



2020

Summary
of Integrated
Report

Letter from the **Chairman and CEO**



ANTONIO HUERTAS |
PRESIDENTE DE MAPFRE

Last year, 2020 was the year of the pandemic, a period that sorely tested the strength of a company that found itself confronted with all the consequences of COVID-19: a dramatic and continuously rising death toll, long months of economic stagnation, and the deep crisis that followed in the wake of the coronavirus in every corner of the planet, and virtually simultaneously in most of the 44 markets in which we are present. Nobody was able to predict the magnitude of what happened and therefore, nobody was fully prepared to deal with what happened. From the outset, we decided to combat COVID-19 on three fronts: protecting our employees, collaborators and clients; protecting our present and future business, while maintaining and meeting our commitments to clients, and protecting society, especially in those countries where economic and socio-sanitary needs have been greatest.

The message conveyed by the annual report for the fiscal year is that we are a company with the ability to create value despite the complexity of the environment. COVID-19 has not broken our commitment to our shareholders either, with a dividend always paid in cash and which, while conservative, constituted one of the highest payouts on the IBEX-35. All this was achieved while maintaining excellent financial-equity and solvency exposure, with only very slight variations in values as a result of the COVID-19 crisis.

Nor has the pandemic prevented us from moving forward with #PlayingOurPart, the motto underlying our ambitious Sustainability Plan, which we continue to deploy globally across its three inherent dimensions: environmental, social and governance. We remain committed to the United Nations Global Compact and the United Nations 2030 Agenda Sustainable Development Goals (SDGs). Our strategy for the environment and climate change, the circular economy, talent management, digital transformation, agingnomics, our focus on socially responsible investments, the social footprint we produce...these are all territories where MAPFRE, together with all our stakeholders, can and wishes to be a relevant actor in the ongoing process of social, economic and cultural transformation of our world, and that is exactly what we are doing.

In conclusion, I would like to refer to employment, which, as the dramatic figures we are seeing bear testament to, is the worst-performing indicator in most countries. In line with our public commitment on the issue, MAPFRE has not made any adjustments to its workforce due to COVID-19, and we have continued to advance in our diversity, inclusion and work-life balance commitments.

Commitment to profitable growth and value creation remains a priority. 2020 is over, and while it is still too early to let our guard down, as we advance into this new financial year, we are guided by a ray of hope in the form of vaccines that allows us to look to the future with increased optimism. MAPFRE has a solid and sustainable business model, and the pandemic will not change the company's road map. The figures of the last few months of the year confirm that we are going in the right direction and that we can and will continue to aspire to achieve a strong financial dividend for shareholders, and an enormous social dividend for society as a whole.

Antonio Huertas | Chairman and CEO of MAPFRE

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The Alternative Performance Measures (APMs) used in the report, which refer to financial measures not defined or specified in the applicable financial reporting framework, along with their definition and method of calculation, can be found on our website at the following address:

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

Key figures

ALMOST
30
MILLION
CLIENTS

MORE THAN
33,700
EMPLOYEES
97.6%
OF STAFF ARE ON
PERMANENT
CONTRACTS

ALMOST
5,000
OFFICES

No.1
in
LATAM
NON-LIFE INSURANCE

DOING
BUSINESS
WORLDWIDE

2020
EARNINGS:
527
MILLION
EUROS

WE ARE THE BENCHMARK INSURANCE COMPANY IN SPAIN

11th
LARGEST
INSURANCE
COMPANY
IN EUROPE

NON-LIFE
COMBINED
RATIO

94.8%

2020 REVENUE:
25.42
BILLION
EUROS

SOLVENCY RATIO
SEPTEMBER 2020
180.2%

MORE THAN
82,000
INTERMEDIARIES

13.73
BILLION EUROS
PAID
IN CLIENT
BENEFITS

16th
LARGEST
GLOBAL
REINSURER

3rd
LARGEST
INSURANCE
GROUP
in LATAM

MORE THAN
140,000
PROVIDERS

2020 DIVIDEND
416
MILLION EUROS

SOURCE: S&P GLOBAL RATINGS

We do business worldwide

MAPFRE OPERATES AROUND THE WORLD, WITH A NETWORK OF ALMOST 5,000 OFFICES AND MORE THAN 82,000 AGENTS AND INTERMEDIARIES.



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

MAPFRE and COVID-19

THE COVID-19 PANDEMIC HAS LEFT ITS MARK ON 2020 IN ALL RESPECTS, AND FROM THE OUTSET, THE GROUP LAUNCHED MEASURES TO ADDRESS THE EFFECTS OF THIS SITUATION WITH A TRIPLE OBJECTIVE:



To protect our employees, collaborators and clients

To protect the company and its solvency, and to take decisions to limit the economic impact of the pandemic and to favor the company's rapid recovery during the exit from the crisis

To protect and help society in all the countries in which MAPFRE operates

APPROXIMATELY **200 MILLION EUROS** WERE MOBILIZED **TO FIGHT THE PANDEMIC**, PROTECTING **EMPLOYEES** AND SUPPORTING **CLIENTS, SERVICE PROVIDERS AND HEALTH SYSTEMS** IN SOME **30 DIFFERENT COUNTRIES**

ENCOURAGING **TELEWORKING: 90 PERCENT** OF GROUP EMPLOYEES **WORLDWIDE** HAVE BEEN WORKING REMOTELY TO **REDUCE** THE RISK OF **CONTAGION** AND TO ENSURE **CLIENTS RECEIVE** THE **SERVICE LEVELS** THEY DEMAND

MORE THAN **350 WORK FACILITIES** IN SPAIN WERE RECOGNIZED AS **SAFE SPACES** BY **AENOR**

50,000 PEOPLE, BOTH CLIENTS AND NON-CLIENTS, **BENEFITED, FREE OF CHARGE**, FROM THE SERVICES OFFERED BY **SAVIA**, THE GROUP'S DIGITAL **HEALTH** PLATFORM

Sustainability

MAPFRE HAS A STRONG SOCIAL COMMITMENT, WITH A BUSINESS MODEL ORIENTED AROUND SUSTAINABLE DEVELOPMENT, LOOKING TO THE PRESENT BUT WITH ITS EYES FIRMLY TURNED TOWARD THE FUTURE.

The Group's sustainability plan focuses on the major global and social challenges: climate change, the circular economy, inclusion and talent, financial and insurance education, the economics of ageing and the United Nations 2030 Agenda

SUSTAINABILITY PLAN MILESTONES

Environmental

- Ensuring that MAPFRE facilities in Spain and Portugal are carbon neutral by 2021, and in the rest of the Group by 2030.
- Commitment to the Pact for the Circular Economy in Spain.

Transversal

- Commitment not to invest in companies deriving 30 percent or more of their revenue from coal-produced energy.
- We will not insure the construction of new coal-fired power plants or the operation of new coal mines.

Social

- 46.3 percent of positions of responsibility are held by women (exceeding the objective for 2021 of 45 percent)
- Persons with disabilities employed: 3.3 percent (objective for 2021: 3 percent)
- MAPFRE AM is the first Spanish fund manager to obtain the French ISR label for responsible and sustainable investors for a number of its funds.
- A number of service providers obtained approval according to ESG criteria.
- The Ageing Project: definition of action plans for longest-serving employees in Spain.

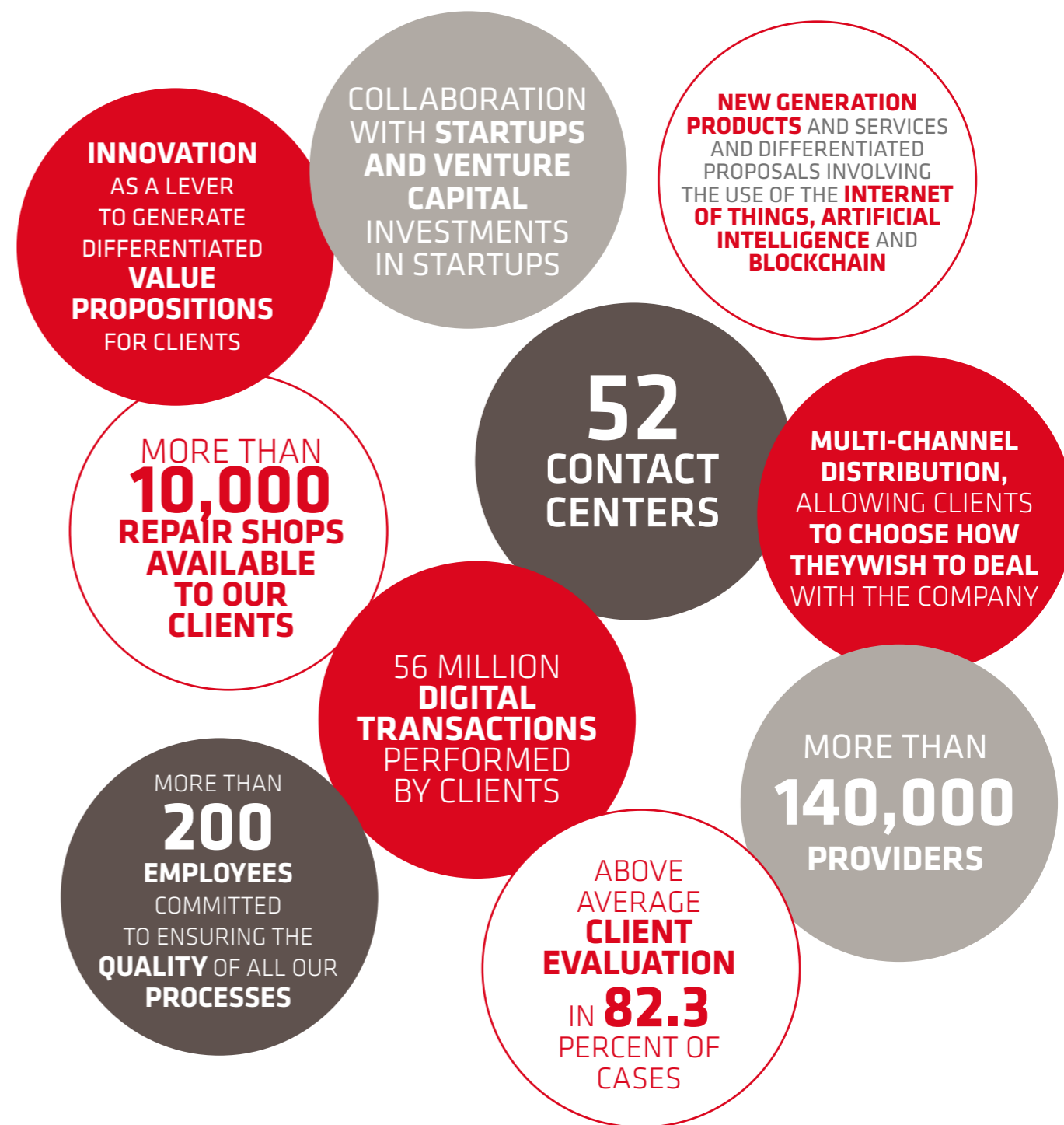
Governance

- The UN 2030 Agenda for Sustainable Development.
- MAPFRE Code of Ethics and Conduct
- Social Footprint.

Protecting the client

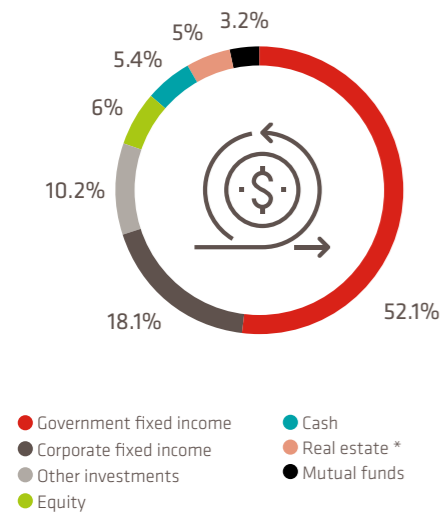
THE CLIENT IS THE FOCUS OF ALL MAPFRE ACTIVITY, AND THE CLIENT EXPERIENCE IS THE BASIC PILLAR THAT HAS MARKED THE TRANSFORMATION OF ALL BUSINESS PROCESSES.

In a year marked by COVID-19, MAPFRE launched more than 300 initiatives to help clients alleviate the consequences of the pandemic: payment flexibility and installment plans, adapting coverages and offering discounts etc.

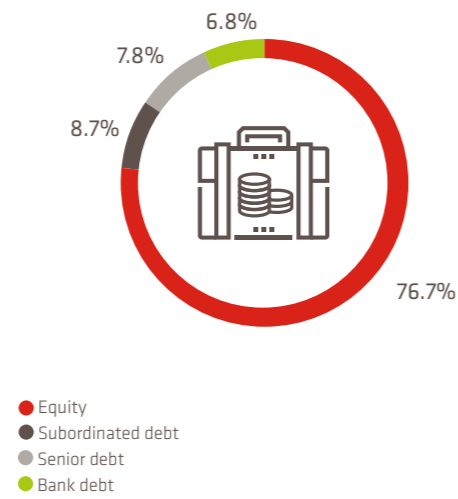


Creating value for the shareholder

INVESTMENT PORTFOLIO

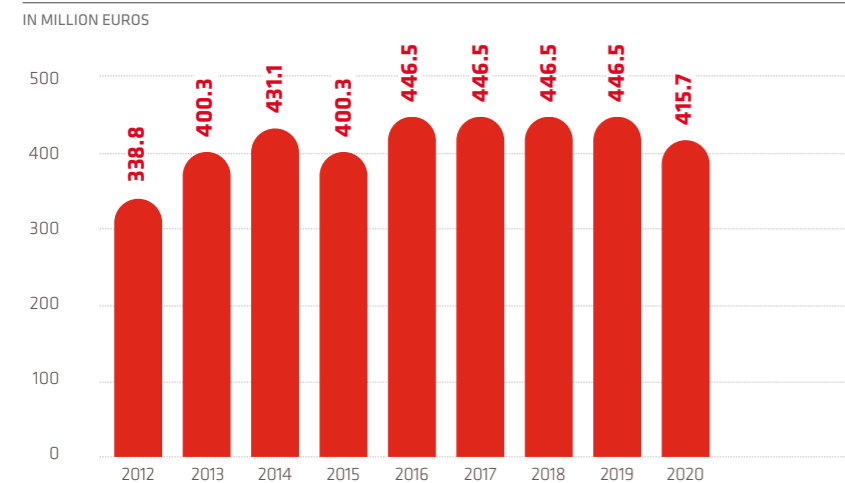


CAPITAL STRUCTURE



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

DIVIDENDS PAID AGAINST EARNINGS



EQUITY:
9.84
billion euros

EQUITY ATTRIBUTABLE TO THE CONTROLLING COMPANY:
8.54
billion euros

➤ Almost 1,400 shareholder inquiries received via our toll-free telephone service.

➤ More than 600 participants in virtual conferences and meetings with analyst, investors and shareholders.

➤ Customer loyalty plan: "MAPFRE Shareholders, a unique value".

➤ Thinking about the shareholder, the company and society: seeking profitability, with sustainability criteria in the company's investments and financial products.

Developing employees

MAPFRE IS A COMPANY OF OPPORTUNITIES; IT IS DIVERSE AND INCLUSIVE AND HAS THE BEST PROFESSIONALS TO SERVE ITS CLIENTS AND DEVELOP THE BUSINESS. OUR PEOPLE ARE COMMITTED AND TALENTED.

97.6%
OF EMPLOYEES ARE ON PERMANENT CONTRACTS

EMPLOYEES OF **89** DIFFERENT NATIONALITIES AND **five generations**

Women 55.1%
33,730 EMPLOYEES
Men 44.9%

➤ As of 2022, **40 PERCENT OF THE MEMBERS** of MAPFRE's Board of Directors will be **WOMEN**

➤ Talent development and identification program: MAPFRE Global Talent Network: Nearly **5,000 EMPLOYEES** identified with **INDIVIDUAL DEVELOPMENT PLANS** in place

➤ **310** agreements with **UNIVERSITIES AND BUSINESS SCHOOLS** for students to participate in **INTERNSHIPS** at MAPFRE

➤ More than **7 MILLION EUROS** invested in employee **TRAINING**

➤ Knowledge management technology platform: **EUREKA**, with more than **1,100 EXPERTS IDENTIFIED**

Why employees recommend MAPFRE as a good place to work:

- Stability
- Work-life balance
- Implementation of the company's values
- Ability to grow professionally

161 million euros allocated to **employee social benefits**

Generating **business** for **providers**

OUR PROVIDERS ARE WHAT REMAINS IN THE MINDS OF MAPFRE CLIENTS AFTER AN INTERACTION WITH THE COMPANY. THE COMPANY HAS A PROVIDER MANAGEMENT OPERATIONAL MODEL IN PLACE, FOCUSED ON CLIENT ORIENTATION AND VOCATION FOR SERVICE.

MAPFRE works with more than **140,000** providers worldwide

Over **7.3 billion euros** in payments are made to MAPFRE providers

"PROVIDERS AS BRAND AMBASSADORS" is an initiative through which these providers, in addition to managing services and promoting the brand, contribute their expertise to the design of new products and services

Approval of service providers in accordance with ESG criteria:

- OCCUPATIONAL SAFETY AND HEALTH CONSIDERATIONS FOR WORKERS
- HUMAN RIGHTS
- ENVIRONMENTAL PRACTICES AND SANCTIONS
- INCLUSION, DIVERSITY AND NON-DISCRIMINATION



4,000 APPROVED PROVIDERS

Compliance with high quality standards

Campaigns for raising awareness of Human Rights and Sustainable Development Goals (SDGs)

Social footprint: shared value

WE ARE MAPFRE, PEOPLE READY TO HELP, AND WE ARE THE HEART AND SOUL OF THE COMPANY. WE FULFILL THE VISION OF #PLAYINGOURPART THROUGH OUR VOCATION FOR SERVICE, WHICH IS ONE OF THE VALUES THAT BEST DEFINES US.

Social footprint

- 32,949 employees on permanent contracts
- Nearly 500 students have completed internships in the Group in 25 countries
- 57.3 percent of employees enjoy flexible work hours
- 6 CESVMAP (MAPFRE Center for Experimentation and Road Safety) research and development centers in Spain, Argentina, Brazil, Colombia, Mexico and France
- Volunteering:
 - More than 4,750 volunteer employees and family members have participated in nearly a thousand activities that benefited more than 150,000 people
 - MAPFRE Volunteering Day "United Against Hunger": over 13 tons of food were collected

Economic footprint

- 1.46 billion euros paid in salaries and wages
- Almost 540 million euros paid to Public Administrations
- More than 38 million euros were paid into the solidarity fund promoted by UNESPA (the Spanish Association of Insurance and Reinsurance Companies) to provide free insurance to health workers fighting the coronavirus in Spain
- Implementation of the Sustainable Finance Observatory

Environmental footprint

- 11 international offices with sustainable construction certification
- Over 300,000 policies with free environmental liability coverage
- Almost 50,000 parts recovered from out-of-commission vehicles
- MAPFRE participates in the Biodiversity and SDG Work Group of the Spanish Green Growth Group, among others

Committed to the **environment**

WITH THE OBJECTIVE OF BEING AN ACTIVE PLAYER IN THE URGENT NEED FOR TRANSFORMATION TOWARD A LOW-CARBON ECONOMY, MAPFRE DEFINES ITS STRATEGY TO COMBAT CLIMATE CHANGE THROUGH THE FOLLOWING LEVERS:

INTEGRATION OF THE CLIMATE CHANGE VARIABLE INTO THE GROUP'S BUSINESS	DECREASING THE GROUP'S ENVIRONMENTAL FOOTPRINT	PROMOTION OF THE CIRCULAR ECONOMY	BIODIVERSITY PRESERVATION
<ul style="list-style-type: none"> ➤ Inclusion of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in financial planning. ➤ Adoption of ESG concepts in investments. ➤ Definition of low-carbon products. 	<ul style="list-style-type: none"> ➤ Installation of photovoltaic panels at the Group's headquarters. ➤ Purchase of renewable electricity with guarantees of origin. ➤ 25 hybrid tow-trucks and 34 fully electric or LPG workshop vehicles in Spain. ➤ Incorporation of the electronic biometric firm: saving 250 tons of paper in Spain and Portugal. ➤ Management of 3,015 tons of waste. 	<ul style="list-style-type: none"> ➤ First insurer to sign the Pact for a Circular Economy in Spain. ➤ MAPFRE sin Plásticos project in several countries. ➤ Donation of retired computer equipment to non-profit organizations. ➤ CESVMAP, a circular economy success story. 	<ul style="list-style-type: none"> ➤ Members of the Pact for Biodiversity of the Spanish Enterprise and Biodiversity Initiative.



INTEGRATED
REPORT 2020

