



1 Editorial

2018: A year of transformation

To us, from MAPFRE, business and sustainability walk side by side, which means the integration of social, environmental and governance issues, and it makes us to amplify our ability to create value across several organization's spheres and for our stakeholders.

In Brazil, mainly, we are well aligned to the global commitments taken by MAPFRE S.A., such as the UN Global Compact, the Principles for Sustainable Insurance (PSI), *Paris Pledge for Action* and the Principles of Responsible Investment, in addition to our work to contribute with the challenges of the 2030 Agenda for Sustainable Development.

The corporate guideline leads to deeper sustainability integration, according to the Sustainability Plan 2019-2021, and the Strategic Plan of Efficiency and Climate Changes, contributing to our consolidation as a company committed to the future.

Based on the premises of perpetuity and sustainability, in 2018, we were focused on an exhaustive internal analysis to build new bases, being one of the main achievements the update of the partnership between MAPFRE and Banco do Brasil. The new agreement will allow us, among other results, to increase the profitability contribution to local businesses and to simplify the implementation of its strategy.

This previous year was a transition period with key learnings, in which the company remained strong, with solvency and our representativeness to MAPFRE S.A. remained immaculate: Brazil continues being the second major country in terms of relevance, being positioned only behind Spain. Our participation reaches 16% of the premiums of MAPFRE S.A..

We took advantage of the moment to strength our performance, based on a more agile structure and reinforcing our expertise and technical accuracy at the markets we operate. We are ready to get even closer from our clients and distributors, increasing our offer and helping to foment an insurance culture.



We know, after all, the world is in a constant change day after day, in a growing digital and connected environment – closely followed by MAPFRE, where we have innovation as an essential platform. Therefore, in 2018 we've launched the MAPFRE Open Innovation, an open source platform designed to create new solutions aligned to the insurance market.

More than ever, we are capable to look to the future and be ahead of it. To do so, we count on a leverage of the management team and well trained employees with sparkling eyes, always pursuing financial sustainability and positive impact to society.

In 2018 only, the Fundación MAPFRE's programs in Brazil reached more than 1,9 million people, reinforcing a commitment to promote an improvement in quality of life of people and social progress for all Brazilian regions.

Fernando Pérez-Serrabona
CEO MAPFRE Brazil

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PSI4 MAPFRE presents in Brazil a new version of its Sustainability Report: more concise and objective, but remains complying its purpose to articulate the context and main results of the business related to environmental, social and governance matters (ESG), presenting strategic sustainability indicators. This document results from a selection of important information for stakeholders and for the insurance sector.

For a business overview and deeper global information, we recommend you to consult the *MAPFRE S.A. Integrated Report*.



2

BUSINESS' SUSTAINABILITY

2.1 Sustainability Results

2.2 International Commitments

2.3 Agenda 2030

2.1 Sustainability Results

For MAPFRE, sustainability means to pursue a balance between environmental, social and governance themes (ESG) and also to understand how it causes impacts to the company's activities and to its stakeholders.

The sustainability's strategy is based on the corporate guidelines, such as the Environmental Policy and the Corporate Social Responsibility

Policy, besides the Global Sustainability Plan which, every three years, defines work guidelines. This strategy's result is the implementation of shared value in several dimensions.

To deeply understand the global results in the financial, production, human, intellectual, natural and social and relational fields, you can access the MAPFRE S.A. Integrated Report, [here](#).

MAIN SUSTAINABILITY RESULTS WORLDWIDE (2018)

Through the last three years, **18,055** employees around the world concluded environmental education.

51% reduction in the global carbon emissions related to the 2013 defined baseline.

10th global insurance company listed in the Dow Jones Sustainability World Index (DJSI).

3 consecutive years in the A-list of the CDP initiative, this is a recognition for the management of initiatives to address environmental changes.

Launch of the **Responsible Capital**, an investment fund managed by MAPFRE AM which invests in stocks and income securities of European companies based on its ESG criteria.

More than **57,300** valid policies covering environmental aspects.

9 international headquarters certificated as sustainable constructions (including Brazil, which in 2018 accomplished the certification **LEED GOLD**).

2.2 International Commitments

MAPFRE integrates sustainability to its business strategy positioning and pursuing the alignment to the best practices in the market, to laws and regulations related to this matter and to global commitments undertaken by the company.

Pacts and Principles undertaken by MAPFRE globally:



United Nations Global Compact (UN)

It implicates the integration of its ten principles of performance related to Human Rights, Labor Rights, Environmental and Fight Against Corruption. In 2018, MAPFRE's progress report obtained the highest qualification as "advanced". MAPFRE joined this initiative in 2004 and integrated the Spanish network of the Global Compact.

Financial initiative of the United Nations environmental program (UNEP-FI)

It develops and foment attachments between environment, sustainability and financial performances, identifying and promoting the adoption of best practices.

Principles for Sustainability in Insurance (PSI)

Specific principles for the insurance market, designed to integrate environmental, social and governance aspects (ESG), both as risk and opportunity. There are four principles:

PRINCIPLE 1 **PSI1**
We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

PRINCIPLE 2 **PSI2**
We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

PRINCIPLE 3 **PSI3**
We will work together with governments, regulators and other key stakeholders to promote widespread actions across society on environmental, social and governance issues.

PRINCIPLE 4 **PSI4**
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Paris Pledge for Action

Committed to obtain a safe and stable climate in which the temperature increase must be lower than 2°C and to take immediate actions to decrease the emissions of greenhouse gases until it reaches a safe level.

Principles of Responsible Investment (PRI)

The goal is to understand the impact that environmental, social and governance matters (ESG) have in investments and to lead the signatories to integrate these matters on its decision making processes.


CDP

MAPFRE is a signatory of the following programs: Carbon Disclosure, Water Disclosure and Carbon Action as part of the CDP initiative (formerly Carbon Disclosure Project).

2.3 Agenda 2030

MAPFRE also acts in Brazil with the Agenda 2030 for Sustainable Development, aligned to the nine ODS (Objectives of Sustainable Development), which are priorities for MAPFRE S.A..

1 NO POVERTY 	3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 
5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
11 SUSTAINABLE CITIES AND COMMUNITIES 	13 CLIMATE ACTION 	17 PARTNERSHIPS FOR THE GOALS 

 Over this document, the initiatives related to PSI and ODS will be indicated by the acronyms PSI and ODS, followed by its respective numbers.

3

MAPFRE IN THE WORLD

3.1 Global Presence

3.2 Business Model

3.3 Vision, mission and values

3.4 Main results

3.5 Perspective for the future



3.1 Global Presence

MAPFRE S.A. is a multinational company that offers a complete portfolio of insurance in 5 continents, adapted to each of the countries where it operates.

Nowadays, it's the biggest Spanish insurance company in the world and the third insurance group in Latin America, with an increasingly presence in other global markets, such as North America, European and Asian.

Your mothership is the Society holding MAPFRE S.A., which stocks are negotiated in Madrid and Barcelona, integrating the index IBEX 35, Stoxx Insurance, MSCI Spain, FTSE All-World Developed Europe Index, FTSE4Good, FTSE4Good Index and Dow Jones Sustainability.

The majority of its stocks belongs to the Fundación MAPFRE, which holds 68,2% of the social capital (including treasury stocks), which pledge its independence and institutional stability.

MAPFRE's main numbers in the world

59%

of 2018's employees hired, were women

Multinational

n°1

in Non-Life insurance in Latin America

More than

152.000

suppliers

More than

35k

employees

Employees of

91

citizenships and from 5 generations (veterans, baby-boomers and generations X, Y and Z)

Business in more than

100

countries

More than

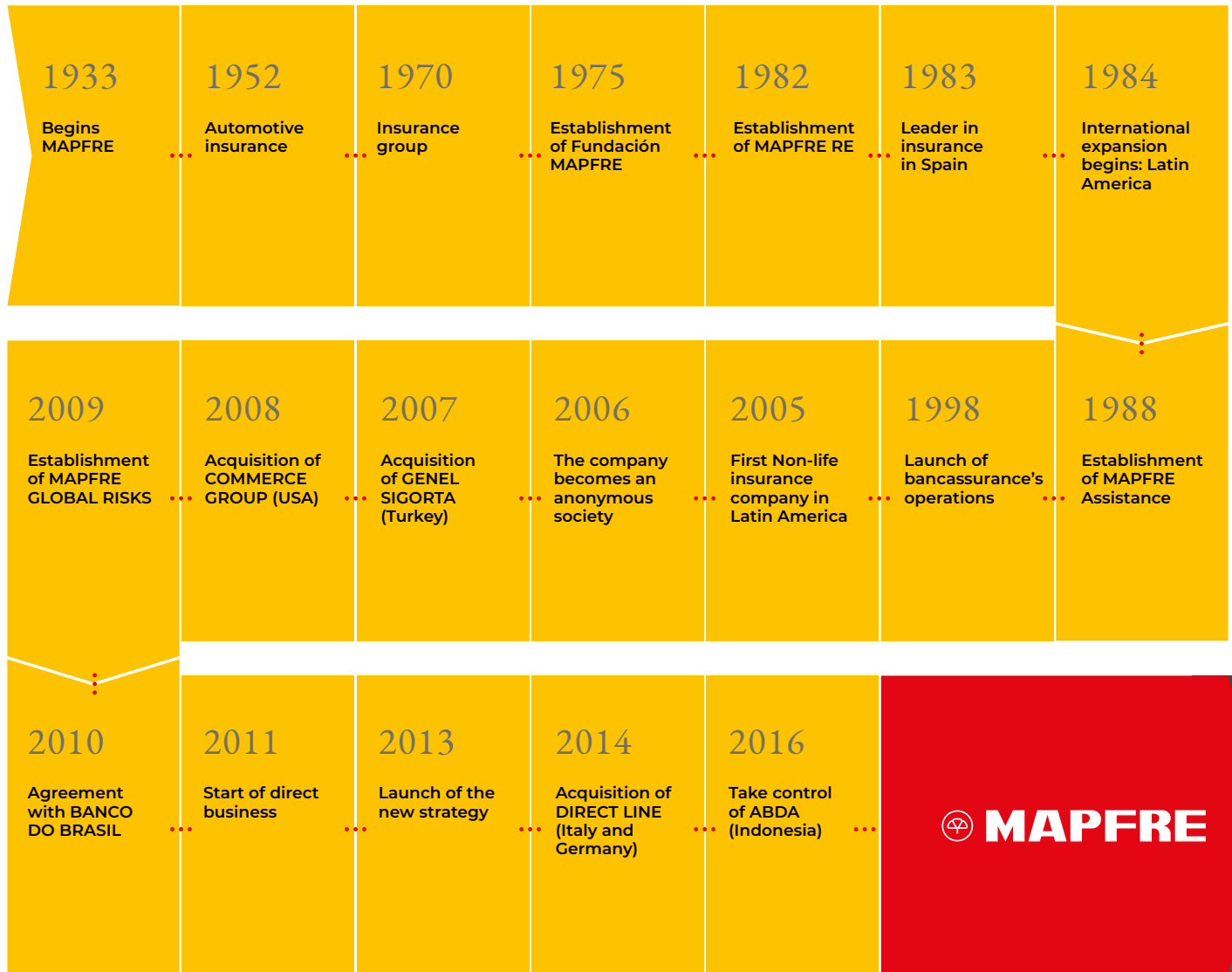
86.500

partners and brokers

Approximately

29million

clients around the world

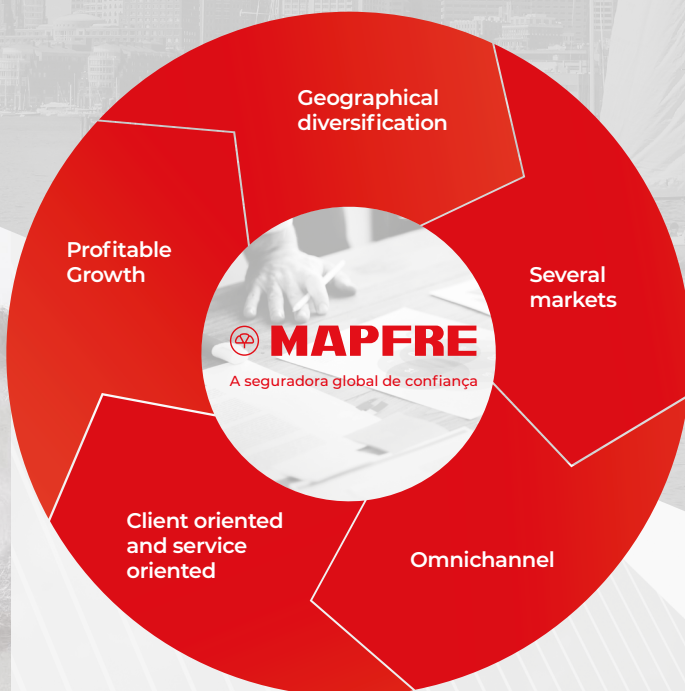


Did you know?

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.

3.2 Business Model

MAPFRE's vision is to be a **global insurance company of trust**, a concept that says much about its geographic presence and the variety of insurance products, reinsurers and of the services it negotiates around the world. The company aspires the leadership in the markets it operates, through its own management model, grounded in transformation and innovation to reach profitable growth, foreseeing clear and determined to the client – both private and business -, multichannel focused and deeply driven to service.



3.3 Vision, mission and values



OUR VISION:

TO BE THE MOST TRUSTED GLOBAL INSURANCE COMPANY. We intend to continue developing innovative solutions that safeguard people, with products to protect their property and savings, and that secure their future. Our aim is to provide close support to clients whenever and wherever they need us, across all five continents.

OUR MISSION:

We are a multinational team that strives tirelessly to improve our services and ensure the best possible relationships with our clients, distributors, providers, shareholders and society in general.

This is what we do: we are people who look after people.

OUR VALUES:

SOLVENCY

Solvency is understood to mean financial strength and sustainable results over time, rendering us fully capable of meeting all obligations with stakeholders.

INTEGRITY

All MAPFRE directors, employees, agents and partners are required to conduct themselves on an ethical basis at all times, taking a socially responsible approach to all activities and long-term commitments.

VOCATION FOR SERVICE

We constantly strive to excel in all of our activities. Our initiative is permanently centered on ensuring the best possible relationships with clients.

INNOVATION FOR LEADERSHIP

We identify differentiation as a key requirement to drive constant growth and improvement, putting technology at the service of our business and objectives.

COMMITTED TEAM

All employees, senior executives, agents and other partners are entirely dedicated to the MAPFRE project, and constant development of team skills and abilities.

See us as we work toward achieving our VISION and delivering on our MISSION.

MAIN GOALS ACHIEVED IN 2018

MANAGEMENT

- Strict technical control of the business
- Strict capital and risk management
- Multi Branch and Multichannel
- Geographic diversification

VALUE

- Shareholder stability
- Predictable company
- Competitive dividend policy

CULTURE

- Independent company
- Team of professionals as a foundation value of the organization
- Responsibility and commitment to ESG

STRATEGY

- Multichannel focus
- Internal structure reinforced (local, regional, corporate)
- Client focused
- Information systems and professional teams in the continuous search for excellence
- Technology and Digital services as allies
- Bigger self-management and controll
- Challenging agents

3.4 Main results

MAPFRE presents a structured model, aligned and participative in the plan and strategic management. This allows a constant update of the strategic plan, both corporate and in every region, country and business unit. In 2018, was closed the exercise of the strategic plan of 2016 – 2018.

The balance in the closing of this year is positive: there were three years of intense work in which there have been many advances transforming and digitalizing business. The results in every one of the strategic pillars and the financial indicators detailed can be consulted in the MAPFRE S.A. Integrated Report of 2018, available [here](#).

Main global numbers (Dec/2018):

R\$ 38
billion of equity

R\$ 112
billion of revenue

97.6%

Combined Non-Life insurance rate

207.9%

Solvency rate

FINANCIAL OBJECTIVES FOR THE TRIENNIUM 2019-2021

1. Profitable growth

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

2. Client's orientation

- 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

- 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.
- Open and flexible global technology, with advanced analytics.

4. Culture and talent

- 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.

3.5. Perspectives for the future

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 FOR GROWTH AND IMPROVED PROFITABILITY**, supported by the strategic pillars of Client Orientation, Excellence in Technical and Operational Management and Culture and Talent.

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





4

MAPFRE IN BRAZIL

4.1 Corporate Governance

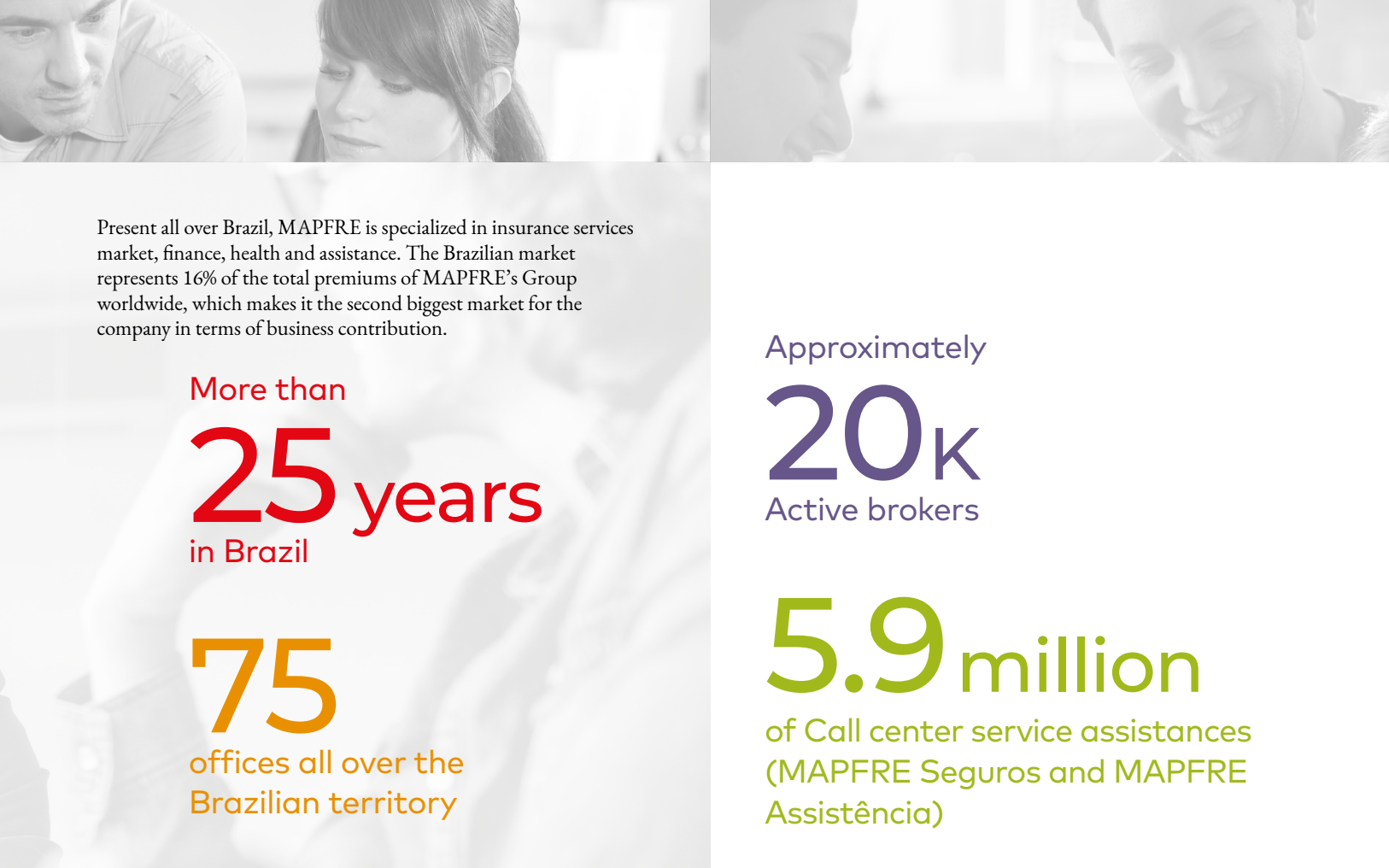
4.2 Products and Services

4.3 Main Results

4.4 Commercial Network
and Customer Service

4.5 Human Capital

4.6 Awards



Present all over Brazil, MAPFRE is specialized in insurance services market, finance, health and assistance. The Brazilian market represents 16% of the total premiums of MAPFRE's Group worldwide, which makes it the second biggest market for the company in terms of business contribution.

More than
25 years
in Brazil

75
offices all over the
Brazilian territory

Approximately

20k
Active brokers

5.9 million
of Call center service assistances
(MAPFRE Seguros and MAPFRE
Assistência)



MAPFRE's differentials

Among the most sustainable companies in Brazil
(2018 Exame Magazine Sustainability Index);

Most complete Insurance Portfolio in the country;

Exclusivity to sell automobile and large risks
insurance policies in Banco do Brasil;

For 6 years in a row named as one of the Great
Places to Work – by GPTW.

Only in 2018, the initiatives of Fundación MAPFRE have impacted around 1,9 million of Brazilians. See below its main initiatives:

1.1. Fundación MAPFRE awards for Social Innovation

Recognition of initiatives with great potential, which align social impact and technological innovation in the areas of e-health, insurance innovation, mobility and road safety. See more [here](#).

2.2. Mulheres Pelo Coração (Women by heart)

Raising awareness concerning the risks of cardiovascular diseases and the importance of habit changes, this campaign reached 43.831 women in 2018.

3.3. Educação Viária é Vital and Na Pista Certa

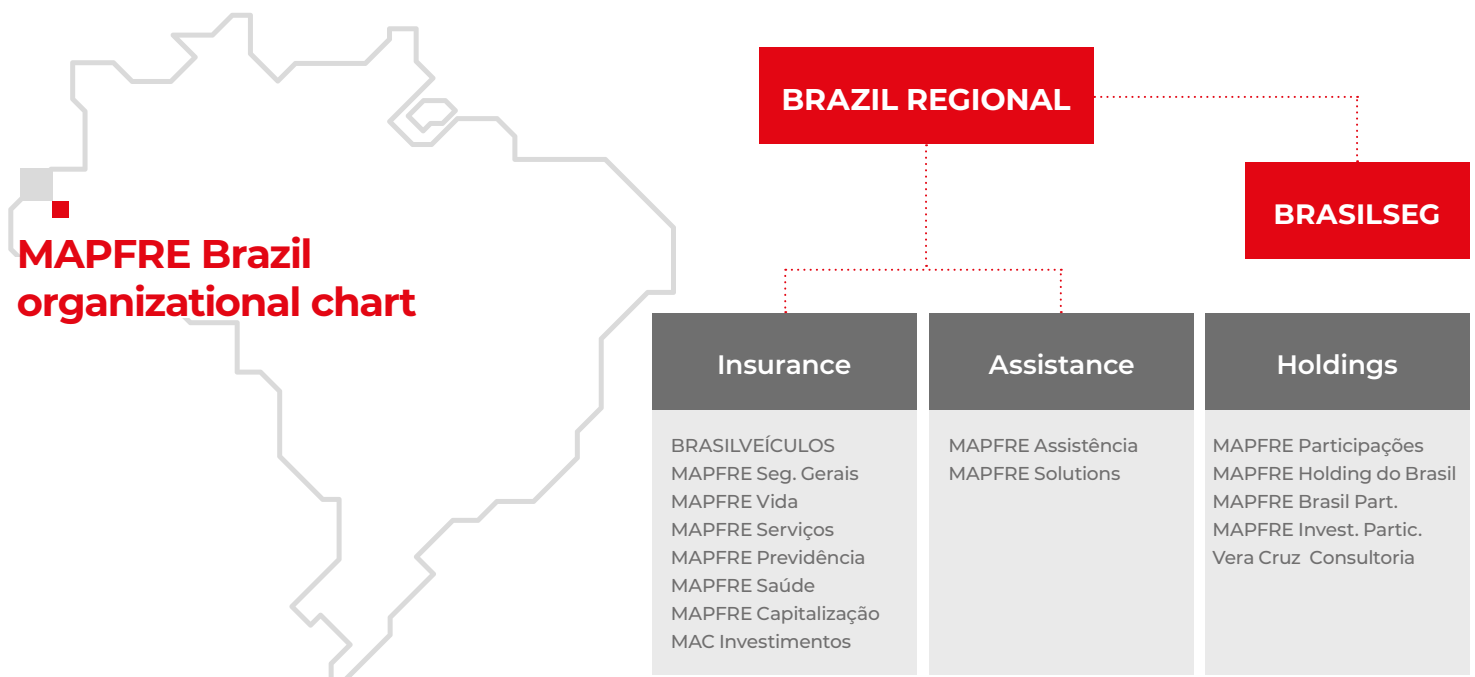
Programs for road safety that impacted 70.600 multipliers, children and young people during 2018.

For more details, access the website of [Fundación MAPFRE](#) in Brazil.

4.1 Corporate Governance

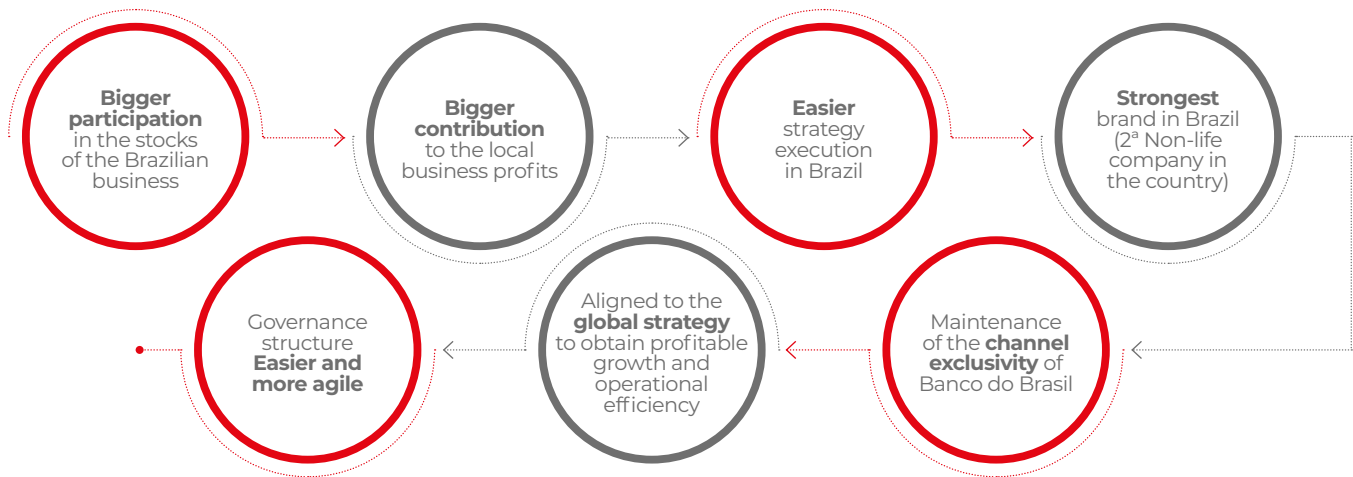
The corporate governance model adopted by MAPFRE is driven by principles such as ethics and transparency in information and oriented by valid corporate and institutional policies and codes that rule all MAPFRE's companies worldwide. The corporate governance committees of MAPFRE respect the characteristics and particularities of each business in which the company has participation.

MAPFRE's corporate governance model in Brazil presents, basically, the following structure: Administration Council, Fiscal Council, Audit Committee, Directors' Committee, Finance Committee, Risk Committee and Technology Committee.



Insurance Business agreement update

In 2018, MAPFRE and Banco do Brasil established an agreement about the update of its alliance in the insurance business, which was initiated in 2010. The restructured partnership allows MAPFRE to:



4.2 Products and Services

The MAPFRE performance is aligned to the vision of being a trustful global insurance company – a concept that relates both to its geographical presence and to a wide offer of products and services.

In Brazil, it counts on a partners' network to offer the biggest portfolio in the market, providing solutions to the client's all needs.

INSURANCE

Leader in Redeemable Life and Large Risks, and second in Automobile and Rural.

INVESTMENTS

It manages more than R \$ 10 billions in resources, in individual, legal and institutional funds.

CONSORTIUM

In partnership to BR Consórcios, it has more than R\$ 1,1 billion in letter of credit negotiated and R\$ 19,3 billions in delivered goods.

ASSISTANCE

Assists big groups in several markets, reaching an average of 18 millions of clients, registering more than 400 thousand of customer services per year.

SOCIAL ENVIRONMENTAL PORTFOLIO

In order to contribute to the dissemination of the insurance culture and to be ahead of new requests for socio environmental responsibility, MAPFRE offers products with premiums and adapted coverages that, in 2018, added up more than 1 million of insured/beneficiaries in Brazil. Some few examples:

Civil Responsibility Environmental: pursue to minimize the damage related to the contamination by dangerous substances, or contaminants resulting from road accidents.

Ecological disposal: allows the residential insured clients to hire assistance to dispose furniture or home appliances in a friendly environmental way.

Micro-insurance residential: considered as an insurance of social inclusion, due to its low premium value.

Protected and Rewarded Life: micro-insurance that combines the protection of the insured with monthly raffles. Negotiated in partnership to Casas Bahia (one of the biggest retailers in Brazil).

More highlights of 2018

Services and assistances 1,100,535

Losses 1,282,153

INNOVATION

In 2018, more than 100 million euros were dedicated worldwide to develop innovative projects or those linked to digital business. The year must also be remembered by the adoption of a more active and open innovation model, focused on the development of projects dedicated to the clients and to their experience during the journey within MAPFRE. This was possible due to the launch of MAPFRE Open Innovation (MOI), an innovation platform created to advance towards new business models that rises from digital and technological changes that we are facing.

MAPFRE Open Innovation

The platform integrates a set of levers of innovation and transformation through two main elements:

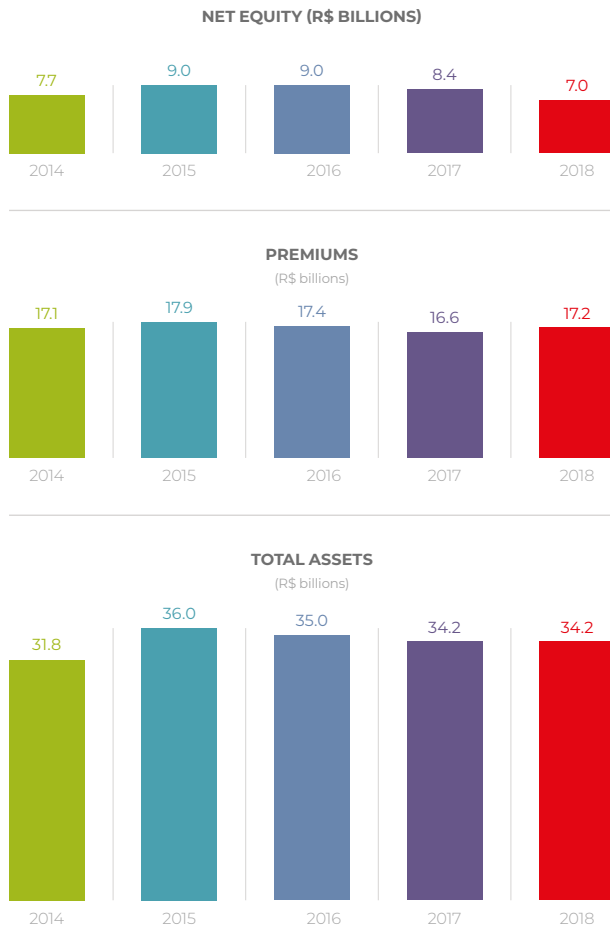
Strategic innovation: works with short-term solutions aligned to the MAPFRE's challenging strategic initiatives. It relies on a structure of innovation offices spread around the world, including a monitoring for innovation, and best practices related to insurance market and the company.

Disruptive innovation: it has its vision based on the long-term with the objective to take advantage of external and internal ideas. It has three main elements:

1. An accelerator – which prioritizes the searching for new solutions to meet the needs of different kinds of clients (Insur_space);
2. A collaborative model – with universities and business schools capable to develop innovative joint-projects;
3. An investment channel – to be part of venture capital entities dedicated to innovation and related to the insurance market.

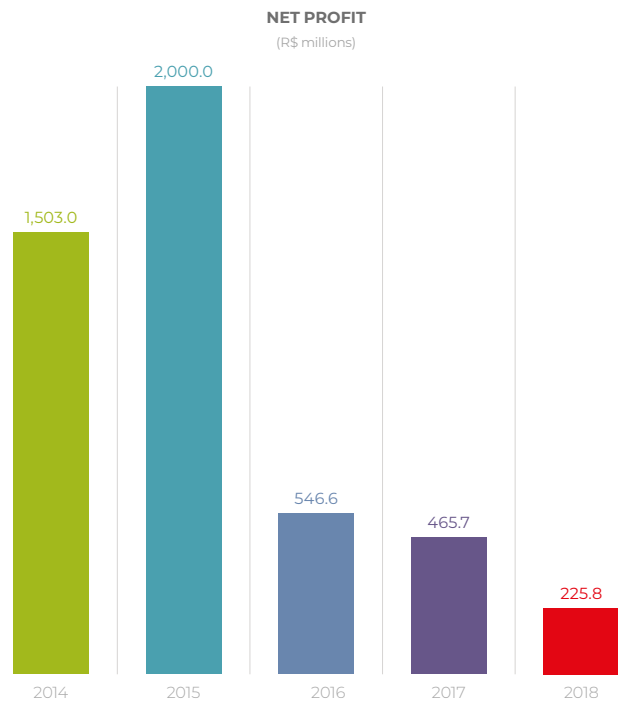
4.3 Main financial results

Economic and financial performance



RESULTS

Ratio	2018
Non-Life Combined Ratio	99.0%
Return Rate Equity	5.4%
Non-Life Loss Ratio	61.9%



The payment of indemnities is when the refund to society, made by an insurance company, is concluded. In 2018, MAPFRE paid R\$ 10.2 billion in indemnities.

4.4 Commercial network and customer service

MAPFRE is clearly oriented to capture people's trust, focused on multichannel and a deep mission for service. Therefore, it counts on solid and specialized partnerships to deliver a better proposal for the clients, based on their profile and needs. All clients have access to benefits, regardless which is the product they signed for.

In May 2019, Club MAPFRE was re-launched, becoming the new online platform to connect with clients, in order to add more value to the insurance and take care of our biggest asset, the insured.

OVERVIEW 2018

19,705
active brokers

734
"MAIS" Brokers

4,765
Banco do Brasil branches
that negotiate insurance

One of the biggest sales incentive campaigns of the insurance market, the campaign MAPFRE DNA, awarded 105 brokers with a trip to Madrid by the end of 2018. Other 41 high performance brokers were also recognized and properly awarded.

DIGITAL MAPFRE

In 2018, MAPFRE's Facebook page had **13 million** interactions on its posts, had **1.5 million** unique users in one month, engaged with **790 thousand** interactions on its posts, had **5.2 thousand** mentions to the brand, and attracted more than **387 thousand** followers.

Customer service model

The customer relationship model continued to be improved, in 2018, through a deep client journey analysis aiming to fit the language to the final experience.

Main results were:

Access to Club MAPFRE's benefits to all insured clients

Enrichment of information in the client's database, to amplify the knowledge of the insured's profile

Aí eu vi MAPFRE

In 2018, it was launched the institutional campaign “Aí eu vi MAPFRE”, that highlights the company ability to offer complete and suitable solutions to each client. Aired on cable TV and digital media, the institutional film has already reached **500 thousand views** on YouTube.

Brand ambassadors

MAPFRE named 8 services providers as Brand Ambassadors, moving to a customized model, that allows delivering services of excellence and bigger collaboration in the development of new products and services. In 2018, 6 training sessions were performed face-to-face, approaching themes like quality, sustainability and succession in business.

Clients AUTO

The automobile clients can count on a network of **1,574 accredited mechanical shops** over the country, besides 64 Fast Service Stations (P.A.R.E.) that fixes small and medium collisions in just 30 minutes.

Call Center

It is an owned central having about **1,000 professionals** dedicated to the relationship with customers, third parts and brokers. In 2018, there was a total of 5,896,006 received calls in the call center. It is one of the most awarded customer services in the county.

Ombudsman

The MAPFRE ombudsman channel registered a **decrease of 18.3%** on recorded complaints in 2018. In addition, there was a decrease in the spent time to solve the complaints, from 13 to **6.63 days**, in 2018. Based on this database, several improvement suggestions are conducted on the procedures, documents and systems.

4.5 Human Capital



MAPFRE follows a HR strategy aligned to the global guideline:

It is a HR which is a business partner and attentive to the market changes and to an even more digital world, responsible for creating and boosting a collaborative and agile environment, always focused on the customer.

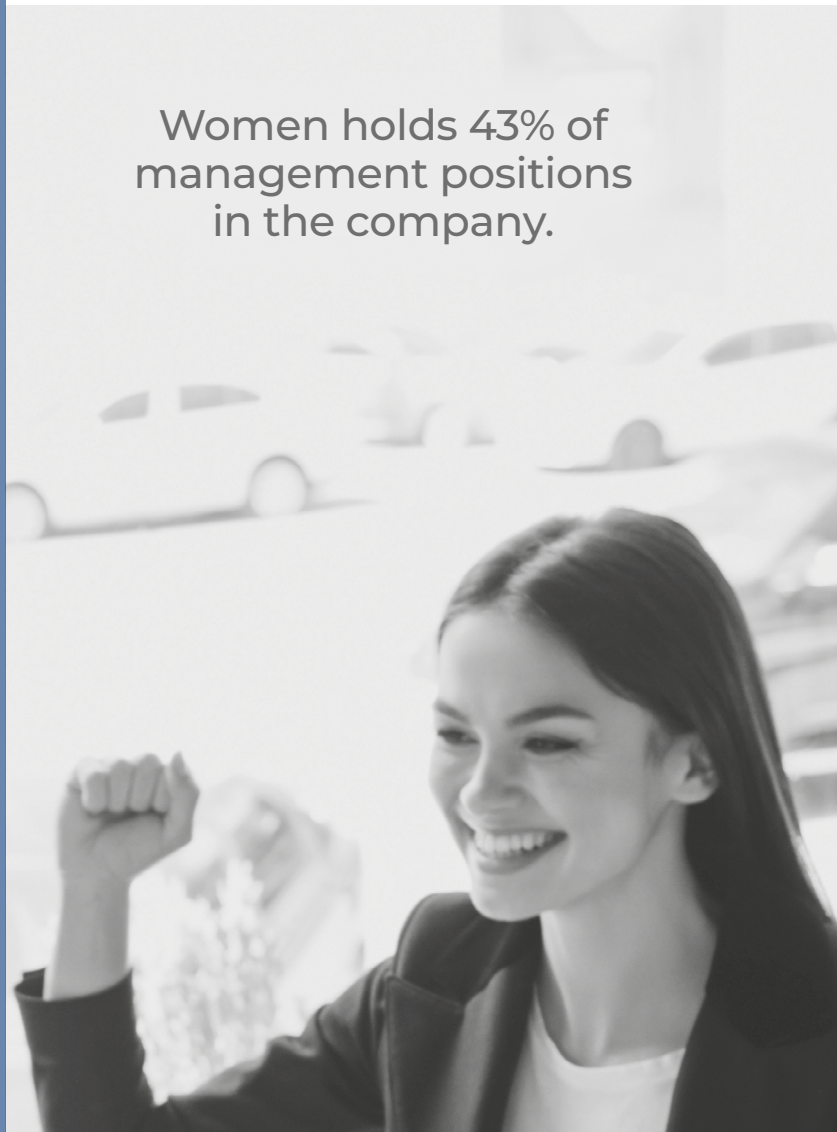
The brand counts on three strong differentials regarding the respect for its employees:

Opportunity for growth and development inside the organization;

Solid and well known company;

An open doors culture, where everybody is accessible.

Women holds 43% of management positions in the company.



5,950 employees		
37% of employees below 30 years old	58% of employees between the age of 31 and 50	5% employees above 50 years
63% are women	3% of the employees have disabilities	1% are foreigners
20 interns	161 apprentices	2,966 third parties
4,200 service providers	1,177 new employees hired in 2018	

Diversity and Non-Discrimination:

Diversity Council –which, in 2019, becomes Group ID (identity/inclusion and diversity);
Monitoring of diversity index;
Training leaders and recruiters about diversity and equality principles;
Policy to provide equal benefits for same gender couples;
Hotline to receive and solve complaints regarding prejudice inside the company;
Signatory of UN Women – Women Empowerment Principles;
Participant of the Forum of Companies and Rights LGBT.

Face-to-face and Online Training

6,503 hours of training courses
46,852 hours of transversal training
183,303 hours of technical training
TOTALIZING 236,658 hours of training in 2018

Health and wellbeing

In 2018, MAPFRE performed several campaigns regarding respect to health and wellbeing of its employees. The highlights were:

Vaccines – 6,565 applied doses
1st Week of Quality of Life – 2,868 people impacted
Week for vocal and hearing treatment for call center – 943 employees involved
Dental week – 150 employees treated
Ophthalmologic week – 284 employees treated
Pink October – 220 women received orientation about breast cancer
Blue November – for the first time, 257 men received orientations about prostate cancer, consultation with doctors and gifts in partnership with Dom Corleone (Haircut and beard treatment)
Health clinic – more than 9,300 appointments
Ergonomic exercises – 532 employees involved
Running and walking campaign – 103 employees participated

Personalized service

Clinic for medical appointments: psychology specialist, gynecologists, urology, dermatology, and general clinic allocated at the company's building with daily appointments. In 2018, a total of **10,907** appointments were performed;

Labor doctor and Social assistant: for second opinion about medical diagnosis and general orientation;

Channel POP (Ombudsman and chat program): Phone service for psychological assistance, legal and even for the employees' pets.

Volunteer program

Its goal is offering to employees the opportunity to develop a work that benefits its personal causes, besides to amplify their abilities and knowledge as citizens by building a fair and sustainable society. The program relies on the guidelines and support of Fundación MAPFRE. In 2018, it reached:

693 employees volunteering

158 employees' family members volunteering

8,905 people directly benefited

3,153 labor hours dedicated to volunteer work

139 activities performed

More than **20 thousand** goods donated

Activities performed in **13** states

Campaigns to rebuild and paint schools

Planting trees

Christmas presents donation for families in need

Work safety

MAPFRE values the work safety as an essential part of its operations. In 2018, the highlights were:

Participation in the Week for Quality of Life (MAPFRE Week), with ergonomic exercises and accidents prevention;

Performing SIPAT – Internal Week to Prevent Labor Accidents, at Tamboré campus;

Improvement on the PAE performance – Emergency Assistance Plan at the Morumbi headquarters, which contributes to the maintenance of the certification ISO 14001.

4.6 Awards

GUIA EXAME DE SUSTENTABILIDADE: for the 6th consecutive year, elected as one of the most sustainable companies in Brazil, according to Exame Sustainability Guide.

MELHORES EMPRESAS DE GRANDE PORTE PARA AS MULHERES TRABALHAREM NO BRASIL: 10th position between companies that develop best practices to promote gender equality, according to GPTW.

MELHORES EMPRESAS PARA TRABALHAR EM 2018: for the 7th consecutive year, it was elected as one of the best companies to work in Brazil.

PODIUM DE CURTO PRAZO: between the 3 top ranked institutions with the best forecast for each fiscal variable in the last 6 months.

PRÊMIO ESPRO: between the 5 best companies with Young-apprentices work inclusion practices.

PRÊMIO OUVIDORIAS BRASIL: reduction of complaints number through a better relationship between Ombudsman and Procon (Brazilian consumer protection agency).

PRÊMIO TOP EDUCAÇÃO: best education protection insurance, according to Educação magazine.

RANKING BROADCAST – TOP 10 BÁSICO: Estado Agency ranking that selects the best finance institutions.

SELO MUNICIPAL DE DIREITOS HUMANOS E DIVERSIDADE: acknowledgment from the São Paulo City Hall for inclusion policies of the LGBT.

TOP 5: ranking of the Central Bank to institutions that better reached their monthly projections.



5

ETHICAL BEHAVIOUR, ESG RISKS AND OPPORTUNITIES

5.1 Code of ethics and conduct
and complaints hotline

5.2 ESG Risks and Opportunities

MAPFRE has integrity as one of its essential values, which goes way beyond to comply with laws - it reaches an approach socially responsible for its activities. In order to make people who work on behalf of MAPFRE to fully live its values, the company lie on institutional guidelines, tools, trainings and mechanisms for internal control in order to ensure ethical performance and the best practices to fight against fraud, corruption and money laundry.

5.1 Code of Ethics and Conduct and Complaints Hotline

MAPFRE has a Code of Ethics and Conduct, published on the corporate intranet and, maintain, internationally, two hotlines for complaints:

Hotline for Financial and Fiscal complaints
(www.mapfre.com/CDF)
 Available for employees and suppliers, it receives complains related to a non-compliance of the Code of Ethics and Conduct.

Hotline for Ethics consultation and complaints
(www.mapfre.com/Etica)
 It answers employees' doubts about the application of the Code of Ethics and Conduct, or witnesses of potential risk situations concerning the principles and standards for ethics and conduct within MAPFRE.

In Brazil, MAPFRE maintain to its employees, partners, third parts and clients, the following hotlines for complains of suspected fraud, corruption, ethics deviations and unlawful acts:

- Complaint Line 0800-775-7333 – ARU (Audible Response Unity):** through it, the complainer can record a message with the information regarding suspected fraud or corruption.
- Online (www.mapfre.com.br):** allows complains of suspected fraud, corruption, mistakes and ethics deviations.
- POP Channel (Ombudsman and chat program):** employees can communicate the conduction of deviations and receive, when applied, psychological and legal assistance.

Training in ethics and transparency

MAPFRE offers face-to-face and online training to all its employees about subjects that seek to ensure ethics and transparency. Find below the main trainings performed in Brazil:

TRAINING	PARTICIPANTS		HOURS	
	2017	2018	2017	2018
Internal controls	5,395	5,563	4,152	4,173
Corruption	5,449	5,138	6,705	3,853
Fraud	5,434	5,271	2,761	3,954
Money laundry	5,455	5,515	4,091	4,136

To have an in-depth analysis in these matters, visit *Integrated Report of MAPFRE S.A.*

5.2. ESG Risks and opportunities

PSI1
PSI2
PSI3

The process for risk management at MAPFRE is based on identification, evaluation, measurement and risks treatment according to the methodologies defined and to the strategic risks established, and also ensuring solvency aiming the balance of auctorial-technical and the dissemination of a risk culture and corporate governance, thus, contributing to add value and sustainability within the organization.

The operational risk management and the coordination of indicators to evaluate risks and controls implemented in the MAPFRE's operations are performed globally – including Brazil – through the platform RiskMap. In 2018, the tool had the participation of 2.400 people from 25 countries and corporate areas.

For MAPFRE, risk management is a key factor to achieve a sustainable development, by integrating environmental, social and corporate governance (ESG) issues.

By following this guideline, the company can obtain additional information about the potential risks and expectations from stakeholders, helping in the process of decision making in several areas and creating new opportunities in products and services.

In this matter, in 2018, MAPFRE integrated ESG issues related to its business and amplified the orientation of sustainable practices for its value chain and clients.

Take a look at the most relevant projects from this period:

ESG in the business

In order to stay ahead of the ESG risks and contemplate the best practices for sustainability integration in its processes and activities, it's crucial to maintain a continuous work with the business units.

LARGE RISKS

In large risks, the inspection questionnaire that emphasizes ESG issues, which was reviewed in 2017, was integrated to the traditional inspection questionnaire, and to the Risk Assessment Matrix (reduced from 21 to 11 questions), allowing more efficiency while capturing relevant information. More than 2.500 risks were already inspected based on this new model, which allows to score companies according to the ESG guideline and to the initiatives undertaken.

This process is aligned to the “Technical and Procedure Guide for ESG integration in Large Risks”, which was presented during the PSI (Principles for Sustainability in Insurances) meeting.

RURAL AND MORTGAGE

The focus of the work with the Rural and Mortgage unit was the continuity of the suitability of documents and processes to mitigate ESG risks, highlighting the elaboration and approval of the clause about the recovers, to include it in the General Conditions. However, due to the renewal of the agreement with Banco do Brasil during 2018, some of these activities along with this unit had to be suspended and should be resumed.

AUTOMOBILE

In partnership to the Automobile unit, the risk mitigation system in the recover yard was continued, with the objective to mitigate risks through a series of initiatives, such as studies and technical environmental inputs and periodic audit to check environmental management system's stability at Caçapava recover yard, focused on waste management. In 2018, periodic audits were performed to stablish the action plans for needed suitability and continuous management improvement.

INVESTMENTS

Aligned to the global commitment of MAPFRE with Principles for Responsible Investment (PRI), in Brazil, ESG issues continued to be applied in all investment's theses evaluated. Currently, 93% of private corporate credit assets had the ESG element considered during the analysis process. The other 7% were acquired before the incorporation of these standards.

Orientation for customers and business network

MAPFRE understands that ESG integration must be focused on the client, and, therefore, in 2018, elaborated a short version of the Waste Management Orientation Guide. The material, to be distributed to clients with a loss kit, introduces the concept of waste, besides the basic orientation to minimize environmental damage caused by waste management generated in rural losses – focusing on improvements, machines and culture.

It also made available the *Guide for Good Practices in Prevention*, which approaches relevant issues regarding risks and insurance education to clients, brokers and commercial partners of the Home Insurance. The material brings:

Full step-by-step of actions to reduce loss risks (fires, leaks, robbery, etc.) at houses and apartments.

Instructions for the insured clients about the use of the policy, in order to obtain the right support and to make use of the hired services in its best possible way.

Engaging the value chain

MAPFRE has the goal to ensure an ethical and socially responsible behavior by the people involved on its value chain.

In Brazil, the commercial and administrative contracts originating from the insurance business of MAPFRE incorporate clauses focused on socio and environmental responsibility, such as comply with the environmental legislation in force and fight against child labour and/or labour analogous to slavery

Additionally, MAPFRE performed in 2018 an environmental audit along with its critical suppliers and promoted technical trainings in social environmental matters. In total, in 2018, 172 suppliers participated in 11 integrations related to assistance of emergency situations, Environmental Management System (EMS) and Waste Management.

In partnership with Sebrae-SP, there were three e-learning courses with relevant subjects related to the value chain of MAPFRE:

Spending Control on Service Provision

Sustainable Metal Repair and Painting Workshops

Quality Assistance – Automobile Repair Workshop



Institutional Participation

MAPFRE participates in national and international forums to discuss and deepen the integration of sustainability to the business model of the insurance market, highlighting the presidency of the Committee for Sustainability and Innovation at CNseg (National Confederation of General Insurance Companies, Private Pension, Supplementary Health and Capitalization) and the participation in the global board of PSI (Principles for Sustainability Insurance). Additionally, it maintains active participation in the following institutions:

CNSEG (National Confederation of General Insurance Companies, Private Pension, Supplementary Health and Capitalization)

Fenaprevi (National Federation of Private Pension and Health)

Fenseg (National Federation of General Insurance)

Fenasau de (National Federation of Supplementary Health)

Fenacap (National Federation of Capitalization)

Susep (Private Insurance Superintendence)

Sindiseg

Shared value and insurance culture

In 2018, the company supported important projects and institutions connected to its values, helping to disseminate the insurance culture.

To be highlighted:

VOLVO OCEANRACE

During the biggest regatta event in the world, MAPFRE promoted the relationship with the Trading Network from Itaja  (SC) and region. It also deserves to be highlighted the qualification of young people from Instituto Crescer: for three weeks, 45 young volunteers aging from 14 to 20 years followed the work of the company at the Regatta Village.



6

MANAGEMENT AND ENVIRONMENTAL STRATEGY

6.1 Natural resources and eco-efficiency

6.2 Waste management and reverse logistics

6.3 Environmental footprint: emissions and trade-offs

6.4 Campaigns and engagement

MAPFRE is a company committed to reduce the environmental impact and has a global strategy to deal with climate changes. Its performance is led by the *Environment Policy*, approved by the Administration Council of MAPFRE S.A..

6.1 Natural resources and eco-efficiency



In order to promote responsible consumption of natural resources and generate eco-efficiency, the company invests in the review of internal processes and environmental awareness. In 2018, important opportunities were identified for reduction in the consumption of natural resources of the headquarters located in WT Morumbi:

Adjustment of working hours of floor lighting;

Disconnection of part of external lighting;

Setup of presence sensors to illuminate the toilets cabins.

Once all actions were implemented, it was revealed the overcome of the goals for energy consumption reduction, which was 3,04%. The reduction of consumption when comparing the months of November 2018 and December 2017, summed a total of 334,663 kWh/year. This also represents a reduction on greenhouse gases emissions of 24,759 tCO₂e*.

*Calculated by the tool of the Brazilian Program GHG Protocol.

CONSUMPTION OF NATURAL RESOURCES IN THE BUILDINGS OCCUPIED BY MAPFRE IN 2018:

10,055,744 kWh of electricity

47,135 m³ of water

MAPFRE'S FUEL CONSUMPTION OF THE OPERATIONAL VEHICLES IN 2018:

19,147 liters of diesel

554,819.21 liters of gasoline

OPERATIONAL PAPER CONSUMPTION:

188,477.72 kg

GENERATION OF HAZARDOUS WASTE, DESTINED IN THE ENVIRONMENTALLY CORRECT WAY:

315.20 kg of toners and cartridges

413.83 kg of waste from health services (including air conditioning filters, due to their characteristics)

497.20 kg of solids contaminated with oils and greases

ISO14001

Since 2014, MAPFRE has been certified by the NBR ISO 14001 standard, which certifies the proper functioning of its Environmental Management System (EMS). After an audit performed in April 2018, the EMS was certified by the most current version of the international standard NBR ISO 14001: 2015. The achievement is the result of an extensive and meticulous work, which involved continuous process improvement and engagement of employees and third parties.

Certification LEED

Another relevant certification from WT Morumbi headquarters, completed in 2017 and maintained the following year, was LEED (Leadership in Energy & Environmental Design), which certifies that the building meets the sustainability requirements established by the U.S. Green Building Council. The headquarters have two seals: LEED SILVER (which is related to the building construction and managed by the condominium) and LEED GOLD (which refers to the floors and is administered by MAPFRE).

Sustainability Academy

Since 2012, the Sustainability Academy has more than 7,000 participations. In 2018, 1,917 professionals (among employees and business partners) were trained in topics and relevant information on sustainability, in different meetings promoted during the year:

"Correct Disposal" Workshop, with the participation of **10 employees** from different areas to discuss the destination of waste in the area of Mass Insurance.

Training of **193** third parties in specific meetings on ISO14001 and EMS.

E-learning courses in partnership with Sebrae-SP on Sustainable Car workshops, Control of Expenses and Quality in the Service, with the registration of **63 Car workshops**.

1,335 employees in the e-learning course of Environmental Management.

6.2 Waste management and reverse logistics



MAPFRE pursues to manage the waste of its activities in an environmentally correct manner and to engage its value chain to promote reverse logistics, minimizing environmental impact and risk.

ENVIRONMENTAL DISPOSAL

Assistance that can be hired by clients of residential insurance, and has the objective to correctly dispose waste of rebuildings and constructions, furniture and electronic devices. Approximately 1,500 assistance services were performed in 2018.

REVERSE LOGISTICS IN THE VALUE CHAIN

The Reverse Logistics project guarantees the environmentally correct destination of insured electronics with an extended warranty / right exchange, reducing the environmental impact of operations and fostering the entire recycling chain.

24 tons of electronic devices were sent to recycling in 2018.

More than **100 tons** were environmentally correctly disposed since the project began in 2015.

6.3 Environmental footprint: emissions and trade-offs



MAPFRE believes that the contribution to the reduction of greenhouse gas emissions (GHG) is both a challenge and an opportunity, requiring a strategy in the short, medium and long-term that minimizes the identified significant risks and promotes the implementation of the opportunities identified.

In the *MAPFRE S.A. Integrated Report*, you can learn more about the risks related to the climate issue and the implementation of the Strategic Plan for Energy Efficiency and Climate Change, which sets targets for reducing carbon emissions. In Brazil, MAPFRE acts aligned to the corporate guidelines and also complying with internationally accepted principles and covenants, such as the *Paris Pledge for Action*. As a result, in 2018 the company prepared and published, for the fifth consecutive year, its annual inventory of greenhouse gas emissions classified as silver category.

The inventory can be consulted in the *Public Register of Emissions*, repository of the GHG Protocol.

AIR TRAVEL EMISSIONS: REDUCTION OF ABOUT 8% IN 2018, IN COMPARISON TO THE PREVIOUS YEAR



Compensation of greenhouse gas emissions

WORLD CAR FREE DAY

In order to engage the insured, MAPFRE has purchased enough carbon credits to neutralize the emissions of vehicles from its portfolio on September 22th, when World Car Free Day is celebrated.

2,767 tCO₂e (tons of carbon equivalent) offset*

NATIONAL CONGRESS OF BROKERS

MAPFRE also offset greenhouse gas emissions generated at the 18th Congress of Insurance Brokers (Conic) 2018, which took place from September 27th to 29th, at the Transamérica Expo Center in São Paulo (SP).

383 tCO₂e (tons of carbon equivalent) were offset through the acquisition of carbon credits in 2018.

Carbon credits were invested in the Ecomapuá forest recovery project in the Amazon region of Pará:

90,000 hectares of Amazonian biome is the area for which the Ecomapuá project extends.

More than **100 families** rely on the natural resources of this area of the forest to survive.

* Based on company methodology specialized in the area.

6.4 Campaigns and engagement

MAPFRE also promotes campaigns related to the environmental awareness. Main initiatives:

ENVIRONMENT WEEK

In the week when the World Environment Day (June 5th) is celebrated, we reinforced MAPFRE's position as a company attentive to the theme through:

Disclosure of Smart Disposal assistance to residential product customers;

Reinforcement, among employees, of tips for reducing the waste generation.

EARTH HOUR

For the eighth consecutive year, MAPFRE participated in Brazil in the Earth Hour initiative, promoted by WWF International to alert the world population about the risks of global warming and climate change.



