

GRUPO SEGUADOR BANCO DO BRASIL E MAPFRE

**PRINCIPLES FOR
SUSTAINABILITY
IN INSURANCE
2016**

GRUPO SEGUADOR



To identify and deal with the different global risks is critical to maintaining an efficient and transparent management, capable of assessing in advance the impacts of these possible occurrences, increasing the resilience of operations.

Being aware of these movements and scenarios, the GRUPO SEGUADOR BANCO DO BRASIL E MAPFRE has actually integrated the ESG aspects (environmental, social and governance) in its strategy and, consequently, in their underwriting processes, contractual clauses, risk analysis forms, services and assistance offered with the products, expanding the attention to topics which can impact the business and can be converted into vectors to generate new opportunities.

Promoted with greater emphasis on GRUPO functional units and business, this process is intended to ensure that the corporate strategic goal, "integrate sustainability into business," is part of the routine of the entire company, with results achieved from different strategic indicators.

In line with this position, the Sustainability Management Model focus on ESG changes understanding and analysis that directly or indirectly impact the result of business and the company's reputation.

Thus, to include sustainability as a strategic decision for business, the GRUPO can improve the management of environmental risks, and identify new opportunities, leading the value chain in search of integrated results and a balanced performance with their stakeholders.

In 2015, the GRUPO continued the integration of ESG issues, expanding the scope of risk management analysis and salvage processes and investing in creating strategic public with long-term vision.

The future vision includes accurate work in present time and awareness of what may be critical in the coming years. For insurance market, this look should be focused on new ways of risk assessment (ensuring intelligent and sustainable operations with reduced costs) and policies offers. Each generation has a new demand, and the industry's challenge is to be attentive to the needs of this new scenario of constant change, where ESG issues and the understanding of emerging risks and opportunities should be considered as essential elements for innovation, processes modernization and the development of new products and services.

Check below, the various initiatives promoted by the GRUPO in 2015 to disseminate, aligned to the PSI principles, sustainability management across the value chain.

Principle 1

We will include in our decision-making process environmental, social and governance issues which are relevant to our business in insurance.

COMPANY STRATEGY

STRATEGIC PLANNING

In 2015, the GRUPO made progress in integrating sustainability into its business strategy, with strategically ESG issues addressing. As a result, one from the 13 indicators designed for the construction of BalancedScore Card deals exclusively with sustainability: "Sustainability integration into business." For a more efficiently integration of these aspects in processes, products, services and assistance, a matrix of ESG risks and impacts was also built, consolidating the work of empowerment of functional units and business.

MEASURES OF PERFORMANCE AND COMPENSATION

Sustainability targets defined in strategic planning are monitored and managed in the company's results, influencing the Participation Plans of Profit Sharing. To achieve this goal, the GRUPO has invested in the training and engagement of its executives and employees to spread the subject, facilitating the understanding by all involved..

INTERNAL PROCESSES

The GRUPO manages ESG issues in internal operations, reducing costs and engaging employees through initiatives that minimize printing, encourage recycling and optimize energy consumption. In 2015, with the installation of 243 water reducers in 29 units, including P.A.R.E.s and branches, the practice of eco-efficiency and reduction in water consumption were extended.

MOBILITY POLICY

In 2015, the Mobility Policy was created, and the Mobility Portal was developed, which brings together all the information on initiatives and programs maintained by the GRUPO to facilitate the displacement of employees, contributing to urban mobility, teams well-being and reduction of emissions in the environment.

**RISK MANAGEMENT
AND UNDERWRITING**

RISK PREVENTION MANAGEMENT INDICATORS

The GRUPO has developed a more comprehensive model of risk prevention indicators management for Major Risks insurance, with a questionnaire that allows the construction of a database capable of social, environmental, governance, health and safety measurements and also a comparison of the evolution of the portfolio. In 2015, new ESG questions were included, totaling 21 issues related to sustainability.

RISK MATRIX

In 2015, an ESG risks and impacts matrix was developed for prioritization of the focuses of activity and relevant topics in the area of Major Risks, Rural and Housing, Personal Insurance and Automobile from inputs raised in the Sustainability Academy meetings promoted with employees.

DATABASE

The sophistication of the analyzing process of inspected risks versus issued risks, with the inclusion of ESG issues throughout the inspection process, allowed the GRUPO to finish 2015 with a database of 65,000 companies from different sectors already evaluated with this broader view, which includes the financial aspects and ESG risks.

SUPPLIERS APPROVAL

In 2015, the suppliers' approval process was redesigned and deployed to new administrative providers. Furthermore, all the already registered providers have subjected again to the approval process. The change involves the inclusion of ESG criteria on the approval's tool of the central suppliers' registration, ensuring the mapping and risk management in the chain and the mitigation of risks related to slave labor, corruption, fraud, etc.

**RISK MANAGEMENT
AND UNDERWRITING
(cont.)**

PREVENTIVE LISTS MAPPING

To prevent from maintaining or initiating business relationships with suspected persons and entities, the GRUPO has launched the development of a mapping tool of preventive lists with ESG criteria, as a monitoring and prevention mechanism for money laundering, illicit activities related to corruption, embargoed or contaminated areas, occurrence of slave labor and other related risks.

**PRODUCTS
AND SERVICES
DEVELOPMENT**

PRODUCTS WITH ESG CRITERIA

In 2015, the GRUPO worked efficiently to further consolidate the sustainability in its strategic positioning, integrating ESG issues into the day to day business and generating value to society. This position resulted in R \$ 1.2 billion in premiums relating to products with ESG features, with 5,552,660 policies issued in the year, which corresponds to an increase of 86% from 2014 premiums written with the same profile.

VEHICULAR DECONTAMINATION

The GRUPO has worked on the development of two manuals, one constructive and one operational, with technical and legal information on the right management of waste generated in vehicle decontamination that must be applied in infrastructure and processes readjusting of the Patios Salvage for compliance.

RECOVERS YARD

With the opening of a new Salvage Yard in the city of Caçapava (SP) in 2015, with 75,000 square meters of floor area, the GRUPO ended 2015 with two units, all located in the state of São Paulo. In these places, out of circulation vehicles are received after accidents, and the waste is directed to recycling and reused in the production of household appliances, poles, and building materials. The recycled waste is reused in the manufacture of household appliances, tables, poles, building materials, etc. In 2015, 365,926 kilograms of materials were recycled, which represents an increase of 346%, compared to 2014 (82,090 kg).

**PRODUCTS
AND SERVICES
DEVELOPMENT
(cont.)**

REVERSE LOGISTIC

Implementation of reverse logistics process to mitigate the risks involved in salvage management, reducing the environmental impact of operations for Extended Warranty/ Right Exchange. As a result, 17.5 tons of electronics were designed in a correct environmental way in 2015, strengthening the brand value and the role of the GRUPO as a promoter of good practices in the value chain.

LEED CERTIFICATION

The new GRUPO administrative headquarters is certified Leadership in Energy and Environmental Design (LEED), an international environmental seal that certifies eco-efficiency criteria in the use of natural resources, chain traceability in the purchase of furniture, air quality and brightness assurance to employees, waste management, etc.

ISO 14001 CERTIFICATION

The change management process of the environmental certification ISO 14001 for the new headquarters of the GRUPO in São Paulo was a success, ensuring a performance in agreement with the client's vision, creating the understanding that the company's activities go beyond the protection of persons and property.

DIFFERENTIATED COVERAGES IN PERSONAL INSURANCE

The GRUPO has emphasized the provision of adequate products to the needs of society and products that incorporate different coverages, such as women protection insurance in case of breast, uterine or ovarian cancer diagnosis and insurances that guarantee to policyholders, men and women, compensation due to the diagnosis of a number of diseases, among them cancer, heart attack, stroke, coronary bypass surgery, kidney failure and to organs transplants.

CLAIMS MANAGEMENT

SERVICE CHANNELS

To provide quality service to more than 10 million customers, the GRUPO maintains a structure formed by three Call Centers (totaling 1,074 service positions), 66 units of P.A.R.E. (Fast Specialized Service Branch) and 15,000 accredited providers, which ensured in 2015, 7.7 million calls and 1.3 million of assistance services.

CUSTOMER PANEL

The client panel was created and deployed in 2015. A new tool that helps to reduce the number of cases treated outside the period of five days.

**INVESTMENT
MANAGEMENT****SPONSORSHIP STRATEGY**

The GRUPO adopts a sponsorship strategy via incentive laws that, in 2015, resulted in support to 53 great national importance cultural projects in the fields of culture, education, health, and sport, developed by 48 institutions throughout Brazil which have benefited almost 3.5 million people in the year.

Principle 2

We will work together with our customers and business partners to increase awareness of environmental, social and governance, risk management and development solutions.

<p>CLIENTS AND PROVIDERS</p>	<p>SUSTAINABLE PURCHASE</p> <p>The GRUPO has a Sustainable Relationship Policy with Suppliers and when communicating with this audience, follows the Sustainable Purchase Manual guidelines developed in 2014 in partnership with the CEBDS. Regarding this issue, in 2015, the GRUPO has moved forward with the following:</p> <ul style="list-style-type: none"> ➤ development and implementation of sustainable purchase questionnaire to the building where the new headquarters of the GRUPO is located. ➤ publishing of Sustainable Relationship Politics with Suppliers. ➤ creation of a Supplier Approval GT formed by internal areas and by Code of Conduct for Suppliers, with the development of ESG criteria to help with suppliers' profile screening during the registration phase process.
	<p>REPAIR STATIONS AND BIKE PARKING</p> <p>The opening of Repair Stations and Bike Parking in two parks in São Paulo (Villa-Lobos and Candido Portinari), reinforcing the urban mobility as a major challenge today.</p>
	<p>ONLINE SEARCH</p> <p>In 2015, the GRUPO developed an online survey, which totaled 5,985 shares, with two specific purposes: one is to map the issues considered most relevant for each audience, and the other is to measure the company's management maturity for each of these topics. This lookup process was also used as input for GRUPO 2016 strategic planning.</p>
<p>CLIENTS AND PROVIDERS (cont.)</p>	<p>RISK INSPECTION WORKSHOP</p> <p>To deepen the knowledge of environmental variables in the analysis process of inspectors and regulators, the GRUPO has promoted the Risk Inspection - Climate Change Workshop, which trained 71 risks inspectors in 2015 for a management culture that takes into account ESG issues, reinforcing the importance of these aspects in the underwriting and risk analysis process and showing the inspector's role in the understanding of emerging risk factors.</p>

ENVIRONMENT CAMPAIGNS

In 2015, four engagement campaigns related to the environment were conducted: Earth Hour, World Water Day, Environment Week and World Car Free Day, which together engaged over 1.3 million people.

AWARENESS CAMPAIGNS

During the year, we were also carried out awareness campaigns to reduce natural resources consumption. The GRUPO has participated in the Earth Hour initiative organized by WWF International as a measure to promote the reduction of energy consumption and support the cause. Besides the invitation sent to employees so they could also participate, the lights of Berrini headquarters have been turned out for one hour on March 28.

WATER FINITA PROJECT

The Water Finita project was developed to disseminate information about the intelligent use of water in different locations. The project involves the implementation of a pilot for air conditioning water and rainwater reuse in the GRUPO Franca site, reducing drinking water consumption up to 6000 liters/month.

RECICLA BB E MAPFRE

The Recicla BB E MAPFRE project continued in 2015, gathering 493 kg of batteries.

INSURERS, REINSURER, AND BROKERS

SUSTAINABILITY ACADEMY

Boasting more than 4,000 people since its inception, the Academy is to hold meetings to empower and disseminate sustainability issues, discuss challenges and opportunities in the insurance industry and raise awareness about the potential impact of ESG issues on the company strategy. In 2015, this work was directed to issues that directly impact the business insurance, such as emerging risks management, environmental disasters, population longevity, National Policy on Solid Waste, water crisis and ISO 14001, with the holding of 30 meetings, which had the full participation of 1,496 people in the year - a number that represents the twice as many participants and events in relation to 2014.

FINANCIAL EDUCATION

The GRUPO started a project in Conjunto Palmeiras, on the outskirts of Fortaleza (CE), to promote financial education activities for community residents, and to strengthen the culture of protection and insurance through commercialization of a product for funeral service or expenses reimbursement, specially developed to meet specific needs and reality of the public.

Principle 3

We will work together with governments, regulators and other strategic publics to promote broad actions in society regarding environmental, social and governance issues.

<p>GOVERNMENTS, REGULATORY BODIES AND POLICIES MAKERS</p>	<p>CNSEG</p> <p>In 2015, the GRUPO assumed the presidency for the Commission of Sustainability and Innovation of CNseg (National Confederation of General Insurance, Private Pension & Life, Supplementary Health and Capitalization), taking to the center of debates issues such as the PSI improvement and the ESG integration in the sector, with significant results: strategic planning of sustainability, industry research and organization of PSI meeting.</p>
	<p>FUNENSEG</p> <p>Since 2013, the GRUPO has been promoting, with the support of the National School of Insurance (Funenseg), the Cycle of Lectures on Sustainability and Rural Insurance. Since then, they have promoted two cycles of lectures, totaling 17 meetings that gathered 730 people in 17 cities. Only in 2015, there were six lectures on sustainability issues, with a focus on issues related to natural resource management and rural insurance, with the participation of 280 people, including farmers, members of commercial networks, brokers, trade unions and federations.</p>
<p>OTHER STRATEGIC PUBLICS</p>	<p>COP21/PARIS PLEDGE FOR ACTION</p> <p>With the closure of COP 21 - UN Climate Conference in December 2015, several measures were designed to ensure life on the planet. Among them, the <i>Paris Pledge for Action</i>, one initiative aiming to implement measures to reduce carbon emissions as one of the alternatives capable of reducing the current risks and contribute to the growth and sustainable development. The GRUPO is on the list of companies that signed the pledge, committing to integrate the ESG aspects of their business strategy increasingly.</p>
<p>OTHER STRATEGIC PUBLICS (cont.)</p>	<p>PSI</p> <p>The GRUPO joined the global board of PSI in 2015, ensuring active participation in the discussion of topics like sustainability, risk management and reputation in the insurance industry and new business models that integrate social and environmental aspects of the strategy.</p>

CESVI

Along with Cesvi - Experimentation and Road Safety Center (an institution dedicated to research and studies for road safety), the GRUPO develops projects focused on waste management of damaged vehicles, to ensure environmentally correct disposal to them. In 2015, training sessions were held for 42 employees and contractors who work in the GRUPO Salvage Yards regarding issues related to law and procedures for the proper management of waste generated in the decontamination of vehicles, mitigating legal and image risks.

TECHNICAL MEETINGS

The GRUPO has sponsored and joined technical meetings on energy and water governance organized by the Institute for Energy and Environment at the University of São Paulo (IEE/USP), contributing to the construction of knowledge on strategic issues for the business and for understanding emerging risks.

The GRUPO also works in close cooperation with governments, regulatory bodies and policy makers to ensure the proactive positioning of the company on the issue.

- Joins the group of companies for the Integrated Report.
- Chairs the Sustainability Commission of the Official Spanish Chamber of Commerce.

Principle 4

We will demonstrate accountability and transparency by regularly and publicly disclosing our progress in implementing the Principles.

RESPONSIBILITY

AND TRANSPARENCY

SUSTAINABILITY REPORT

The GRUPO collects indicators and information to shareholders, in agreement with the GRI (Global Reporting Initiative) guidelines.

GLOBAL COMPACT

As a member since 2008 of the Brazilian Global Compact Network (UN initiative that mobilizes companies to adopt ten principles related to human rights, labor relations, environment and anti-corruption), the GRUPO reports its progress and activities through the *Progress Report* reported in Advance level which corresponds to the highest rating offered by the UN.

GHG PROTOCOL

Since 2013, the GRUPO has been part of the Brazilian GHG Protocol Program, the management of greenhouse gas monitoring (GHGs) through the publication of its emissions inventory in the Gold category (checked by a third party).

SUSTAINABLE DEVELOPMENT GOALS (ODS)

The supported and/or promoted actions by the GRUPO demonstrate the company's contribution to this universal commitment, created to replace the Millennium Development Goals, consists of a universal agenda for sustainable development by 2030, formed by a set of 17 objectives and 169 goals.

GUIA EXAME

In 2015, the GRUPO was recognized for the third consecutive year, as one of the most sustainable companies in Brazil by Guia Exame (national magazine specializing in sustainability management), being the only insurer among the four most sustainable companies in the Finance/Insurance sector.