203 training resources available
- 328 agreements with Universities, business schools and institutions
- 1,076 students completed internships in the Group during 2018
- 64 providers received training in Human Rights

HEALTH AND WELL-BEING

- 288,362.4 hours dedicated to training employees in Health and Well-being
- 743 activities carried out in 30 countries as part of the IV MAPFRE Week: Objective Health 2018
- More than 400 workplace risk assessments completed
- 9,968 medical check-ups carried out
- Numerous campaigns, initiatives, chats and training sessions related to health and sickness prevention, work and personal environment, mental well-being, physical activity and nutrition were carried out in 2018 (Detailed information available in section 7.2. Note 7.4)

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DIVERSITY

- 55 percent of the current workforce are women
- 40.8% of management and leadership job positions are held by women
- 245,060.32 euros invested in workplace integration measures
- 532,886.7 euros in contracts conceded to special employment centers
- 2.5 percent of employees with some type of disability on the workforce
- 47.8 percent of employees trained via an e-learning course on disability
- 150 volunteering activities directed at people with disabilities
- Employees from 91 nationalities form part of the Group
- 5 generations (Veterans, Baby Boomer and Generations X, Y and Z) make up MAPFRE's workforce
- 279 mentors and 139 mentees taking part in the global traditional and inverse mentoring program that promotes continued development through the exchange of knowledge among generations

INNOVATION

- 100 million euros invested in innovation and transformation
- 600 million euros invested annually in technology
- Creation of new innovation model, MAPFRE Open Innovation (MOi), to drive strategic innovation
- Launch of *insur_space* accelerator to boost disruptive innovation
- 14,500 employees contributed 450 ideas through their participation in MAPFRE *innova*, an intrapreneurship program launched in three countries
- 46 new products launched

CORPORATE VOLUNTEERING

- 7,800 volunteers took part in more than 1,600 activities in 2018, impacting directly on more than 11,000 people
- 16% of the global workforce has experienced volunteering in some form
- 225,953 euros donated to social projects through the "Euro Solidarity" program, which was established in Spain in 2017

**For a complete overview of the social work that MAPFRE carries out through Fundación MAPFRE, please consult the Fundación MAPFRE Annual Report 2018, which is available on its website.*

7. SUPPLEMENTARY INFORMATION

7.1. Bases of preparation and presentation of the report

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

About this report

Integrated Report

This Report has been prepared in accordance with the Exhaustive option of the GRI Standards, the financial sector supplement of GRI (whose content index is attached as an annex to this report) and the recommendations of the information framework published by the International Integrated Report Council (IIRC).

Furthermore, the report meets the reporting requirements established by Directive 2014/95/EU on the disclosure of non-financial and diversity information, as well as its respective transpositions in Spain (Law 11/2018 of December 28) and in Italy (Legislative Decree 254/16 NFI). It also includes information required for the Consolidated Non-Financial Information Statement, which forms part of the Consolidated Management Report of MAPFRE S.A.

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

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

This report was analyzed by the company's Audit and Compliance Committee and drafted by the MAPFRE S.A. Board of Directors at its meeting held on February 6, 2019.

Scope of information

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

The Alternative Performance Measurements (APMs) used in the Report that relate to those financial measurements not defined or described within the framework of the applicable financial information, may be consulted at the website:

<https://www.mapfre.com/corporate/institutional-investors/investors/financial-information/alternative-performance-measures.jsp>

Some of the figures included in this Report have been rounded. Therefore, discrepancies may occur in the tables between the totals and the amounts listed due to this rounding.

Materiality, relevance and inclusiveness

This Integrated Report includes all relevant information concerning MAPFRE for its stakeholders. In 2018, a study was conducted in 13 countries to identify areas of greater interest for the company and its interest groups in terms of sustainability.

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

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

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

- The "Notes" section of this same report.
- Consolidated Annual Accounts, Consolidated Management Report; (published on the corporate website, at www.mapfre.com).
- Annual Report of Fundación MAPFRE. (Published on the website www.fundacionmapfre.org).
- Annual Corporate Governance Report (published on the corporate website, at www.mapfre.com).
- Annual Report on Remuneration of Board Members of quoted companies (published on the corporate website, at www.mapfre.com).

Responsiveness

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

- Social Responsibility: responsabilidadsocial@mapfre.com
- Corporate Communication Division: comunicacion@mapfre.com
- Environment: medioambiente@mapfre.com
- Investor Relations: relacionesconinversores@mapfre.com
- MAPFRE corporate website: www.mapfre.com

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External verification

Indicators' quantitative and qualitative data respond to new GRI standards, and were verified externally by KPMG Asesores S.L., encompassing information provided on activities carried out in MAPFRE Asistencia, MAPFRE Global Risks, MAPFRE RE and MAPFRE Insurance in Germany, Brazil, Columbia, Spain, USA, Italy, Mexico, Peru, and Turkey for the Insurance Unit, as well as the Asistencia, Global Risks, and Reinsurance units, which jointly represent 98.93 percent of the Group's overall business volume.

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

Balance

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

7.2. Materiality

[GRI 102-15, 102-21, 102-43, 102-44, 102-47, 102-49, 103-1, 103-2, 103-3, 412-1, FS5]

Materiality is a process whereby a company determines what issues may affect its activities most in terms of sustainability, bearing in mind interest groups that may be affected or may affect those issues in the process. The result of this process is called "material issues".

For MAPFRE, materiality serves a double function; on one hand, it is a requirement for filing annual reports, and on the other it is a tool that contributes to managing internal sustainability operations (aligning material issues with sustainability strategy and the Group sustainability plan).

MAPFRE has had an internal process in place since 2014, which is constantly being improved. Each year it is reviewed in line with the GRI, which accords the MDS (Materiality Disclosures Service) Seal every year and which appears in the GRI Indicators contents (see page 154 of this report).

The materiality process is deployed in three phases:

Phase 1. Preparation of the 2018 materiality study

- The list of issues to be consulted was reviewed based on the following sources:
 - External (among others): Agenda 2030, World Covenant of the United Nations, the 2018 report on Global Risks from the World Economic Forum, sector studies published during the year, European Directive 2014/95 on non-financial and diversity disclosures, as well as the demands for information from the Dow Jones Sustainability Index (DJSI) and FTSE4Good.
 - Internal: the Group's 2016-2018 Sustainability Plan in force, and the company's Strategic Plan.
- A total of 23 issues were validated for consultations with stakeholders.
- It was decided to expand the extent of the study (see Phase 2.2)

The results of this review exercise, material and relevant issues for the 2017 fiscal year have been validated.

Phase 2. Execution: this phase in turn consists of three key processes:

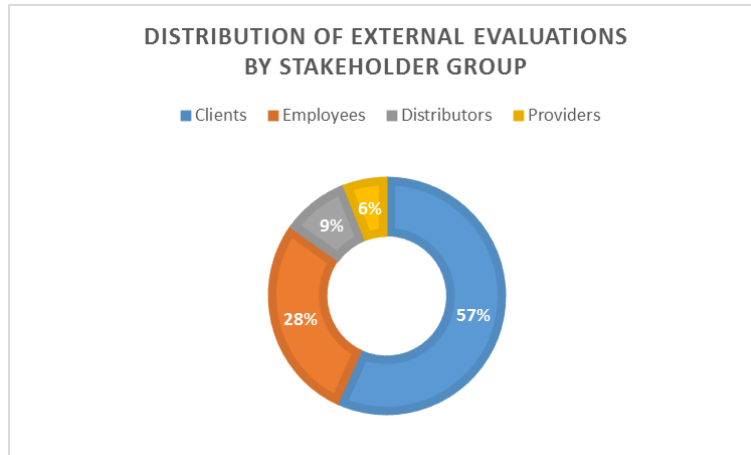
2.1. Internal analysis by the company of the initial list of issues (internal evaluation): Internal analysis is held every two years. The 2017 internal evaluation process included the “maturity” variable, used to analyze issues taking into account the strategic plans and lines for each area and their level of development.

Since there have been no relevant changes that could affect the ESG issues of the company during the materiality analysis, the evaluation is considered valid and stable. And so the initial issues were validated in 2018 and submitted for external review.

2.2. Interest group external analysis: in 2018, the external evaluation process was implemented for employees, clients, distributors and providers in a total of 13 countries invited to participate (nine more than in 2017) representing 66.5 percent of the business volume: Argentina, Brazil, Colombia, Spain, Italy, Mexico, Paraguay, Peru, Portugal, Puerto Rico, the Dominican Republic, Turkey and Venezuela.

The external analysis survey measures different and complementary variables. On one hand, **the importance** of the issue for the specific stakeholder, and secondly how these groups **perceive** how the company is handling the issue. This information turned out to be quite useful for managing sustainability, as it makes it possible to develop improvement plans and actions throughout the year.

The external consultation process was carried out by CBI via an online questionnaire, and their participation again this year guarantees the anonymity and confidentiality of the responses received. A total of 652,620 evaluations were recorded this year, which is considered a broadly representative sampling, divided as follows.



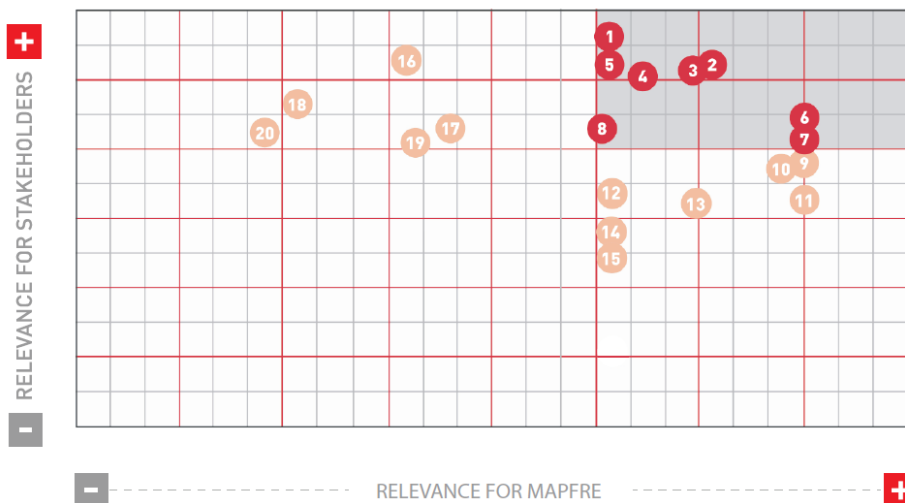
Phase 3. Analysis and presentation of results

MAPFRE considers three levels of results in the study:

- Material issue: one in which there exist a coincidence in the high score level and consideration of the topics, both for MAPFRE and for the stakeholders consulted.
- Relevant issues: those which are not top priority (such as material issues) for the company/its stakeholders, but are key in that they require constant management and follow-up, in that they might affect the company or its stakeholders.
- Non-material: those topics that received the lowest scores from both the company and the stakeholders.

Data is presented in aggregate form in the report, 2018 material and relevant issues (*global materiality matrix*) and the perception that stakeholders have about how MAPFRE is handling these issues. Each country participating in the study has its own matrix and perceptual study.

MATERIALITY MATRIX

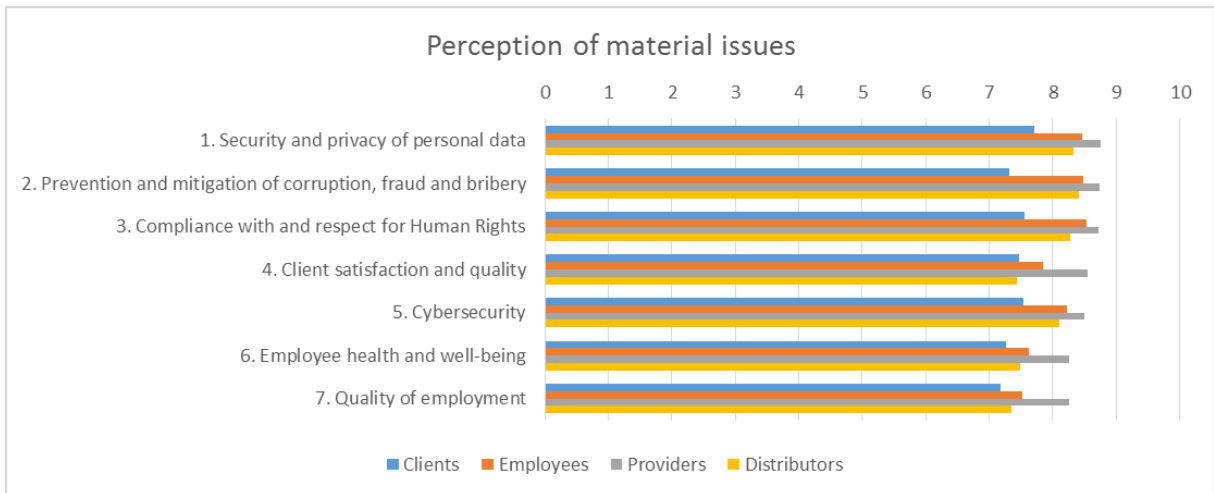


LEGEND

MATERIAL	1	Security and data privacy
	2	Prevention and mitigation of corruption, fraud and bribery
	3	Compliance and respect of human rights
	4	Customer satisfaction and quality
	5	Cybersecurity
	6	Employee health and well-being
	7	Quality of employment
	8	Innovation
RELEVANT	9	Professional development and talent
	10	Agile grievance mechanisms
	11	Promotion of equal opportunities and management of diversity
	12	Efficient management of spills and waste
	13	Economic, social and environmental development agent
	14	Climate change
	15	Carbon footprint
	16	Tax obligations
	17	Ethics and integrity of employees and governing bodies
	18	Transparency and honesty in communications
	19	Ethics and Integrity In Providers
	20	Fluid and honest relation with stakeholders

The accompanying table shows these issues, arranged in descending order of relevance and stakeholder perception on a scale of 1 to 10:

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Materiality performance 2017-2018

Material issues related to security and data privacy, cybersecurity, prevention of corruption, fraud, and bribery, compliance with and respect for human rights, and customer satisfaction.

A new one arose in 2018: Innovation. This matter was also considered relevant in 2017.

“Energy consumption and emissions” is no longer considered material, but rather, is now deemed to be relevant. As can be observed from the Materiality Matrix, “Climate Change”, “Carbon Footprint” and “efficient management of spills and waste are considered relevant, which MAPFRE considered more important than the stakeholders consulted. As a matter of fact, these topics are included in the Group’s 2016-2018 Sustainability Plan, as well as the 2020 Energy Efficiency and Climate Change Strategic Plan.

TABLE SHOWING LOCATION OF MATERIAL ISSUES IN REPORT

This report deals with those issues identified as material. The following table indicates the location where these seven issues are dealt with.

Material Issue	Chapter of report where response to issue can be found
1. Security and privacy of personal data	4.2 Ethics and Social Responsibility –Corporate Social Responsibility / Ethical Behavior: Main compliance and prevention measures: Security 6.4 Intellectual Dimension: Cybersecurity
2. Prevention and mitigation of corruption, fraud and bribery	4.2 Ethics and Social Responsibility –Corporate Social Responsibility / Sustainability Plan/ Ethical Behavior: Main compliance and prevention measures: Compliance - Internal Control - Prevention of Fraud and Corruption - Internal Audit.

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3. Compliance with and respect for human rights	<p>4.2 Ethics and Social Responsibility –Corporate Social Responsibility / Sustainability Plan / Ethical Behavior: Main compliance and prevention measures</p> <p>6.6. Social and Relational Dimension - Managing Stakeholder Relations - international commitments related to sustainability assumed by MAPFRE -</p> <p>Human Rights Commitments - 2030 United Nations Agenda, and Sustainable Development Objectives</p> <p>7.4 - Note 5: Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures</p>
4. Client satisfaction and quality	<p>4.2 Ethics and Sustainability - Sustainability Plan</p> <p>6.2. Productive Dimension - Quality</p>
5. Cybersecurity	6.4 Intellectual Dimension: Cybersecurity
6. Employee Health and Well-Being	<p>6.3. Human Dimension - Diversity and inclusion / Employee Experience</p> <p>7.4 – Note 2: Health and well-being</p>
7. Quality of employment	<p>6.3. Human Dimension - Diversity and inclusion / Employee Experience / the Continuing Talent Challenge</p> <p>7.4 – Note 1: New hires and employee departures</p>

7.3. GRI content index

[GRI 102–55]

Data responding to GRI Indicators and the requirements established by Directive 2014/95 EUA on the disclosure of non-financial and diversity information, as well as its respective transpositions in Spain (Law 11/2018 of December 28) and in Italy (Legislative Decree 254/16 NFI) was obtained through Sygris, the Group’s social responsibility data-management tool.

Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
GRI 102. General contents 2016			
1. Organizational profile			
102-1. Name of the organization	MAPFRE	Law 11/2018	✓
102-2. Activities, brands, products, and services	2. MAPFRE Group 3. Business model, strategy, and performance 3.4. Business performance 6.1 Financial Dimension 6.4. Intellectual Dimension - Innovation: New products and services launched in 2018 7.4 Note 6 – Social and environmental products and services.	Law 11/2018 SDG 8,9,11	✓
102-3. Location of headquarters	Madrid	Law 11/2018	✓
102-4. Location of operations	2. MAPFRE Group 2.2 Deployment.	Law 11/2018	✓
102-5. Ownership and legal form	2. MAPFRE Group	Law 11/2018	✓
102-6. Markets served	2.2 Deployment. 3. Business model, strategy, and performance 3.4. Business performance 6.1 Financial Dimension	Law 11/2018 SDG 8,17	✓
102-7. Scale of the organization	2.2 Deployment. 2.3 Key financial figures. 6.1 Financial Dimension 6.3 Human Dimension - General data	Law 11/2018 SDG 8,17	✓
102-8. Information on employees and other workers	6.3 Human Dimension – General information / Diversity management.	Law 11/2018 SDG 8,10	✓
102-9. Supply chain	6.2 Productive Dimension - Providers	Law 11/2018: Information about the company: Subcontracting and providers SDG 8	✓

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Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
102-10. Significant changes to the organization and its supply chain	3.4.1 General information - relevant issues 6.2 Productive Dimension - Providers		✓
102-11. Precautionary principle or approach	7.1 Bases of preparation and presentation of the report. 5. Risks and opportunities	Law 11/2018: Environmental questions: general information	✓
102-12. External initiatives	6.6 Social and Relational Dimension / Commitments to sustainability. 6.4 Intellectual Dimension – Branding and Reputation.	Law 11/2018: Information about the company: commitment to sustainable development: sponsorship or association actions SDG 16 and 17 Principles 1-10 Global Compact	✓
102-13. Membership of associations	6.5 Social and Relational Dimension: relationship channels with stakeholders; Commitments to sustainability.	Law 11/2018: Information about the company: commitment to sustainable development: sponsorship or association actions SDG 17	✓
2. Strategy			
102-14. Statement from senior decision-makers	1. Letter from the chairman and CEO. 3.1 Business model. 4.1 Governance System.	Law 11/2018: General information	✓
102-15. Key impacts, risks, and opportunities	2.4 Regulatory framework and environment. 3.3 Future outlook. 5. Risks and opportunities / ESG Risks and opportunities 7.2 Materiality.	Law 11/2018: General information	✓
3. Integrity and ethics			
102-16. Values, principles, standards, and norms of behavior	3.1 Business model. 4.1 Governance System. 4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures /Code of Ethics and Conduct	Law 11/2018 SDG 16,17	✓
102-17. Mechanisms for advice and	4.2 Ethics and Sustainability - Ethical Behavior:	Law 11/2018:	✓

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Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
concerns about ethics	key prevention and compliance measures / Code of Ethics and Conduct / Ethics Committee / Whistleblowing Channel 6.6 Social and relational dimension: Measures adopted to guarantee respect for Human Rights 7.4 Note 7 - Global Compact Principles and measures adopted to prevent and comply with MAPFRE's human rights measures mapfre.com https://www.mapfre.com/corporativo-es/negocio-responsable/definicion-objetivos-responsabilidad-social/codigo-etico/	Information on respect for Human Rights, Information related to the fights against corruption: prevention measures SDG 16 and 17 Principles 1-10 Global Compact	
4. Governance			
102-18. Governance structure	2. Mapfre Group. 4.1 Governance System. 4.2 Ethics and Sustainability	SDG 16	✓
102-19. Delegating authority	4.1 Governance System. 4.2 Ethics and Sustainability Section C.2.1. of the Annual Corporate Governance Report (ACGR).	Principles 1-10 Global Compact	✓
102-20. Executive-level responsibility for economic, environmental, and social topics	4.1 Governance System. 4.2 Ethics and Sustainability Section C.2.1. of the Annual Corporate Governance Report (ACGR).	Principles 1-10 Global Compact	✓
102-21. Consulting stakeholders on economic, environmental, and social topics	7.2 Materiality.	Principles 1-10 Global Compact SDG 16	✓
102-22. Composition of the highest governance body and its committees	4.1 Governance System. 6.3 Human Dimension - Diversity and inclusion	SDG 5, 16	✓
102-23. Chair of the highest governance body	4.1 Governance System.		✓
102-24. Nominating and selecting the highest governance body	Sections C.1.16., C.1.5. and C.1.6. of the Annual Corporate Governance Report (ACGR).	SDG 5, 16	✓
102-25. Conflicts of interest	Sections D.6. and D.7. and A.1. to A.7. of the Annual Corporate Governance Report (ACGR).	SDG 16	✓
102-26. Role of highest governance body in setting purpose, values, and strategy	4.1 Governance System. Section C.2.1. of the Annual Corporate Governance Report (ACGR). Title I, Chapter II of the Board of Directors Regulation of MAPFRE: Duties and Responsibilities of the Board		✓
102-27. Collective knowledge of highest governance body	Sections C.1.35 of the Annual Corporate Governance Report (ACGR).		✓
102-28. Evaluating the highest governance body's performance	Section C.1.17. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of	SDG 16	✓

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Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
	Directors Regulation from MAPFRE and published on the corporate website. Title I. Board of Directors and Title II. Committees and Steering Committees		
102-29. Identifying and managing economic, environmental, and social impacts	5. 5. Risks and opportunities - ESG Risks and opportunities 7.2 Materiality. Sections E.1., E.2. and F.1. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1-10 Global Compact SDG 16	✓
102-30. Effectiveness of risk management processes	5. Risks and opportunities - ESG Risks and opportunities Sections E.2. and E.6. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1-10 Global Compact	✓
102-31. Review of economic, environmental, and social topics	5. 5. Risks and opportunities - ESG Risks and opportunities 7.2 Materiality. Section E.1. of the ACGR. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Chapter IV: Risk and Compliance Committee	Principles 1-10 Global Compact	✓
102-32. Highest governance body's role in sustainability reporting	7.1 Bases of preparation and presentation of the report. Section C.2.1. of the Annual Corporate Governance Report (ACGR). Given its relevance, we refer to the Board of Directors Regulation published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board	Principles 1-10 Global Compact	✓
102-33. Communicating critical concerns	4.2 Ethics and Sustainability page - CSR policies / Code of Ethics and Conduct / Ethics Committee	Principles 1-10 Global Compact	✓
102-34. Nature and total number of critical concerns	Ethical Behavior 6.4 Intellectual Dimension - Cybersecurity Code of Ethics and Conduct https://www.mapfre.com/corporate/re		✓

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	<p>sponsible-business/definition-objectives-social-responsibility/code-ethics/</p> <p>Given its relevance, we refer to the Board of Directors Regulation, a document approved in January 2016 and published on the corporate website. Title I Chapter I: Duties and Responsibilities of the Board</p>		
102-35. Remuneration policies	<p>4.1 Governance System. 6.3 Human Dimension - Remuneration and Recognition Annual report on directors' remuneration https://www.mapfre.com/corporate/institutional-investors/general-shareholders-meeting/</p>	Law 11/2018: Questions related to personnel: employment	✓
102-36. Process for determining remuneration		Law 11/2018: Questions related to personnel: employment	✓
102-37. Stakeholders' involvement in remuneration		Principles 1, 2, 3, 4, 6 and 10 of the Global Compact	✓
102-38. Annual total compensation ratio	<p>The annual total compensation ratio in Spain is 15.67. This ratio is calculated at Spain level, where the Company's headquarters is located, without including the corporate areas, and is taken as the ratio of the total compensation paid to the highest paid individual in the Company and the average of the annual total compensation of all full-time employees, excluding the highest-paid individual. The resulting data is considered reasonable taking the current workforce structure into account.</p> <p>Spain represents 30.9 percent of the Group's workforce.</p>	Law 11/2018: Questions related to personnel: employment Principles 1, 2, 3, 4, 6 and 10 of the Global Compact	✓

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102-39. Percentage increase in annual total compensation ratio	<p>The ratio of the percentage increase in annual total compensation in Spain 3.12. This ratio is calculated at Spain level, where the Company's headquarters is located, without including the corporate areas, and is taken as the ratio between the increase in annual total compensation received by the highest paid individual in the Company to the average percentage increase in the total annual compensation of all full-time employees.</p> <p>Spain represents 30.9 percent of the Group's workforce.</p>	Global Compact Principles 1,2, 3, 4,6 and 10	
5. Participation of stakeholders			
102-40. List of stakeholder groups	6.6 Social and Relational Dimension – Management of relationships with Stakeholders.	Global Compact Principles 1-10	✓
102-41. Collective bargaining agreements	6.6 Social and Relational Dimension – Management of relationships with Stakeholders. Relationship channels.	<p>Law 11/2018: Questions related to personnel: employment</p> <p>Principles 1, 2, 3, 4, and 6 of the Global Compact</p> <p>SDG 8</p>	✓
102-42. Identifying and selecting stakeholders	6.6 Social and Relational Dimension – Management of relationships with Stakeholders.		✓
102-43. Approach to stakeholder engagement	6.6 Social and Relational Dimension – Management of relationships with Stakeholders. Relationship channels. 7.2 Materiality.	<p>Law 11/2018: Information about the company: commitment to sustainable development: relationships with Stakeholders/local communities; Information about the company: Consumers</p> <p>Global Compact Principles 1-10</p>	✓
102-44. Key topics and concerns	6.6 Social and Relational Dimension –	Law 11/2018:	✓

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Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
raised	Management of relationships with Stakeholders. Relationship channels 7.2 Materiality.	Information about the company: Consumers Global Compact Principles 1-10	
6. Practices for drawing up reports			
102-45. Companies included in the consolidated financial statements	7.1 Bases of preparation and presentation of the report. Consolidated annual accounts and management report 2018 https://www.mapfre.com/corporate/institutional-investors/financial-information/annual-reports/	Law 11/2018	✓
102-46. Defining report content and topic Boundaries	7.1 Bases of preparation and presentation of the report.		✓
102-47. List of material topics	7.2 Materiality.	Global Compact Principles 1-10	✓
102-48. Restatements of information	7.1 Bases of preparation and presentation of the report. 7.4 External verification report.		✓
102-49. Changes in reporting	7.1 Bases of preparation and presentation of the report. 7.4 External verification report.		✓
102-50. Reporting period	7.1 Bases of preparation and presentation of the report.		✓
102-51. Date of most recent report	7.1 Bases of preparation and presentation of the report. https://www.mapfre.com/corporate/responsible-business/annual-reports/		✓
102-52. Reporting cycle	Annual		✓
102-53. Contact point for questions regarding the report	7.1 Bases of preparation and presentation of the report.		✓
102-54. Claims of reporting in accordance with the GRI Standards	7.1 Bases of preparation and presentation of the report.	Law 11/2018: General information	✓
102-55. GRI content index	7. Supplementary Information – Index of Indicators.	Law 11/2018	✓
102-56. External assurance:	7.4 External verification report.	Law 11/2018	
GRI 103. Management approach 2016			
103-1 Explanation of the material topic and its Boundary	6.6 Social and Relational Dimension – Management of relationships with Stakeholders. 7.2 Materiality.	Law 11/2018 Global Compact Principles 1-10	✓
103-2 The management approach and its components	6.6 Social and Relational Dimension – Management of relationships with Stakeholders. 7.2 Materiality.	Law 11/2018 SDG 16	✓

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Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
103-3 Evaluation of the management approach	7.2 Materiality.	Law 11/2018	✓
GRI 201. Economic performance 2016			
201-1 Direct economic value generated and distributed	2.3 Key financial figures. 3.4.2. Information by Business Unit 6.1 Financial Dimension 6.5 Social and Relational Dimension – Our Social Value, Shared Value: economic footprint. Consolidated annual report 2018 https://www.mapfre.com/corporate/investors/general-shareholders-meeting/	Law 11/2018: Information related to the fights against corruption and bribery; Information about the company: tax information Global Compact Principles 1-10 SDG 1,2,5,7,8 and 9	✓
201-2-Financial implications and other risks and opportunities due to climate change	5. ESG Risks and opportunities 6.5. Natural Dimension - Climate Change Action Strategy 7.4 Note 6 – Social and environmental products and services. Consolidated annual report 2018 https://www.mapfre.com/corporate/institutional-investors/general-shareholders-meeting/	Law 11/2018: Environmental questions: Climate Change: emissions, adaptation measures Principles 7, 8 and 9 of the Global Compact SDG 13	✓
201-3- Defined benefit plan obligations and other retirement plans	6.3 Human Dimension - Remuneration and Recognition	Law 11/2018: Questions related to personnel: employment Principles 1, 6 and 10 of the Global Compact	✓
201-4- Financial assistance received from government	The public subventions received do not represent a significant amount as a percentage of Group total revenues.	Law 11/2018: Information about the company: tax information	✓
GRI 202. Market presence 2016			
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	MAPFRE applies the principle of equal opportunities and non-discrimination to all processes of selection, promotion and mobility,	Law 11/2018 SDG 8	✓

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	<p>with the qualifications, merits, value and professional capacity of the candidates, the criteria to be taken into account in order to perform objectively the chose.</p> <p>In MAPFRE, the salary ratio of the initial standard category is established by level and the nature of the function to be developed, and does not distinguish by gender.</p> <p>Normally, the ratio of the initial standard category is determined by a Collective Agreement (sectorial or company). In general, in those countries where there is a local minimum wage, the MAPFRE entry-level wage is higher. For example, in Spain, headquarters of the Group, the ratio is 52%.</p>		
202-2 Proportion of senior management hired from the local community	6.3 Human Dimension -- Internal Mobility	SDG 8	✓
GRI 204. Acquisition practices 2016			
204-1 Proportion of spending on local providers	6.2 Productive Dimension - Providers	<p>Law 11/2018: Information on the commitment to sustainable development: impact on employment and local development</p> <p>Global Compact Principle 10</p> <p>SDG 1,5, 8</p>	✓
GRI 205. Anti-corruption 2016			
205-1- Operations assessed for risks related to corruption	<p>4.2 Ethics and Sustainability page Ethical Behavior Code of Ethics and Conduct and Ethics Committee:</p> <p>5. Risks and opportunities</p> <p>7.4 Note 7 - Global Compact Principles and measures adopted to prevent and comply with MAPFRE's human rights</p>	Law 11/2018: Information related to the fight against fraud and corruption	✓
205-2- Communication and training about anti-corruption policies and procedures		Global Compact Principle 10	✓
205-3- Confirmed incidents of corruption and actions taken		SDG 16	✓
GRI 206. Anti-competitive Behavior 2016			

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Standard and Content	PAGE No. / INFORMATION	Other references	KPMG verified
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2018, no legal actions were taken for anti-competitive behavior, anti-trust, and monopoly practices.	Global Compact Principle 10 SDG 16	✓

Standard and Content	PAGE No. / INFORMATION	Other references	
GRI 301. 2016 Materials			
301-1 Materials used by weight or volume	7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: Sustainable use of resources: raw material consumption. Principles 7, 8, 9 and 12 of the Global Compact SDG 8, 12	✓
301-2- Recycled input materials used	7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: Circular economy and prevention of waste management: prevention measures; Sustainable use of resources: raw material consumption Principles 7, 8 and 9 of the Global Compact SDG 8, 12	✓
GRI 302. Electricity 2016			
302-1- Energy consumption within the organization	6.5 Natural Dimension - Climate change action strategy 7.4 Note 5 – Environmental information.	Law 11/2018: Sustainable use of resources: direct / indirect energy	✓

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		consumption; use of renewable energies Principles 7, 8 and 9 of the Global Compact SDG 7,8,12 and 13	
302-2 Energy consumption outside of the organization	6.5 Natural Dimension - Climate change action strategy 7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: Sustainable use of resources: direct / indirect energy consumption; use of renewable energies Principles 7, 8 and 9 of the Global Compact SDG 7,8,12 and 13	✓
302-3- Energy intensity	6.5 Natural Dimension - Climate change action strategy 7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: Sustainable use of resources: direct / indirect energy consumption; use of renewable energies Principles 7, 8 and 9 of the Global Compact SDG 7,8,9, 12 and 13	✓
302-4- Reduction of energy consumption	7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: Sustainable use of resources: energy efficiency Principles 7, 8 and 9 of the Global Compact	✓
302-5 Reductions in energy requirements of products and services	6.5 Natural Dimension - Climate change action strategy	Law 11/2018: Environmental questions: Sustainable use of resources: energy efficiency Principles 7, 8 and 9 of the Global Compact SDG 7,8,9, 12 and 13	✓

GRI 303. Water 2016			
303-1 Water withdrawal by source	7.4 Note 5– Environmental information.	Law 11/2018: Environmental questions: Sustainable use of resources: direct / indirect energy consumption; use of renewable energies Principles 7, 8 and 9 of the Global Compact SDG 6	✓
GRI 304. Biodiversity 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	MAPFRE does not have work centers in protected areas or in unprotected high biodiversity areas.	Law 11/2018: Environmental questions: Protection of biodiversity: preservation Principles 7, 8 and 9 of the Global Compact SDG 6,14 and 15	✓
304-2 Significant impacts of activities, products, and services on biodiversity	6.5 Natural Dimension - Biodiversity Preservation	Law 11/2018: Environmental questions: Protection of biodiversity: preservation Principles 7, 8 and 9 of the Global Compact SDG 6, 14 and 15	✓
304-3 Protected or restored habitats	Due to the nature of MAPFRE's activity, this indicator is not applicable.		✓
304-4 Species that appear on the IUCN Red List and in national conservation lists whose habitats are in areas affected by operations	Due to the nature of MAPFRE's activity, this indicator is not applicable. [KPMG4]		✓
GRI 305. Emissions 2016			
305-1 Direct (Scope 1) GHG emissions	6.5 Natural Dimension - Climate change action strategy 7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: pollution, Climate Change,	✓

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		emissions Principles 7, 8 and 9 of the Global Compact SDG 2,3,12,13, 14 and 15	
305-2 Energy indirect (Scope 2) GHG emissions	6.5 Natural Dimension - Climate change action strategy	Law 11/2018: Environmental questions: pollution, Climate Change, emissions Principles 7, 8 and 9 of the Global Compact SDG 3, 12, 13, 14, 15	✓
305-3- Other indirect (Scope 3) GHG emissions	6.5 Natural Dimension - Climate change action strategy	Law 11/2018: Environmental questions: pollution, Climate Change, emissions Principles 7, 8 and 9 of the Global Compact SDG 3, 12, 13, 14, 15	✓
305-4 GHG emissions intensity	6.5 Natural Dimension - Climate change action strategy	Law 11/2018: Environmental questions: pollution, Climate Change, emissions Principles 7, 8 and 9 of the Global Compact SDG 13, 14, 15	✓
305-5- Reduction of GHG emissions	6.5 Natural Dimension - Climate change action strategy	Law 11/2018: Environmental questions: pollution,	✓

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		Climate Change, emissions Principles 7, 8 and 9 of the Global Compact SDG 13, 14, 15	
GRI 306. Effluents and waste 2016			
306-2- Wastes by type and disposal method	7.4 Note 5 – Environmental information.	Law 11/2018: Environmental questions: Circular economy and prevention of waste management: prevention measures and actions Principles 7, 8 and 9 of the Global Compact SDG 3, 6 and 12	✓
306-3- Significant spills	During 2018 no spills or leaks in establishments or facilities where MAPFRE carries out its activities were registered.	Principles 7, 8 and 9 of the Global Compact SDG 3,6,12,14 and 15	✓
306-4- Transport of hazardous waste	7.4 Note 5 – Environmental information.	Principles 7, 8 and 9 of the Global Compact SDG 3, 12	
306-5 Water bodies affected by water discharges and/or runoff	The activity carried out by MAPFRE is mainly administrative and, by its nature, has a low environmental impact. This year no significant impacts have been identified in this area	Law 11/2018: Environmental questions: Preservation of biodiversity: impact Principles 7, 8 and 9 of the Global Compact SDG 6, 15	✓
GRI 307. Environmental compliance 2016			
307-1 Non-compliance with environmental laws and regulations	The company does not have any record of having received a significant environmental fine in 2018.	Principles 7, 8, 9 and 10 of the Global Compact	✓

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		SDG 16	
GRI 308. Provider environmental evaluation 2016			
308-1. New providers that were screened using environmental criteria	6.2 Productive Dimension - Providers ESG provider approval	Law 11/2018: Information about the company: tax information Principles 7, 8, 9 and 10 of the Global Compact	✓
308-2- Negative environmental impacts in the supply chain and actions taken	6.2 Productive Dimension - Providers	Law 11/2018 Principles 7, 8, 9 and 10 of the Global Compact	✓
Standard and Content	PAGE No. / INFORMATION	Other references	
GRI 401. Employment 2016			
401-1 - New employee hires and employee turnover	6.3 Human Dimension – General information / Diversity management. 7.4 Note 1 – New hires and departures.	Law 11/2018: Social questions related to personnel: Organization of work: Equality Global Compact Principles 1, 2, 3, 6 and 10	✓
401-2- Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.3 Human Dimension - Remuneration and Recognition/Work-life balance and Well-being	Global Compact Principles 1, 2, 3, 6 and 10 SDG 3,5 and 8	✓
401-3 Parental leave	6.3 Human Dimension - Work-life balance and Well-being 7.4 Note 4 – Health and well-being.	Law 11/2018: Social questions related to personnel: Organization of work: Equality Global Compact Principles 1, 2, 3, 6 and 10 SDG 5,8	✓
GRI 402. Labor/Management Relations 2016			
402-1 - Minimum notice periods regarding operational changes	6.5 Social and Relational Dimension – Relationship channels with workers' representatives	Law 11/2018: Social questions related to personnel: Social relations	✓

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		Global Compact Principles 1, 2, 3, and 6 SDG 8	
GRI 403. Occupational health and safety 2016			
403-1 - Workers' representation in formal joint management-worker health and safety committees	6.3 Human Dimension - Employee Experience Relevant data for the year. 6.5 Social and Relational Dimension – Relationship channels with workers' representatives 7.4 Note 4 – Health and Well-being.	Law 11/2018: Social questions related to personnel: Social relations Global Compact Principles 1, 2, 3, and 6 SDG 8	✓
403-2 – Types of injury and rate of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	6.3 Human Dimension Employee Experience	Law 11/2018: Social questions related to personnel: Organization of work; Health and safety Global Compact Principles 1, 2, 3, 4 and 6 SDG 3, 8	✓
403-3 - Workers with high incidence or high risk of diseases related to their occupation	6.3 Human Dimension - Employee Experience / Conciliation and Well-being. 6.6 Social and relational Dimensions – relationship channels with workers' representatives. 7.4 Note 4 – Health and Well-being.	Law 11/2018: Social questions related to personnel: Social relations Global Compact Principles 1, 2, 3, 4 and 6 SDG 3, 8	✓
403-4 - Health and safety topics covered in formal agreements with trade unions	6.3 Human Dimension - Employee Experience / conciliation and well-being 6.6 Social and Relational Dimension - Relationship channels with workers' representatives 7.4 Note 4 – Health and Well-being.	Law 11/2018: Social questions related to personnel: Social relations Global Compact Principles 1, 2, 3, 4	✓

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		and 6 SDG 8	
GRI 404. Training 2016			
404-1 - Average hours of training per year per employee	6.3 Human Dimension - / Learning and knowledge management.	Law 11/2018: Social questions related to personnel: Training Global Compact Principles 1, 2, 3, 4, 6 and 8 SDG 4,5 and 8	✓
404-2 Programs for upgrading employee skills and transition assistance programs	6.3 Human Dimension - page / Internal Mobility / Learning and knowledge management	Law 11/2018: Social questions related to personnel: Training Global Compact Principles 1, 2, 3, 4, 6 and 8 SDG 8	✓
404-3 - Percentage of employees receiving regular performance and career development reviews	6.3 Human Dimension - page Remuneration and recognition.	Global Compact Principles 1, 2, 3, 4, 6 and 8 SDG 5,8 and 10	✓
GRI 405. Diversity and equal opportunities 2016			
405-1- Diversity of governance bodies and employees	4. 1 Governance System - Diversity and Experience 4.2 Ethics and Sustainability 6.3 Human Dimension - Diversity and Inclusion	Law 11/2018: Social questions related to personnel: Employment; Accessibility; Equality Global Compact Principles 1, 2, 3, 4 and 6 SDG 5, 8	✓
405-2 – Ratio of basic salary and remuneration of women to men	6.3 Human Dimension - Managing Diversity/Remuneration and Recognition	Law 11/2018: Social questions related to personnel: Employment Global Compact	✓

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		Principles 1, 2, 3, 4 and 6 SDG 5, 8, 10	
GRI 406- Non-discrimination 2016			
406-1 – Incidents of discrimination and corrective actions taken	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures / Code of Ethics and Conduct / Ethics Committee / Whistleblowing Channel Protection of employees from moral and sexual harassment in the workplace 6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures	Law 11/2018: Social questions related to personnel: Equality; Information about respect for Human Rights Global Compact Principles 1, 2, 3, 4, 6 and 10 SDG 5,8, 16	✓
GRI 407. Freedom of association and collective bargaining 2016			
407-1- Operations and providers in which the right to freedom of association and collective bargaining may be at risk	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures 6.6 Social and Relational Dimension – Relationship channels / Employees and their legal representatives / SDG and Human Rights 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures	Law 11/2018: Information about respect for Human Rights; Information about the company: Subcontracting and providers Global Compact Principles 1, 2, 3, 4, 6 and 10 SDG 8	✓
GRI 408. Child labor 2016			
408-1 Operations and providers at significant risk for incidents of child labor	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures / Code of Ethics and Conduct / Ethics Committee 6.2 Productive Dimension - Providers 6.5 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures	Law 11/2018: Information about respect for Human Rights Global Compact Principles 1, 2, 3, 5, 6 and 10 SDG 8, 16	✓
GRI 409. Forced or compulsory labor 2016			
409-1 Operations and providers at significant for incidents of forced	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures / Code	Law 11/2018: Information about	✓

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or compulsory labor	of Ethics and Conduct / Ethics Committee 6.2 Productive Dimension - Providers 6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures	respect for Human Rights Global Compact Principles 1, 2, 3, 4, 6 and 10 SDG 8	
GRI 410. Security practices 2016			
410-1 Security personnel trained in human rights policies or procedures	4.2 Ethics and Sustainability - Code of Ethics and Conduct / Ethics Committee/Security 5. Risks and opportunities, page / ESG Risks and opportunities 6.2. Productive Dimension - Providers 6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures	Law 11/2018: Information about Human Rights Global Compact Principles 1, 2, 3, and 10 SDG 16	✓
GRI 411. Rights of indigenous peoples 2016			
411 - 1 Incidents of violations involving rights of indigenous peoples	6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures. There is no record of any incidents of violations involving rights of indigenous people.	Law 11/2018: Information about the company: commitment to sustainable development: impact on local populations and the surroundings Global Compact Principles 1, 2, 3, and 10 SDG 2	✓
GRI 412. Human Rights Assessments 2016			
412-1 Operations that have been subject to human rights reviews or impact assessments	6.6 Social and Relational Dimension – SDG and Human Rights. 7.2 Materiality. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE’s human rights measures	Law 11/2018: Information about respect for Human Rights Global Compact Principles 1-10	✓
412-2 Employee training on human rights policies or procedures	6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with	Law 11/2018: Information about respect for Human Rights	✓

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	MAPFRE's human rights measures	Global Compact Principles 1-10	
412-3 Significant investment agreements and contracts that include human rights clauses	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures / Code of Ethics and Conduct; Ethics Compliance 6.2 Productive Dimension - Providers 6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE's human rights measures	Law 11/2018: Information about respect for Human Rights Global Compact Principles 1, 2, 3, 4, 5, 6, 7 and 10	✓
GRI 413. Local communities 2016			
413-1 Operations with local community engagement, impact assessments and development programs	6.3 Human Dimension - Employee Experience Volunteering: 6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 – Global Compact Principles and measures adopted to prevent and comply with MAPFRE's human rights measures www.fundacionmapfre.org	Law 11/2018: Information related to the fight against corruption and bribery; Information about the company: commitment to sustainable development: impact on employment, local development, local populations and the surrounding areas. Global Compact Principles 1, 2, 3, 4, 5, 6, 7 and 10	✓
413-2 Operations with significant actual and potential negative impacts on local communities	6.3 Human Dimension - Employee Experience: Volunteering: 6.6 Social and Relational Dimension – SDG and Human Rights. 7.4 Note 5 - Global Compact Principles and measures adopted to prevent and comply with MAPFRE's human rights measures www.fundacionmapfre.org	Law 11/2018: Information about the company: commitment to sustainable development: impact on local populations and the surrounding areas. Global Compact Principles 1, 2, 3, 4, 5, 6, 7 and 10 SDG 1 and 2	✓
GRI 414. Provider Social Assessment 2016			

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414-1 New providers that were screened using social criteria	6.2 Productive Dimension - Providers	Law 11/2018: Information about the company: Subcontracting and providers. Global Compact Principles 1-10 SDG 5, 8 and 16	✓
414-2 Negative social impacts in the supply chain and actions taken	6.2 Productive Dimension - Providers 6.6 Social and Relational Dimension – SDG and Human Rights.	Law 11/2018: Information about the company: Subcontracting and providers. Global Compact Principles 1-10 SDG 5, 8 and 16	✓
GRI 415. Public policies 2016			
415-1 Political contributions	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures /Code of Ethics and conduct / Ethics Committee Institutional Relations, Institutional, Business and Organizational Principles of the MAPFRE Group https://www.mapfre.com/corporate/institutional-investors/corporate-governance/	Global Compact Principle 10 SDG 16	✓
GRI 417. Marketing and labeling 2016			
417-1 Requirements for product and service information and labeling	Not available. Varies according to local legislation.	SDG 12	
417-2 Incidents of non-compliance concerning product and service information and labeling	4.2 Ethics and Social Responsibility – Grievances and complaints.	Global Compact Principle 10 SDG 12, 16	✓
417-3 Incidents of non-compliance concerning marketing communications	No significant cases of non-compliance with regulations or voluntary codes assumed by the company were reported in 2018.	Global Compact Principle 10 SDG 16	✓
GRI 418. Client privacy 2016			
418-1 Substantiated complaints concerning breaches of client privacy and losses of client data	6.4 Intellectual Dimension - Cybersecurity	Law 11/2018 Global Compact Principles 1, 2, 3, and 10 SDG 16	✓

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GRI 419. Environmental compliance 2016			
419-1 Non-compliance with laws and regulations in the social and economic area	4.2 Ethics and Sustainability - Ethical Behavior: key prevention and compliance measures	Law 11/2018: Information about respect for Human Rights Global Compact Principles 1, 2, 3, and 10 SDG 16	✓

GRI FINANCE SUPPLEMENT INDICATORS					
GRI Indicators		Page / Information		Other references	KPMG verified
Impact of products and services					
FS1	Policies with specific environmental and social components applied to business lines.	4.1 Governance System. 4.2 Ethics and Sustainability 5. Risks and opportunities 6.3 Human Dimension 6.5 Natural Dimension – Strategic environmental model. 7.4 Note 6 – Social and environmental products and services.			✓
FS2	Procedures for assessing and screening environmental and social risks in business lines.	5. Risks and opportunities / ESG Risks and opportunities 6.5 Natural Dimension – Strategic environmental model.			✓
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions with clients.	4.2 Ethics and Sustainability 5. Risks and opportunities / ESG Risks and opportunities 6.5 Natural Dimension – Strategic environmental model. 7.4 Note 6 – Social and environmental products and services.			✓
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	4.2 Ethics and Sustainability: Sustainability training 6.3 Human Dimension – the continuing talent challenge			✓
FS5	Interactions with clients, investors and business partners regarding environmental and social risks and opportunities.	5. Risks and opportunities / ESG Risks and opportunities 6.5 Natural Dimension – Strategic environmental model. 7.2 Materiality. mapfre.com – Group/shareholders and investors corporate information			✓

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Product portfolio			
FS6	Percentage of the portfolio for each business line by specific region, size and sector.	3.4.2 Information by Business Unit.	✓
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by objective.	7.4 Note 4 – Social and environmental products and services.	✓
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by objective.	7.4 Note 6 – Social and environmental products and services.	✓
Auditing			
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	5. Risks and opportunities / ESG Risks and opportunities 6.5 Natural Dimension – Strategic environmental model. 7.1 Bases of preparation and presentation of the report. 7.4 Note 5 – Environmental information: Environmental Audits.	✓
Active ownership			
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 close of this report	✓
FS11)	Percentage of assets subject to positive and negative environmental or social screening.		✓
Community			
FS13	Access points in low-populated or economically disadvantaged areas by type.	4.2 Ethics and Sustainability 7.4 Note 6 – Social and environmental products and services.	✓
FS14	Initiatives to improve access to financial services for disadvantaged people	Annual report of Fundación MAPFRE 2018	✓
Client health and safety			
FS15	Policies for the fair design and sale of financial products and services	4.2 Ethics and Sustainability 7.4 Note 4 – Social and environmental products and services.	✓
Marketing communications			
FS16	Initiatives to improve literacy and financial education by type of beneficiary	Annual report of Fundación MAPFRE 2018	✓

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7.4. Notes

Note 1 - New Hires and Dismissals in 2018 by job position

[GRI 401-1]

Reason for new hire	2018	2017
- Merger or acquisition	0	679
- External recruitment	5,037	4,732
- Return after leave of absence	142	166
- Return from international posting	2	7
- Temporary contract	359	396
- Change of company	787	938

Reason for departure	2018	2017
- Transfer	2	0
- Voluntary	3,131	3,232
- Dismissal	2,543	2,610
- Leave of absence	163	178
- Retirement	87	95
- Early retirement	3	5
- Death	26	23
- Disability	34	25
- Termination of temporary contract	344	340
- Change of company	875	1,161

DISMISSALS BY JOB POSITION LEVEL AND GENDER IN 2018															
	VETERANS			BABY BOOMERS			GENERATION X			GENERATION Y			GENERATION Z		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
MANAGEMENT	4	0	4	40	7	47	21	13	34	3	0	3	0	1	1
HEADS AND MANAGEMENT POSITIONS	2	0	2	31	12	43	50	53	103	24	27	51	2	0	2
TECHNICIANS	14	6	20	90	54	144	175	152	327	184	176	360	23	28	51
ADMIN. STAFF	7	3	10	33	56	89	88	165	253	254	387	641	132	226	358
TOTAL	27	9	36	194	129	323	334	383	717	465	590	1,055	157	255	412

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7 SUPPLEMENTARY INFORMATION

Note 2 – Development of average remuneration, broken down by gender, age and professional classification.

Average salaries in Spain.

2018				
AGE AND JOB POSITION	No. PEOPLE		AVERAGE FIXED REMUNERATION	
	M	W	M	W
VETERANS	27	16	73,039	35,942
MANAGEMENT	4		162,956	
MGRS. AND MGMT. POSITIONS	1		62,108	
TECHNICIANS	15	10	66,644	38,541
ADMIN. AND SUPPORT STAFF	7	6	36,924	31,609
BABY BOOMERS	1,957	1,064	59,196	42,459
MANAGEMENT	247	39	130,620	102,306
MGRS. AND MGMT. POSITIONS	321	93	62,202	58,505
TECHNICIANS	1,140	619	48,010	40,618
ADMIN. AND SUPPORT STAFF	249	313	35,685	33,874
GENERATION X	2,710	3,483	42,519	33,919
MANAGEMENT	177	76	98,883	88,226
MGRS. AND MGMT. POSITIONS	426	243	48,627	48,165
TECHNICIANS	1,812	2,022	37,775	33,470
ADMIN. AND SUPPORT STAFF	295	1,142	29,016	28,069
GENERATION Y	625	940	29,681	25,389
MANAGEMENT	11	3	74,455	61,500
MGRS. AND MGMT. POSITIONS	37	21	48,924	43,055
TECHNICIANS	459	470	29,376	28,665
ADMIN. AND SUPPORT STAFF	118	446	20,658	20,862
GENERATION Z	41	55	17,295	17,844
TECHNICIANS	18	19	18,220	20,983
ADMIN. AND SUPPORT STAFF	23	36	16,570	16,188

for info

2017				
AGE AND JOB POSITION	No. PEOPLE		AVERAGE FIXED REMUNERATION	
	M	W	M	W
VETERANS	36	23	83,690	43,058
MANAGEMENT	7	1	213,452	202,000
MGRS. AND MGMT. POSITIONS	1		60,547	
TECHNICIANS	18	15	61,746	37,772
ADMIN. AND SUPPORT STAFF	10	7	34,670	31,678
BABY BOOMERS	2,023	1,079	57,929	41,395
MANAGEMENT	257	40	127,557	100,784
MGRS. AND MGMT. POSITIONS	353	96	60,327	56,825
TECHNICIANS	1,152	620	46,777	39,638
ADMIN. AND SUPPORT STAFF	261	323	35,349	32,826
GENERATION X	2,745	3,489	41,133	32,968
MANAGEMENT	160	70	98,261	87,362
MGRS. AND MGMT. POSITIONS	429	240	47,245	46,522
TECHNICIANS	1,861	1,994	36,821	32,688
ADMIN. AND SUPPORT STAFF	295	1,185	28,461	27,482
GENERATION Y	550	804	28,651	25,055
MANAGEMENT	10	2	69,647	53,827
MGRS. AND MGMT. POSITIONS	29	14	44,936	41,159
TECHNICIANS	398	403	28,755	27,979
ADMIN. AND SUPPORT STAFF	113	385	20,479	21,258
GENERATION Z	17	37	16,016	17,497
TECHNICIANS	4	12	16,441	20,354
ADMIN. AND SUPPORT STAFF	13	25	15,885	16,126

Average fixed remuneration by country, job position and gender as at December 2018.

COUNTRY	LEADERSHIP AND MGMT. POSITIONS		TECHNICIANS		ADMIN. STAFF	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Germany	94,277	52,599	45,441	35,116	27,848	25,850
Argentina	37,161	32,812	16,359	15,935	12,823	12,520
Brazil	32,120	25,211	13,146	5,172	3,573	4,704
Brazil Asistencia	24,938	10,912	14,283	18,987	3,145	3,329
Chile	68,710	43,303	20,955	22,206	11,258	11,020
Chile Asistencia	82,569	69,598	13,531	17,858	9,988	8,872
Colombia	52,225	34,957	16,212	17,629	7,300	7,181
Colombia Asistencia	90,651	40,331	26,295	43,801	5,557	5,566
USA	115,151	105,009	57,910	48,248	36,740	38,254
Spain	71,795	53,780	39,808	33,984	28,699	26,685
Honduras	46,581	24,187	7,307	13,036	5,782	5,945
Indonesia	61,399	39,170	8,036	9,017	3,548	3,896
Italy	81,944	62,065	43,920	38,426	23,031	23,282
Italy Asistencia	59,574	44,673	26,680	25,966	21,282	21,193
Malta	63,115	53,960	25,519	21,401	13,287	14,941
Mexico	46,662	26,903	11,510	13,328	6,228	7,931
Mexico Asistencia	19,041	20,838	6,464	5,679	3,211	3,047
Panama	44,777	44,923	13,851	10,567	8,784	7,059
Panama Asistencia	54,789	42,033	13,142	14,229	7,757	8,280
Paraguay	33,317	24,023	8,378	8,550	6,167	6,303
Peru	49,366	27,431	12,693	9,628	5,886	7,039
Peru Asistencia	0	0	0	0	7,255	6,711
Portugal	42,973	43,645	24,743	22,483	17,483	17,878
Portugal Asistencia	61,012	39,511	17,604	21,721	14,310	13,745
Puerto Rico	85,343	58,321	34,670	32,899	18,172	20,487
UK Asistencia	77,132	87,830	28,836	24,713	19,822	17,642
Dominican Republic	36,097	37,713	11,764	11,381	5,465	5,412
Turkey	37,594	24,989	10,243	10,222	6,022	5,093
Turkey Asistencia	20,000	18,355	9,252	8,377	4,499	4,314

Figures in euros

The countries shown in the table represent 90 percent of MAPFRE's employees.

Note 3 – Average remuneration of directors and senior managers, including variable remuneration, travel and subsistence allowances, settlements, retirement and long-term savings contributions, by gender.

Senior managers by gender and age:

2018*				
AGE	No. PEOPLE		AVERAGE REMUNERATION	
	MEN	WOMEN	MEN	WOMEN
VETERANS	4 (100%)		260,000.00	
BABY BOOMERS	242 (86%)	39 (14%)	190,000.00	150,000.00
GENERATION X	177 (70%)	77 (30%)	145,000.00	125,000.00
GENERATION Y	11 (79%)	3 (21%)	93,000.00	86,000.00

*This table includes the information related to main Group managers at global level domiciled in Spain.

2018				
COUNTRY	No. PEOPLE		AVERAGE REMUNERATION	
	MEN	WOMEN	MEN	WOMEN
GERMANY	15	3	387,952	145,000
ARGENTINA	33	17	2,831,027	2,197,895
BRAZIL	103	45	396,306	251,072
CHILE	28	9	89,338,372	83,343,579
COLOMBIA	27	13	395,559,246	245,487,287
USA	91	47	220,198	164,921
HONDURAS	8	8	2,396,465	1,168,280
ITALY	14	6	170,134	147,171
MALTA	21	6	96,537	101,405
MEXICO	53	19	2,336,164	1,373,915
PANAMA	23	13	158,389	78,024
PARAGUAY	10	12	409,359,623	289,163,463
PERU	69	19	372,345	215,482
PORTUGAL	20	7	86,537	75,871
PUERTO RICO	30	18	163,482	125,607
UK	18	7	106,826	77,757
DOMINICAN REPUBLIC	11	11	4,359,764	5,759,149
TURKEY*	54	27	115,614	72,944

Figures in local currency

*Figures in euros

Directors: we submit the Annual Report on the Remuneration of Directors of Publicly Traded Companies, as published on the corporate website www.mapfre.com as well as Note 6.26 of the Annual Accounts.

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Note 4 - Health and Well-being

[GRI 401-3, 403-1, 403-3, 403-4]

Workplace

MAPFRE encourages measures to achieve a better workplace, in the broadest sense of the term, and as a company that promotes the health of its employees.

	Workplace
SPAIN	<ul style="list-style-type: none"> - 66 occupational risk assessments. - Risk prevention and control training programs, with the participation of 1,408 employees, covering 11,352 hours. - 5,958 workplace physical exams. - On-site road safety education campaign on safe driving: among different groups where driving risk is inherent to the job.
BRAZIL	<ul style="list-style-type: none"> - 100 occupational risk assessments. - Risk prevention and control training programs, with the participation of 5,552 employees, covering 33,312 hours. - 3,690 company physical exams. - Environmental risk prevention program (ERPP) and analyses of ergonomic work and maintenance of the program for medical control of occupational health (PMCOH).
COLOMBIA	<ul style="list-style-type: none"> - 250 occupational risk assessments (safety, hygiene and ergonomics). - 68 psychosocial risk assessments. - 20 medical checkups. - Studies were conducted on employees' most frequent health issues so as to make local improvements, intervene in hygiene assessments performed, and in improving lifestyle habits to prevent illness.
USA	<ul style="list-style-type: none"> - Company activities were held on preventing workplace risks: Training programs covered: hazardous materials, blood-borne pathogens, associated maintenance for installation personnel, communication of risks and suspicious packages/mail, first aid for emergency personnel, and general safety during cleaning.
MEXICO	<ul style="list-style-type: none"> - Work-related accident prevention and emergency measures, and first-aid and building evacuation plans are in place.
OTHER COUNTRIES	<ul style="list-style-type: none"> - Emergency fire drills were held at Puerto Rico facilities and offices, as well as an earthquake-preparedness shake-out exercise. - The annual training program in Guatemala on the use of extinguishers, first aid, and first aid kit, and maintenance of alarms and fire extinguishers. - The workplace responsibility policies implemented in Honduras.

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HEALTH PROMOTION

The main objective of the health promotion activities is to prevent non-communicable diseases and optimize health care by establishing channels and procedures for providing medical and psychological advice and running global health awareness campaigns.

	HEALTH PROMOTION
SPAIN	<ul style="list-style-type: none"> - 4 information campaigns on the prevention of the main non-communicable diseases: cancer, cardiovascular, etc. - 12 healthy month campaign, focused on fostering good health, creating awareness, and bettering the health of employees thanks to monthly suggestions. - Flu vaccine - Blood drive: - 14,091 psychological consultations for employees' relatives -
BRAZIL	<ul style="list-style-type: none"> - Assistance and care campaign A support group for cancer collaborators - Global cardiac health day - 17 campaigns took place, including Flu Vaccination and Blue November, encompassing 9,723 employee physicals as well as 3,103 psychological consultations for employees. - Work-balance actions - public defender - topics: How healthy am I, physical activity, healthy eating alcohol consumption, you are your health, monthly murals on emotional stability, fighting and preventing yellow fever, World voice day, healthy teeth, financial education, chats with a physical therapist, Pilates classes, skin cleaning, feminine sexual health, acupuncture,
COLOMBIA	<ul style="list-style-type: none"> - Health and prevention campaigns took place to detect uterus, breast, prostate, and skin cancer, as well as others on musculoskeletal disorders, chats on the importance of order and cleanliness, and prevention of the consumption of mind-altering drugs, tobacco, and alcohol. - 100 medical consultations for employees.
USA	<ul style="list-style-type: none"> - The American Cancer Society and American Heart Association provided employees information on cancer prevention. - In June, representatives of the Diane Farber Association explained the dangers of sun exposure. - Eye exams were held in Webster and Miami, as were bone-density, blood pressure, glucose tests, flu vaccinations, and workshops on diabetes and osteoporosis.
MEXICO	<ul style="list-style-type: none"> - Campaigns were held on lung disease (spirometers), ictus, and breast cancer detection. - Campaigns to detect Hepatitis C, the flue and the human papilloma

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	virus <ul style="list-style-type: none"> - Notisalud is a monthly video program covering disease prevention - 2,800 medical assessments.
OTHER COUNTRIES	<ul style="list-style-type: none"> - In El Salvador, information campaigns on the most common diseases in women, and prostate cancer among men. - A conference was held in the Philippines with invited medical professionals during the celebration of the stroke prevention awareness campaign. -

Physical activity and diet

The pillars of good health are physical activity and diet. MAPFRE promotes sports activities among employees and provides information on a healthy, appetizing and fun diet. The following is a selection of the activities conducted:

	Physical activity and diet
SPAIN	<ul style="list-style-type: none"> - A gymnasium at the Majadahonda offices (Madrid), Sant Cugat (Barcelona), and at the Palacete (Monte del Pilar-Majadahonda). - Eat nutritiously campaign - National Breakfast Day - Several social activities took place to promote healthy habits, such as exercise, with the participation of 1,459 employees. - Yoga class pilot program at several location, and 142 employees involved.
BRAZIL	<ul style="list-style-type: none"> - Nutrition care once a week, nutrition assistance at walk-in clinics, health coach, fruit support, and nutritional advice - Pilates classes- twice a week at the walk-in clinic, HIIT classes high-intensity training routines, running and walking groups.
COLOMBIA	<ul style="list-style-type: none"> - Size challenge Healthy eating, keeping diaries on this topic and exercise. - Implementation of the “Get going” program to promote physical activity. - Yoga, Runbo, Zumba, calisthenics, physical exercise assisted by body weight to promote activity.
USA	<ul style="list-style-type: none"> - Seminars on nutritional myths, intelligent shopping, organic gardens, agriculture markets, healthy food trucks, and healthy cooking demonstrations. - Yoga and Tai Chi classes. - Ohio ping-pong tournament. - Suggestions on running and appropriate footwear.

MEXICO	<ul style="list-style-type: none"> - Nutritionist consultations - Nutrition campaign (“I can do it” challenge) - Races (running club)
OTHER COUNTRIES	<ul style="list-style-type: none"> - In Germany, a digital challenge to use the stairs all year round to prevent illnesses caused by sedentary lifestyles. - Italian Health Project, workshops fostering healthy lifestyles and habits - In Puerto Rico, acquisition of products/food from gluten-free farms through agricultural markets.

Mental Well-being

As psychosocial risks and mental illnesses are issues that increasingly affect companies and society in general, MAPFRE believes they should be addressed in the workplace. The company promotes measures to help manage stress and develop positive behavior and personal effectiveness tools, as well as providing psychological support for employees and their relatives.

	Mental Well-being
SPAIN	<ul style="list-style-type: none"> - Online training for Stress Management given to more than 590 employees, with a total of more than 352 hours of training. - Yoga classes, 142 participants. - The following essays were published under the intranet’s People section: “The pain of the loss of a loved one,” “Breakup, separation, and divorce: how to handle it?” - Courses on: assertiveness, communication, executive coaching, active listening, and handling emotions
BRAZIL	<ul style="list-style-type: none"> - Psychological assistance at the walk-in clinic twice a week, and the support program - Insurance Group: quick massage MAPFRE Financial Services: meditation, reflexology, and quick massage
COLOMBIA	<ul style="list-style-type: none"> - Talks on handling feelings, workshops on stress, and implementation of rest areas. - Spa and massage days for employees
UNITED STATES	<ul style="list-style-type: none"> - Employee Aid Program offering 24-7 telephone assistance. It offers 6 hours/year of support and advice on critical issues - Yoga classes, massage, meditation, stress-reduction and management sessions.
MEXICO	<ul style="list-style-type: none"> - MAPFRE Week Workshop: How to deal with anxiety? Massage, mindfulness, and emotional intelligence, through medication
OTHER COUNTRIES	<ul style="list-style-type: none"> - PAP (psychological assistance program) in Peru to provide employees emotional support, and orientation on inter-personal relationships. - In Panama, psychological support to workers, who are sent to an

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	<p>external professional for individual therapy.</p> <ul style="list-style-type: none"> - Professional lectures on “The power of emotions” and suicide prevention in Uruguay.
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PERSONAL ENVIRONMENT

These activities are related to the health and well-being of employees and their relatives in their personal lives. The issues addressed include caring for dependents, parenting and prevention of workplace accidents.

	PERSONAL ENVIRONMENT
SPAIN	<ul style="list-style-type: none"> - 85 assessments provided to employees whose relatives have health problems. - Area for nursing mothers in Majadahonda. - Procedures for protecting pregnancies and during the breastfeeding period: 64 assessments.
BRAZIL	<ul style="list-style-type: none"> - Support group for partners of cancer patients, flu vaccination campaign-covering family members, as well. Workshops for pregnant women, with partners welcome. Social assistance provided to employees and family members - CIPA Reports – Issues on the prevention of household risks
UNITED STATES	<ul style="list-style-type: none"> - Webinars on financial planning - Boston Children's Hospital informed its employees on the correct installation of car seats. - Advice to parents on adolescence, and seminars on university admissions processes. - Retirement-planning seminars. - The American Red Cross informed employees on safety in the home, traveling, and safe driving; local banks provided information on their services and discounts - Employee Aid Program offering support and information on female health and safety, providing resources and legal assistance to prevent violence against women. - Talks on retirement and medical care programs in force. - The Employee Aid Program offers free content on caring for the elderly, covering 21 articles, 2 webinars, and link to finding help for geriatrics, and a class on power-of-attorney decisions.
MEXICO	<ul style="list-style-type: none"> - 100 psychological consultations for employees' relatives - Special workshops for mothers. - School Program for Primary students on road safety. - Discussions on the myths and taboos surrounding addiction (for parents). -

OTHER COUNTRIES	<ul style="list-style-type: none"> - In Panama, actions supporting Women, work, and health through the recognition of mothers on their day, and cancer-prevention talks. - To commemorate World Breast Cancer Day, a talk was offered on “Food as a cancer-prevention factor,” with the presence of a co-worker’s mother who told her story. - In Puerto Rico, the Healthy Pregnancy Program offers expecting mothers food and health advice for themselves and their babies.
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Note 5 – Workplace-related accident data

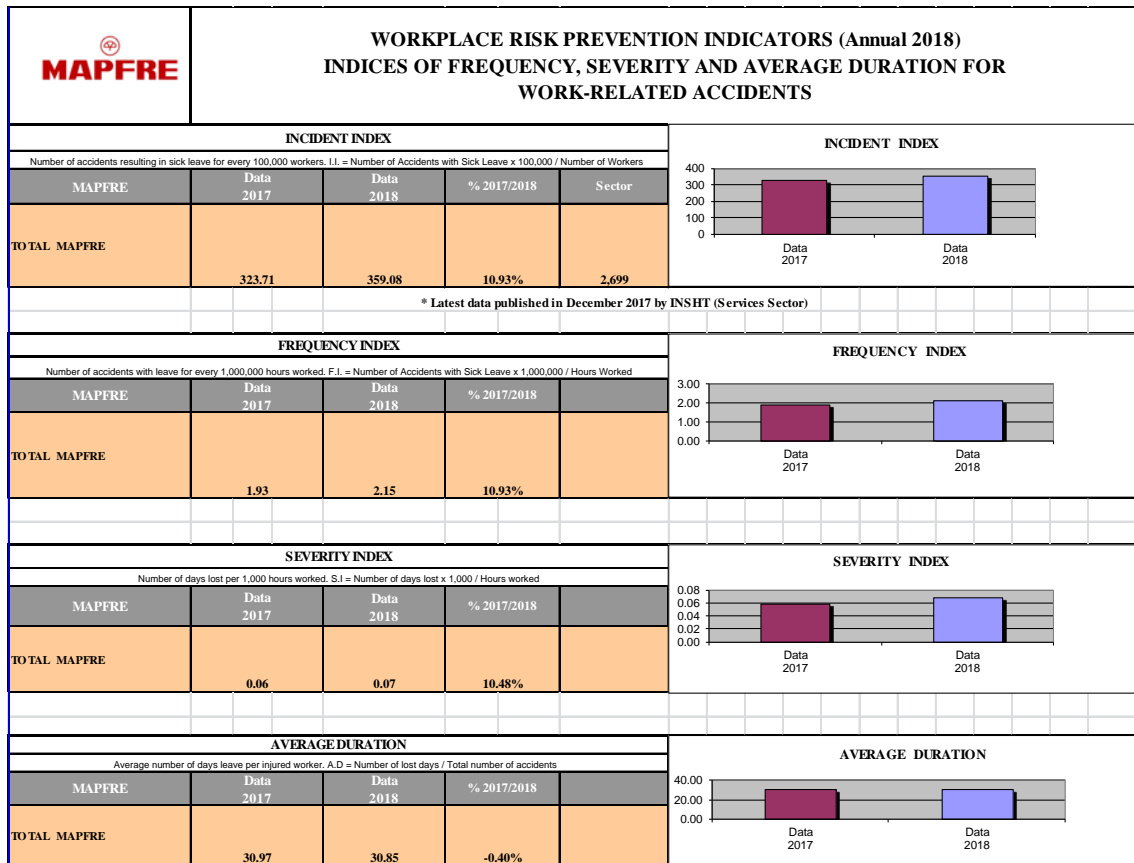
Both the frequency and severity index are part of the Loss Report, which is prepared and presented annually at the Health and Safety Committee of Spain, in March.

The formulas used to calculate the different loss rates in Spain are the following:

- Incident index: Number of accidents resulting in sick leave for every 100,000 workers. I.I. = Number of Accidents with Sick Leave x 100,000 / Number of Workers
- Frequency index: Number of accidents with leave for every 1,000,000 hours worked. F.I. = Number of Accidents with Sick Leave x 1,000,000 / Hours Worked
- Severity index: Number of days lost per 1,000 hours worked. S.I = Number of days lost x 1,000 / Hours worked
- Average duration: Average number of days leave per injured worker. A.D = Number of lost days / Total number of accidents

To calculate these indices, work accidents (WA) en-route are not considered.

The results for Spain in 2018 were as follows:



As of the date of this integrated report, the annual accident report for 2018 is not available, since it is necessary to investigate accidents and work on the information related to accident data corresponding to 2018 in order to present the information as clearly as possible.

In MAPFRE, in Spain, the incidence of occupational illnesses is extremely low, in fact, only one occupational disease was reported, without sick leave being required, in the job position of telephone service manager during 2018.

Note 6 - Environmental Information

[306-4]

CO2eq consumption and emissions inventory

Resource consumption	GRI	MEASURE MENT	2018	2017	2016
Scope 1:					
Natural gas consumption	302-1; 302-4; 305-1	m ³	1,293,571	1,156,730	1,098,991
Oil consumption in buildings	302-1; 302-4; 305-1	L	368,709	441,409	403,204
Refrigeration gas recharges	302-1; 302-4; 305-1	kg	536	941	733
Consumption of fuel in own vehicles	302-1; 302-4; 305-1	L	2,319,928	3,164,699	3,677,690
Scope 2:					
Electrical energy consumption	302-1; 302-4	GWh	113.41	108.72	115.95
Scope 3:					
Business travel (air, train bus)	302-2	Km	53,428,757	46,305,542	41,801,773
		Tm CO _{2eq}	6,976.85	8,118	7,479
Business travel (vehicle)	302-2	Km	8,825,915	9,325,947	10,660,287
		Tm CO _{2eq}	1,594.31	1,701.24	1,992.94
Paper consumption	302-2	Tm CO _{2eq}	1,526	1,925	2,110
Toner use	302-2	Tm CO _{2eq}	87.39	51.71	36.73
Paper waste	302-2	Tm CO _{2eq}	18.07	19.33	22.51
Toner waste	302-2	Tm CO _{2eq}	131.15	219.35	178.81
Fluorescent waste	302-2	Tm CO _{2eq}	0.51	0.21	0.54
Commuting	302-2	Tm CO _{2eq}	16,044	16,257	17,538

- 2016 Data for Spain, Argentina, Brazil, USA
- 2017 Data for Spain, Argentina, Brazil, Chile USA, Peru, Portugal, Puerto Rico, Turkey.
- 2018 Data for Spain, Argentina, Brazil, Chile, USA, Mexico, Peru, Puerto Rico, Turkey, Costa Rica, Nicaragua; Dominican Republic, Uruguay, and Malta.

REDUCTION IN CONSUMPTION THROUGH BIOMETRIC SIGNATURE: 202,952 policies

PAPER CONSUMPTION	Toner consumption	ENERGY CONSUMPTION	FELLING TREES
16 Tons avoided	85 Units avoided	Savings of 113,653 kWh of electric	259 Units avoided

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

		power	
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Waste management

[GRI 306-2]

WASTE INDICATORS	MEASUREMENT	2018	2017	2016
Paper	Tn	844.95	888.54	1,072.11
Toner	Tn	10.98	18.37	14.97
Computers and electronic equipment managed	Tn	66.62	33.66	86.76
Computers and electronic equipment donated	Tn	13.07	8.77	10.57
Light bulbs and fluorescent lights at end of useful life	Tn	4.62	1.60	4.11
Batteries	Tn	1.64	3.80	2.46
Hazardous waste in buildings	Tn	0.95	5.07	2.40
Hazardous waste in repair shops	Tn	63.74	102.14	89.01
Non-hazardous waste in buildings and repair shops (*)	Tn	1,655.15	1,585.70	2,352.70
Urban waste	Tn	958.64	769.89	205.85
Sanitary waste	Tn	2.4	2.78	2.31
Expired medicines	Tn	0.20	0.11	0.16
X-rays	Tn	1.06	0.98	0.87
Computer media	Tn	2.70	2.78	8.62
Total waste deposited in landfills (*)	Tn	501.09	398.36	651.34

Environmental audits

[GRI FS9]

ENVIRONMENTAL AUDITS OF ASSETS		2018	2017	2016
Environmental diagnoses and inspections	Units	5	9	84
Internal environmental audits	Units	39	44	47
Environmental certification audits	Units	29	36	19
Percentage of assets subject to environmental controls	Percentage	32.75%	31.26	28.61

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Resource consumption

[GRI 302-3]

Resource consumption	GRI	MEASUREMENT	2018	2017	2016
Total energy consumption	302-1; 302-4	GWh	130.94	125.74	132.06
Renewable energy consumption	302-1; 302-4	GWh	65.7	68.47	64.87
Total water consumption	303-1	m ³	665,874	615,356	709,834
Total paper consumption	301-1	Tm	1,818	2,136	2,248
Total certified paper consumption	301-1	Tm	1,359	1,311	1,319
Ecologically-tagged paper/total paper consumed	301-2	%	74	61	69
Toner consumption (Spain)	301-1	Units	9,220	5,455	3,875

Resource consumption indicators

	GRI	2018	2017	2016
Total energy consumption/employee	kWh/employee/ year	3,919	3,680	3,910
Water per employee	m ³ /employee	19.93	18.01	21.02
Activity consumption	kWh/premium (€000)	6.87	6.5	6.9

- 2016. Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines and Malta.
- 2017 and 2018. Data for Spain, Argentina, Brazil, Chile, Colombia, USA, Italy, Mexico, Puerto Rico, Turkey, Costa Rica, El Salvador, Nicaragua, Honduras, Panama, Guatemala, Ecuador, Dominican Republic, Paraguay, Uruguay, Peru, Venezuela, Portugal, Philippines, Malta and Germany.

Note 7 - Social and Environmental Products and Services

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

[GRI 102-2, 201-2, FS1, FS3, FS7, FS8, FS13, FS14, FS15]

Products with high social content

These are products offering basic coverage (Burial, Homeowners and Life, etc.) that are adapted to very specific local needs, and with low premiums, which help cover the personal risks of different groups, while also promoting an insurance culture.

Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties /beneficiaries
IBERIA TERRITORIAL AREA					
Spain	Health	Health Choice: Health assistance insurance that guarantees primary care and basic diagnosis tests in approved centers. For other medical attention the insured may require, reductions on prices payable by private patients are offered in recommended clinics.	0.16	0.16	8,950
	LIFE	Essential Burial: based on sliding pricing scale that is adapted to clients who wish to keep their burial insurance in force but face adverse economic circumstances.	2.92	2.92	265,549
Portugal	LIFE	Auto Vida Express: Personal and family insurance protection featuring simplified contracting based on just two health questions, and a closed guarantee plan.	0.33	2.57	1,999
LATAM TERRITORIAL AREA					
BRAZIL	Homeowners	Telephone protection program: coverage for vulnerable situations A financial protection insurance covering payment of phone bills in the case of unemployment, disability, etc., so that clients are protected in situations of vulnerability.	0.04	0.03	24,015
	Automobile	Auto <i>Mais Responsável</i> : Covers third-party damage. An easily-contracted/paid policy, as it does not require prior inspection of vehicles up to 20 years old, payable in a maximum of 4 installments, at no interest.	0.14	0.3	21,739
	LIFE	BB Agriculture and Family Life Insurance: insurance for rural loan clients of the Agricultura Familiar (Family Agriculture) programs that guarantees the settlement or surrender of the balance held with Banco do Brasil in the event of the natural or accidental death of the insured.	1.89	14	434,623

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Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties /beneficiaries
		BB Microseguro protección total: for those with low income, covering accidental death, funeral costs, and any accident-related hospital expenses.	0.02	100	5,320
		Crediamigo Microcredit Program: with death coverage or funeral assistance, in addition to four monthly capitalization lotteries.	0.22	1.5	78,067
		BARCELONA I: social in nature, fosters the access of those with low income, with a minimum monthly contribution of R \$100.00 or contribution/minimum transfer of R \$1,200.00.	3.38	6.95	10,132
		Vida Protegida y premiada: a micro-insurance policy combining coverage with monthly drawings. Sold by MAPFRE in conjunction with Casas Bahia.	1.12	7.3	90,017
		Microseguro de Personas: policy protecting clients taking out loans or paying invoices through the Correspondent Banking Agency.	0.43	2.8	25,753
		Proteção Financeira: a product generating credit coverage for those with low incomes.	0.64	4.2	57,685
		Agroamigo: fosters economic growth and is directed at formal/ informal micro-entrepreneurs in rural economies.	0.06	0.4	15,950
		Microseguro residencial: considered the social inclusion insurance policy, as its premiums are so low. Coverage offered supports policyholders in the case of unforeseen events.	0.65	35.8	490,447
		CR Microseguro accidentes personales premiado: a micro-insurance policy covering customer purchases in CR Diementz stores.	0.03	0.2	11,536
		Microseguro Solar: covers purchases made at Solar stores.	0.01	0.03	1,452
	Other Activities	Education insurance: covers basic/essential needs Intended for students currently enrolled, covering financial needs.	0.23	1.5	1,759
Colombia	Burial	Seguro Exequial: covers funeral expenses and offers economic assistance of up to \$3,000 for	3.41	72	424,927

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Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties /beneficiaries
		accidental death of the main policyholder. The average monthly premium for family coverage (main policyholder, partner, and all children under 40) is \$3.			
	LIFE	Life insurance: no age permanence limit, covers terminal illnesses, and is in effect starting the first payment encompassing a cash sum and monthly payments. The average monthly premium for the personal plan is \$3.	1.70	6.49	736,189
	Accident	Personal accident insurance: payment of an indemnity for death or total/permanent disability, or a monthly payment due to temporary disability. Homicides are covered after the first year holding the policy. The average monthly premium for the personal plan is \$3.	1.51	34.17	420,846
	Non-Life	Homeowner Insurance: for those who own/lease properties (may be contracted in modules to include different cover). Indemnities are paid during the first loss, to a maximum amount, as inspection is not necessary. The average monthly premiums is \$4.	0.36	1.06	38,846
Dominican Rep.	Health	Assistance program for entrepreneurs, small and medium-sized businesses who are clients of Banco BHD Leon Credit Cards: Services or business assistance granted to policyholder including plumbing, electricity, locksmith, and legal assistance.	0.09	0.57	3334
		Coverage of male cancer victims who are clients of Banco BHD Leon credit card services: coverage guaranteeing that the insured party receives the contracted capital in the event that where they are diagnosed for the first time with prostate cancer.	0.07	0.49	2280
		Assistance granted to the insured party for holding a Banco BHD Leon Woman's credit card: services include assistance for home, traffic, legal and medical emergencies during national and international travel, and personal assistance.	0.95	6.18	40,408
	LIFE	Education insurance covering the death of the student'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 enrollment of the children of the insured party.	0.14	0.17	12,371
MEXICO	Accident and	Basic Standardized Personal Accident Insurance: accident insurance that offers indemnity up to	0.00011	0.04586	175

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Country	Line	Type of product or service	% of total premiums	% of line total	No. of insured parties /beneficiaries
	Illness	\$200,000. Basic Standardized Medical Expenses Insurance: medical attention at any national or international hospital.	0.00013	0.0017	11
	LIFE	Group Life Insurance: marketed through the Compartamos bank. Aimed at groups for which Company Group Life Insurance products cannot be offered due to their special characteristics.	6.78	30.1	4,109,955
VENEZUELA	LIFE	Solidarity Insurance: for retirees, disabled, or those with income under the basic wage.	0.02	0.02	666
INTERNATIONAL TERRITORIAL AREA					
PUERTO RICO	Automobile	Auto Plus: replaces or greatly improves the mandatory insurance for only 36 dollars more. Includes road assistance, accidental death or dismemberment, medical expenses and legal defense coverage. Roadside and travel assistance: a product providing the insured party with immediate road assistance for only 45 dollars for the first vehicle and 25 dollars for subsequent insured vehicles.	0.02	0.07	505
			0.01	0.02	4,144

Environmental products and services

Underwriting of renewable energy



29,397 MW wind power

4,929 MW solar power

28.6 million euros insured premiums

Green policy



43,765 insured low emission vehicles

15.3 million euros insured premiums

Scrapped vehicles (SV)



2,599 # VFU

69,517 recovered pieces

The English version is a translation of the original in Spanish for information purposes only. In case of discrepancy, the Spanish version shall prevail.

Environmental liability



160,000 policies with free coverage

9.6 million euros insured premiums

Sustainable mobility



installation of 124 charging points

16 hybrid towing vehicles



25 electrical vehicles

Underwriting crops and sustainable forests



108,195 insured hectares

1,136 crop insurance policies

22.08M euros insured premium

Overall, more than 57,300 policies covering environment-related aspects were issued in 2018, representing a premium volume of more than 56 million euros, and 0.25 percent of total Group premiums.

Environmental products and services				
Product/Service		2018	2017	2016
Environmental risk coverages	No. of policies	57,357	20,705	19,834
Insurance for sustainable projects	Net premiums (€)	56,479,313	120,461,190	82,699,760
Environmental and energy-saving insurance	Revenue (€)	408,517	235,177	315,049

In the case of environmental and energy services, some are directly associated with insurance policy benefits. Proof of this is that in 2018 the MAPFRE provider network has 25 100-percent electric mobile recharging vehicles to provide road assistance for electric cars. These assistance vehicles are equipped with a generator that can charge cars anywhere, anytime. As a result, this service reduces carbon footprint, preventing assistance tow trucks from traveling to the breakdown location and towing the vehicle back to a charging station.

In addition, MAPFRE is encouraging its providers to renew their tow truck fleets with hybrid vehicles, and there are already 16 lightweight hybrid tow trucks in service on the motorways.

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Other services are related to research on repairs for vehicles involved in accidents, conducted at the Road Safety Experimentation Centers (CESVI) in Spain and the Americas, which contribute to the reduced consumption of pollutants such as paint and solvents and helps minimize the environmental impact of vehicle repairs.

CESVIMAP, through CESVI RECAMBIOS, manages scrapped vehicles. In 2018, 2,599 scrapped vehicles were handled in Spain and Colombia, of which 69,517 parts and components were recovered for recycling.

Below are the main environment-related insurance products and services:

Country	Type of product or service	% of total premiums	% of line total	No. of insureds
IBERIA TERRITORIAL AREA				
Spain	Green Policy: First comprehensive pay-per-use insurance for electric, hybrid and eco-friendly vehicles.	0.05	0.19	7,494
	Casualty and Third-Party Liability Insurance: Product aimed at solar, photovoltaic plants, wind farms and cogeneration plants.	0.06	3.61	1,328
	Environmental liability cover in general third-party liability policies and multirisk policies: covers policyholder liability for damage caused due to environmental pollution.	0.01	1.6	1,297
Portugal	Environmental liability: covers the cost of repairs due to accidents or an imminent threat, damage to wildlife and habitats, water and land pollution.	0.33	13.7	710
LATAM TERRITORIAL AREA				
BRAZIL	Environmental Third-Party Liability: this insurance is taken out at total sum insured, that is, the insurance company guarantees payment for damages and losses up to the maximum limit stated in the insurance policy. Consists of basic coverage for mandatory requirements, and additional coverages.	0.05	100	170
	Removal of Wrecks: A policy for recreational boats and general use aircraft that provides compensation to policyholders to recover damaged property and minimize environmental harm.	0.45	1.41	3,120
MEXICO	Safe Gas Station: insurance that includes third-party liability coverage against contamination.	0.27	0.01	3,220
Colombia	Climate Change insurance: insurance that protects agricultural and livestock producers against the devastating effects of natural events on their plantations, as a consequence of climate change. Provides coverage for natural events such as droughts or floods, frost, strong winds, landslides, hail, avalanches and fires.	1.69	100	437
INTERNATIONAL TERRITORIAL AREA				

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PUERTO RICO	MCS-90: transportation policy that covers repairing damage resulting from contamination due to leaks of hazardous products.	0.04	0.17	316
GLOBAL BUSINESSES				
Damage and Third-Party Liability Policy: Insurance that covers the different phases (design, construction, commissioning and operation) of large renewable energy plants (thermosolar and wind). These products are marketed by MAPFRE GLOBAL RISKS.				
Wind Farms		0.3	1.5	7
Solar energy		0.15	0.78	9

Note 8 - Global Compact Principles and measures adopted to prevent and comply with MAPFRE's human rights measures

[GRI 102-17, 205-1, 205-2, 205-3, 406-1, 407-1, 408-1, 409-1, 410-1, 411-1, 412-1, 412-2, 412-3, 413-1, 413-2]

MAPFRE joined the Global Compact Spanish Network in 2004, and in 2017 ratified its commitment as a signatory member. It has also reaffirmed its commitment to the 2030 United Nations Agenda and its Sustainable Development Goals (SDG) within its sustainability strategies.

GLOBAL COMPACT PRINCIPLES		MAPFRE			
		Public commitment	Prevention and mitigation (due diligence)	Claims mechanisms and follow-up.	ODS MAPFRE
Human rights	<p>Principle 1:</p> <p>“Businesses should support and respect the protection of internationally proclaimed human rights under their sphere of influence.”</p>	<p>Institutional, Organizational and Business Principles</p> <p>Code of Ethics and Conduct</p> <p>Corporate Social Responsibility Policy</p> <p>Inclusion in:</p>	<p>Internal regulations:</p> <p>Code of Ethics and Conduct</p> <p>Corporate Governance Policy</p> <p>Corporate Social Responsibility Policy</p> <p>Respect for People Policy</p>	<p>Ethics Committee</p> <p>Whistleblowing Channel for employees/collaborators and providers</p> <p>The employee Financial and Accounting Whistleblowing Channel</p>	1,3,4,5,8,11,17
	<p>Principle 2:</p> <p>“Companies must ensure that their companies are not involved in any infringement of human rights.”</p>	<p>United Nations Global Compact:</p> <p>UNEPEFI's Principles for Sustainable Insurance (PSI)</p> <p>Principles for Responsible Investment (PRI) of the United Nations</p> <p><i>Paris Pledge for Action:</i></p>	<p>Diversity and Equal Opportunities Policy</p> <p>Promotion, Selection and Mobility Policy</p> <p>Compensation Policy</p> <p>Policy on Health, Well-Being and Prevention of Occupational Risks</p> <p>Corporate Security Policy</p> <p>Environment Policy</p> <p>Workplace Risk Prevention Policy</p>	<p>Procedure for complaints and grievances</p> <p>Harassment Protocol</p> <p>Human Resources departments</p>	1,3,4,5,8,11,17
Labor Standards	<p><u>Principle 3:</u></p> <p>“Companies must uphold the freedom of association and the effective recognition of the right to collective bargaining.”</p>			<p>Employee Legal Representatives</p> <p>Corporate Sustainability Committee</p>	1,3,5,8,9,17
	<p>Principle 4:</p> <p>“Companies must support the steps to</p>				1,3,5,8,9,17

GLOBAL COMPACT PRINCIPLES		MAPFRE			
		Public commitment	Prevention and mitigation (due diligence)	Claims mechanisms and follow-up.	ODS MAPFRE
Environment	eradicate forced or coerced work.”	<p>Purchasing Regulations</p> <p>Harassment Protocol</p> <p>Collective bargaining agreements (sector/company)</p> <p>Other prevention/assessment systems:</p> <p>Self-assessment of impact - The UN Guiding Principles on Business and Human Rights prepared by the Spanish Global Compact Network.</p> <p>Materiality surveys with stakeholders on internal/external human rights</p> <p>Environmental, social, and governance (ESG) report on underwriting and investments</p> <p>RepRisk, making it possible to identify, evaluate, and monitor business conduct risks and related ESGs related to human rights, work, the environment, and corruption</p> <p>Workplace satisfaction survey</p> <p>Performance evaluation</p> <p>Development evaluation committee</p> <p>Failure to comply with internal and external regulations</p> <p>Healthy company model (assessments on occupational risks (safety, hygiene, and ergonomics, psycho-social risks, company physical exams, epidemiological studies, etc.).</p>			
	Principle 5: “Companies must support the abolition of child labor.”			1,3,5,8,9,17	
	Principle 6: “Companies must eliminate discrimination in respect of employment and occupation.”			1,3,5,8,9,17	
	Principle 7: “Companies must support a precautionary approach to environmental challenges.”			13,8,9,11,17	
	Principle 8: “Companies must undertake initiatives to promote greater environmental responsibility.”			13,8,9,11,17	
	Principle 9: “Companies must encourage the development and diffusion of environmentally friendly technologies”			13,8,9,11,17	

GLOBAL COMPACT PRINCIPLES		MAPFRE			
		Public commitment	Prevention and mitigation (due diligence)	Claims mechanisms and follow-up.	ODS MAPFRE
Anti-corruption	<p>Principle 10: “Companies must work against corruption in all its forms, including extortion and bribery.”</p>		<p>Internal audit, control, and compliance</p> <p>The employee Financial and Accounting Whistleblowing Channel</p> <p>Different channels in order to notify lack of compliance with the Code of Conduct and Ethics, available to all employees and providers.</p> <p>Specific channels and means designed to protect customer rights and handle their claims</p> <p>Internal systems and procedures established to detect signs of corruption, and prevent fraud/money laundering</p> <p>Environmental management system (SYGMAYE)</p> <p>Approval processes for its providers, including areas related to human rights, non-discrimination, and compliance with environmental and workplace regulations.</p>		17, 3,4,8

7.5. External verification report

[GRI 102-48, 102-49, 102-56]

See KPMG Report.



KPMG Asesores, S.L.
Pº de la Castellana, 259 C
28046 Madrid

Independent Assurance Report

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To MAPFRE shareholders:

In accordance with Article 49 of the Commercial Code, we performed a limited assurance review on the non-financial information statement (hereinafter, NFIS) contained in the Integrated Report of MAPFRE, S.A. (hereinafter MAPFRE) for the year ended 31 December 2018 (hereinafter “the Report”) and which part of the consolidated 2018 Management Report of MAPFRE.

MAPFRE Board of Directors and Management responsibilities

MAPFRE Board of Directors and MAPFRE management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with comprehensive option as described in item 102-54 of the GRI Content index of the Report.

The formulation of the NFIS included in MAPFRE Integrated Report, and its content, is responsibility of MAPFRE Board of Directors. The NFIS has been prepared according to the contents presents in current mercantile legislation and according to the Sustainability Reporting Standards of Global Reporting Initiative (GRI Standards) in accordance with comprehensive option and financial sector supplement selected and mentioned in the table named “GRI Content Index” included in the Integrated Report.

These responsibilities include the design, implementation and establishment of appropriate internal 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.

MAPFRE board of directors are also responsible for defining, developing and maintaining of the management systems from which the reported performance information is derived in order to prepare the Integrated Report.

Our independence and quality control

We have complied with the requirements of independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants which is founded on Fundamental Principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



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.

Our multidisciplinary team included specialists in non-financial information and particularly in social, environmental and economic business performance.

Our responsibility

Our responsibility is to carry out a limited assurance review and issue this report based on the work performed. 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", issued by the International Auditing and Assurance Standards Board (IAASB) of International Federation of Accountants (IFAC)

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.

Our limited assurance engagement consisted of making inquiries to MAPFRE Management and persons responsible for the preparation of information presented in the Report, in the process review for collecting and validating the information presented in the Report and applying analytical and other evidence gathering procedures. These procedures included:

- Interviews with MAPFRE Management and relevant staff in order to know the business model, policies and management approaches applied, the main risks related to these issues and obtain the necessary information for external review.
- Analysis of the scope, relevance and integrity of the contents included in the Report based on the materiality analysis carried out by MAPFRE and considering contents required by current mercantile legislation.
- Analysis of the processes to collect and validate the data presented in the Report that include the Non-Financial Information Statement for the 2018 fiscal year.
- Review of information regarding the risks, policies and management approaches applied in relation to the material aspects presented in the Report.
- Review through testing and based on a sample selection, of the information related to the contents included in the Report for the year 2018 and its adequate compilation from the data provided by the internal, external information sources or third party report.
- Review of the application of the Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards) requirements for the preparation of reports in accordance with comprehensive option.
- Collection of the Representation Letter signed by the Board of Directors and Management of the Company.



Conclusion

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the non-financial information statement contained in the Integrated Report of MAPFRE, S.A. and dependent companies for the year ended 31 December 2018 has not been prepared, in all material aspects, in accordance with the current mercantile legislation and the Sustainability Reporting Standards of Global Reporting Initiative (GRI Standards) selected and mentioned in the table named "GRI Content Index" included in the Integrated Report.

Purpose of our report

This Independent Assurance Report has been prepared in response to the requirement established in the mercantile regulations in force in Spain, so it may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

[Signed]

Patricia Reverter Guillot

7 February 2019