

UNEP-FI Principles for Sustainable Insurance (PSI)

2024 PROGRESS REPORT

(February 2025)

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1. Introduction

MAPFRE is a multinational group with a presence in 38 countries and operations in over 100, operating through a network of 4,625 direct and delegated offices, 8,042 bancassurance offices, and 86,928 intermediaries. It is primarily engaged in insurance, reinsurance, and financial activities, offering a catalog of products and services tailored to the needs of our clients. The offerings include solutions for individuals, self-employed professionals, entrepreneurs, SMEs, and large corporations, covering life, health, property, auto, liability, cyber risks, transportation, agriculture, and more.

We are the leading Spanish insurance company worldwide and a leader in Latin America, with significant and/or leading positions in most of the countries where we operate.

Our vision is to be THE TRUSTED INSURER for all our clients globally, through a global presence and a wide range of insurance, reinsurance, and service products.

We aspire to lead the markets in which we operate through our own distinctive and sustainable management model, based on transformation and innovation to achieve profitable growth. We are clearly and decisively customer-oriented, both for individuals and businesses, creating relationships of fairness and transparency, with a multichannel approach and a deep commitment to service.

Our corporate purpose, the reason for the company's existence in its day-to-day operations, is defined when we tell our clients that "we are by your side, accompanying you so that you can move forward with peace of mind, contributing to the development of a more sustainable and supportive society." In other words, we are by their side, helping them in the present and also in the future, because we are prepared to support them and offer what they need today and what they may need tomorrow, as we have been doing for many years. In an uncertain world, we are defined by the capability of more than 250,000 employees, collaborators, and suppliers providing the best service, innovating, adapting to the needs of our clients, and being there when they need us.

We develop this commitment based on the following values, which help us fulfill our corporate purpose and achieve the company's vision: Solvency, Integrity, Service, Innovation, and a multidisciplinary and diverse team.

In 2012, MAPFRE adhered to the Principles for Sustainable Insurance (PSI) promoted by the United Nations Environment Programme Finance Initiative (UNEPFI), committing to integrate environmental, social, and governance (ESG) issues into the decision-making processes of the Group's insurance operations.

By signing the PSI, MAPFRE commits to addressing environmental, social, and governance (ESG) issues in its activities, in the way it conducts its business as an insurer, and in its relationships with all stakeholders in the sector, including employees, clients, suppliers, and government bodies.

This report outlines the strategies, projects, and milestones aligned with the four Principles for Sustainable Insurance in 2024.

2. Principle 1: We will embed in our decision-making environmental, social, and governance issues relevant to our insurance business.

Company Strategy

MAPFRE's Sustainability Policy establishes the reference framework for any entity within the Group to develop and enhance socially responsible and sustainable behavior, including the principles and commitments MAPFRE has regarding environmental, social, and good governance issues, as well as its strategy related to stakeholders.

The effective application of this policy and the monitoring and control of its compliance are overseen by the Group's Risk and Sustainability Committee, which supports and advises the Board of Directors.

- The Board of Directors of MAPFRE is responsible for approving the Corporate Sustainability Policy and the Group's sustainability strategy, as well as monitoring the development and compliance of the Sustainability Plan, for which it is periodically informed of the progress and achievement levels of the Group's commitments outlined in the Plan.
- The Risk and Sustainability Committee supervises the Group's sustainability strategy and policy, ensures their application and compliance, and monitors the impacts, risks, and opportunities related to environmental, social, and governance aspects that have been evaluated as material.
- The Sustainability Operations Committee is a high-level executive body whose members are appointed by the Executive Committee. Its functions include proposing the sustainability strategy to the Risk and Sustainability Committee, promoting the progress of the sustainability plan, and addressing relevant issues for the Group in this area, such as monitoring risks and opportunities associated with sustainability.
- The Corporate Sustainability Department is responsible for designing, supervising, and supporting the execution of the sustainability plan and monitoring new regulations and their impact on the company. It also participates in internal committees and external forums for the development of sustainability issues.

The Sustainability Plan for the years 2024-2026, approved by the Board of Directors, has been defined considering the Group's strategy, sustainability trends, the study of material aspects for MAPFRE and its stakeholders, the 2030 Agenda, and new environmental, social, and governance (ESG) regulations.

This strategy is organized around four pillars (environmental, social, corporate governance, and business) and twelve lines of action with objectives aimed at generating business opportunities, preventing negative impacts, and enhancing positive impacts on the economy, environment, and society.

Risk Management and Insurance Underwriting

MAPFRE continuously analyzes factors that, if materialized, could impact the business or potentially have an impact. This analysis considers environmental, social, and governance (ESG) factors, as they provide additional information on social movements and transformations, stakeholder expectations, and market trends affecting the organization.

Similarly, as a global insurance company, MAPFRE plays a significant role in helping society by identifying sustainable development opportunities for the insurance business and offering clients products and services that contribute to a transition to a low-carbon economy.

Based on the analysis of these ESG factors and how they may affect the business in the short, medium, and long term, their relationship and inclusion in the company's established risk typology will be determined, along with the adoption of prevention and mitigation measures.

Product and Service Development

Sustainable innovation is a significant business opportunity. Therefore, MAPFRE continues to work on designing sustainable solutions, analyzing market options, and advancing towards new business models and solutions that arise from digital and technological changes, with the ultimate goal of offering the best solutions and services to current and future clients and contributing to a fair transition to a low-carbon economy and a more inclusive and equal society.

MAPFRE's experience as an insurer allows it to manage risks and develop solutions for a sustainable future, adding value through dialogue with stakeholders and sharing its expertise to improve general awareness of risk and mitigation in the sector.

In addition to having various investment products that seek to have a positive impact on the environment and society without losing profitability and creating medium- and long-term value for shareholders, MAPFRE offers sustainable insurance products and services to its clients:

- a) Environmental products and services: These are insurance products or services aimed at specifically adapting to and/or mitigating an environmental risk or opportunity and/or related to climate change.
- b) Social products and services: These are insurance products or services aimed at specifically covering the basic needs of the population, products or services related to the protection of life, health, and education in disadvantaged communities and/or low-income groups (minimum wages or less), as well as aspects related to the protection of human rights, non-discrimination, inclusion, and diversity.
- c) Good governance products and services: These are products aimed at protecting businesses from one of the main current vulnerabilities: cyberattacks.

In 2024, MAPFRE reinforced its commitment to sustainability by increasing the proportion of sustainable products and services in its portfolio, responding to growing consumer demand and promoting responsible economic development.

The goal is to increase the percentage of sustainable premiums over MAPFRE's total premiums by 2026, with growth exceeding that of the Group's premiums, taking 2023 as the base year.

Claims Management

At MAPFRE, we drive the transformation of processes by implementing technological solutions that generate competitive advantages to increase efficiency and quality. Among these solutions, we incorporate machine learning-based technologies. For example, through cognitive image processing, we have implemented vehicle self-inspection and claims assessment, the implementation of a digital verification tool for auto contracting in Spain (used car market), and the automated processing of emails and documents.

Sales and Marketing

MAPFRE is committed to a multichannel distribution strategy, prioritizing the most representative channels in each country. Continuous actions are taken across all channels to ensure maximum efficiency in product sales and transparency towards consumer clients. These initiatives include training actions, detailed product information on company websites, and comprehensive information in brochures, terms and conditions, and welcome packs.

With a solid structure of contact centers, our company continues to stand out by offering clients, suppliers, and other users in our value chain an unparalleled set of technical and human capabilities. We are committed to facilitating and enriching communications that cover all stages of the customer relationship with high-quality standards.

There is continuous growth in business units in countries where the implementation of promotion and transformation strategies is generating significant expansions in digital channels.

During this period, the value of existing digital capabilities has been increased, gaining maturity in digital attraction processes and operations, online pricing, digital customer management, and advanced fraud detection, among others. New scalable digital capabilities have also been provided for the Group, focusing mainly on improving digital acquisition and sales, developing new digital distribution channels with a focus on digital partners, and improving profitability. Special attention has been paid to the exploitation and activation of digital data and customer knowledge as transversal axes, as well as the application of digital business logic to the rest of the Group's structure and models.

Investment Management

Regarding investment processes, since 2017, MAPFRE has adhered to the United Nations Principles for Responsible Investment (PRI) and has a global Responsible Investment Framework, updated in 2024, determined by the PRI.

The UN PRI aims to reflect the growing relevance of environmental, social, and governance (ESG) issues in investment processes, coexisting with the company's obligation as a custodian of clients' savings and investments and the solidity of its own balance sheet. Therefore, prudence criteria are applied in investment, seeking long-term value creation and incorporating ESG factors alongside traditional information.

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

Clients and Suppliers

The client is the focus of all MAPFRE's actions, and the customer experience is the fundamental pillar that drives the transformation of all operational and business processes. It is essential to listen to and understand the needs and expectations of clients, ensuring that the offer is aligned with their requirements and promoting sustainable relationships that strengthen consumer trust and satisfaction.

We are committed to facilitating and enriching communications that cover all stages of the relationship with clients with high levels of quality. To achieve this, regular interactions are conducted through market studies, satisfaction surveys (NPS), social media monitoring to understand client opinions, analysis of contact center calls, complaints and claims analysis, and sustainability surveys to gauge opinions on our initiatives. Additionally, MAPFRE offers a wide portfolio of products and services to meet the needs of individual or corporate clients in the countries where we operate, supported by internal market trend studies, client needs assessments, research from MAPFRE Economics, and the Trends Observatory. These products are adapted to the market and legislation where they are distributed, resulting in variations of the same insurance product or service depending on the characteristics of each market. In all products, underwriting and pricing criteria are solely based on risk profiles and do not consider elements that could be subject to discriminatory treatment.

Our company continues to stand out by offering clients, suppliers, and other users in our value chain an unparalleled set of technical and human capabilities. We provide personalized solutions to clients through our commercial network, active listening in the aforementioned channels, and technological support such as chatbots or contact centers. The Group efficiently responds to suggestions, comments, and complaints, minimizing risks and maximizing positive impacts.

MAPFRE aims to ensure ethical and socially responsible behavior from all suppliers providing services either to the Group or directly to clients, based on equal treatment and opportunities.

This is achieved while maintaining an adequate level of service quality and high standards of internal control throughout all process phases. Therefore, we aim to reinforce the commitment that both MAPFRE and its suppliers have towards sustainability, understanding suppliers' perceptions or difficulties regarding sustainability, and building strong relationships that foster trust, integrity in relationships, socially responsible practices, transparency, and equal treatment, and ensuring payment within committed deadlines.

The relationship with our suppliers is guided by ethical principles that ensure compliance with existing laws and/or the legal framework. Sustainable supplier management is a critical issue for MAPFRE, and its achievement involves a multitude of policies, processes, and procedures established by the company.

Therefore, we have a Purchasing Standard, which aims to establish economic, environmental, social, and governance criteria, as well as mandatory principles that must be respected in any contracting carried out on behalf of the company. The Group's Code of Ethics and Conduct includes a specific section for suppliers and collaborating companies, who must adapt their conduct to the principles established therein and in the internal policies, standards, and procedures that complement it.

To ensure their knowledge and compliance, both are widely disseminated and available on MAPFRE's internal and public channels.

We have regular interactions with suppliers throughout the contracting process, ensuring transparency in all interactions and regular activity controls, reinforcing the brand's commitment to sustainability. Additionally, we actively interact and quickly follow up on inquiries/comments received from suppliers.

Furthermore, we conduct on-site visits depending on the type of activity to check facilities, personnel, etc. We collect information through consultation and complaint channels, as well as through sustainability surveys, registration and approval questionnaires, and other certificates. We establish a bidirectional multichannel communication through emails, phone contact, face-to-face meetings, and other technological channels (SAP ARIBA), and we provide technological tools to streamline the management of our suppliers' operations (Business Network SAP ARIBA).

This comprehensive approach is based on control and supervision measures, as well as promoting training and awareness among suppliers, to ensure that their conduct aligns with MAPFRE's principles of action and that they meet the standards defined by the company in terms of sustainable management. Additionally, mitigation and remediation plans are developed for exceptional cases, based on the company's responsibility to address negative incidents that may occur in its supply chain.

Since 2019, MAPFRE has had an ESG supplier approval methodology. Periodically, the review and approval of suppliers are carried out to evaluate and ensure that they meet the quality, sustainability,

ethical, legal, and operational standards required by MAPFRE. This process includes assessing the supplier's sustainability practices, training, and awareness in human rights and the 2030 Agenda.

Aware of its responsibility over its supply chain and a dynamic and constantly changing environment, MAPFRE has evolved its supplier approval process, creating more capacity to supervise its main business and support suppliers, as well as creating a platform to stimulate changes towards a value chain with a more sustainable business model.

4. Principle 3: We will work together with governments, regulators, and other key stakeholders to promote widespread action across society on environmental, social, and governance issues.

At MAPFRE, we aim to foster dialogue, both internally and externally, with all those who, like us, wish to be part of this change. Our commitment to sustainable development is strong and is reflected in our voluntary adherence to key international and local initiatives, in which we actively participate:

- United Nations Environment Programme Finance Initiative (UNEPFI)
- United Nations Global Compact
- 2030 Agenda and Sustainable Development Goals (SDGs)
- Principles for Sustainable Insurance (PSI)
- Principles for Responsible Investment (PRI)
- Paris Pledge for Action
- Climate Disclosure Project (CDP)
- Net Zero Asset Owner Alliance (NZAOA)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Principles of UN Women
- UN Standards of Conduct for Business on Equality for LGBTI People
- ILO Global Business and Disability Network (GBDN)

The main business and sector associations, foundations, chambers of commerce, and other non-profit organizations through which the MAPFRE Group carries out its institutional activities are listed in the Consolidated Non-Financial Information Statement (EINF) and Sustainability Information of MAPFRE S.A. and its subsidiaries (<https://www.mapfre.com/media/shareholders/2024/consolidated-annual-account-2024-searchable-1.pdf>) and on the corporate website (<https://www.mapfre.com/>).

5. Principle 4: We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

The Group demonstrates transparency by publicly and periodically disclosing progress in the application of the Principles through the publication of this annual progress report.

MAPFRE evaluates, measures, and monitors progress in managing ESG issues and publicly discloses them through its Consolidated Non-Financial Information Statement (EINF) and Sustainability Information of MAPFRE S.A. and its subsidiaries (<https://www.mapfre.com/media/shareholders/2024/consolidated-annual-account-2024-searchable-1.pdf>) and its website (<https://www.mapfre.com/>).

In 2024, the MAPFRE Group prepared its sustainability report in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council on Corporate Sustainability Reporting (CSRD) and Delegated Regulation (EU) 2023/2772 of the Commission, which supplements Directive

2013/34/EU and contains the European Sustainability Reporting Standards (ESRS) adopted by the European Commission for use by all companies subject to the Corporate Sustainability Reporting Directive. Additionally, it meets the requirements of current regulations.

The report provides a comprehensive view of MAPFRE, its implementation, its business model, the challenges and risks it faces, and its social, environmental, economic, and governance performance. It constitutes an approach to economic and social value creation, which has allowed for further deepening and establishing a greater relationship between the business model and the impact on the described resources.

The Group participates in relevant surveys and disclosure programs or sustainability information presentations and engages with all stakeholders on the value of disclosure through the Principles.