



# ENVIRONMENTAL COMMITMENTS IN INVESTMENT AND UNDERWRITING

SUSTAINABILITY PLAN 22-24

## **COMMITMENTS ON ENVIRONMENTAL MATTERS IN INVESTMENT**

In 2021 the Group has reviewed the environmental

commitments assumed in terms of investment, which will be applicable from 2022:

- Not to invest in companies where 20 percent or more of revenues come from coal-fired power.
- Not to invest in companies with energy expansion plans of more than 300 (MW) based on coal.
- Not to invest in companies that generate 20 percent or more of revenues from the extraction and/or annual production of thermal coal in excess of 20 million tons.
- Not to invest in coal, gas and oil companies that are not committed to an energy transition plan that allows global warming to be kept to around 1,5°C.

## **COMMITMENTS ON ENVIRONMENTAL MATTERS IN UNDERWRITING**

In 2021, the company has reinforced and modified its environmental commitments, moving forward with its actions in favor of the transition towards a low-carbon economy, accompanying customers in their decarbonization and energy transition processes.

These commitments will be applicable to all Group entities from 2022, and the Underwriting Policy Committee will monitor their compliance<sup>i</sup>.

### **COAL:**

#### **Insurance for projects:**

- Not to insure the construction of new coal powered electric plants or the operation of new coal mines.
- Not to insure the construction of new infrastructure that exclusively provides service to construction and/or operation of thermal coal mines or thermal coal power plants.

*Exceptions: Case-by-case exceptions can be made, which must be assessed by taking into account the company's internal ESG analysis systems. In addition, criteria such as the country's state of development in terms of the United Nations classification, the country's dependence on coal, and consideration of renewable or low-coal alternatives will be included in the assessment.*

#### **Insurance for companies:**

- Not to insure companies that obtain 20 percent or more of their revenue from thermal coal-produced energy.
- Not to insure companies with thermal coal-based energy expansion plans of more than 300 MW.
- Not to insure new mining companies that obtain 20 percent or more of their revenue from annual thermal coal extraction and/or production of more than 20 million tons.

In the case of reinsurance, these commitments would apply only to facultative business.

**Decarbonization of the insurance company portfolio:**

- By 2030, MAPFRE's portfolio will no longer include insurance programs related to coal-fired power plants or operation of thermal coal mines in the OECD countries, or companies that have not implemented commitments on the energy transition and decarbonization. Beginning in 2040 this commitment will also apply to the rest of the world, in all countries where MAPFRE operates.

**OIL & GAS****Tar sands:**

- MAPFRE will not insure any new projects related to extracting or transporting tar sands. At the end of 2021 MAPFRE's portfolio does not contain any policy that insures the extraction or transport of tar sands.

**Projects in the Arctic (offshore/onshore):**

- MAPFRE will not insure any individual new offshore/onshore projects taking place in the Arctic for natural gas or petroleum extraction or transport.

(The definition of the Arctic extends to all areas north of the Arctic Circle, including the Arctic Refuge).

- MAPFRE will not insure coal, gas and oil companies that do not commit to an energy transition plan that allows global warming to be maintained at around 1.5°C.

**PROTECTION OF COUNTRIES WITH EMERGING ECONOMIES:**

- Increased support for the insurance industry in developing countries in order to contribute to reduction of the protection gap, by providing reinsurance for natural disasters, and by looking for opportunities to collaborate on public-private initiatives.

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<sup>i</sup> SCOPE:

MAPFRE Group has set that these environmental commitments are applicable to all Industrial Risks insurance operations (Property, Third Party Liability, Transport and Construction).

Environmental commitments adopted by MAPFRE Group are applicable both to renewals and new business.