



THONA SEGUROS®

| LOS ÚNICOS AL ALCANCE DE TODOS |

Progress communication 2015-2016

“The support to the 10 principles of the World Pact is an integral part of our business model.”



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Chief Executives Officer's Letter

September 7 2016

To our interested parties:

I am pleased to confirm that THONA insurances reassures it's endorsement and compromise with the Ten Principles of the UN's World Pact in the field of human rights, labor, the environment, and anti-corruption; therefore, THONA:

- Supports and respects the protection of the fundamental human rights, recognized internationally inside its sphere of influence.
- It ensures not to be an accomplice in the violations of the Human Rights.
- Supports the freedom of affiliation and the effective recognition of the right to collective negotiation.
- Supports the elimination of every form of forced labor or realized under coercion.
- Supports the eradication of child labor.
- Supports the abolition of the practice of discrimination at work and occupation.
- Maintains a preemptive outlook that preserves the environment.
- Encourage initiatives that promote greater environmental responsibility.
- Supports the development and diffusion of eco-friendly technologies.
- Works against corruption regardless its form, including extortions and bribes.

In this Annual Progress Communication, we describe our actions of continuous improvement in order to keep subscribing to the World Pact and its principles into our business strategy, culture and daily operations. We also compromise to share this information with our interested parties through our principal communication channels.

As a company, we know about the challenges we have to overcome to build a better country and consequently day to day we work to solve them in cooperation with our different interested parties and this is permanent. The results are very satisfactory since the beginning of THONA and this impulses us to forge ahead with greater compromise and impetus.

Sincerely

Mr. Luis Huerta Rosas
General Director

Your Grand Bright Star

Insurance for elderly people

Characteristics:

The objective of this insurances is to bring tranquility to the people in elderly conditions, so, in case the responsible person were to die, there is an economic support that has an assured sum for funerary costs for the elderly person in the case of his demise.

Business Profile

History

THONA is born when a group of entrepreneurs form the insurance sector identified a necessity of protection for the people and their families in the branch of Personal Accidents Insurance and Life Insurances, particularly focusing in the requirements of the groups of the population, whom previously had not been paid attention.

Our Slogan

Our goal is to become the best choice for all Mexicans and their relatives by providing them with the best protection, meaning Life and Personal Accidents' Insurance, no matter their age, occupation, activities or health.

LOS ÚNICOS AL ALCANCE DE TODOS

The meaning of THONA

It is inspired in the Otomi word: *Thon'a*. Which means "accident". Its meaning is connected to events that may hurt or cause damage.

- Our emblem is Venus, which, for the Otomi people, was a symbol of fertility, a star that shines a light guiding the path of our client.
- The eight circles represent our eight core values.
- Our mission is to provide financial security to our clients and their families. We protect them from the consequences of an accident, the demise of a relative, a disability or a serious illness that may affect their well-being. In addition, we provide guaranteed services and assistance that makes their lives easier.

THONA's principles

1. To deliver perfect work; always offering the best to our clients, which are the most important; acting close to clear regulations, and rigorous moral and ethical principles.

2. To have a highly qualified and committed team.

3. To plan creatively and aggressively the development of products to position ourselves as experts in Personal Accidents and Life insurances.

4. To operate with flexibility y quickness in the subscription.

5. To ensure the correct emission of quality sale outlets with immediate actualizations of the data base.

6. To offer the best service on accidents with quickness, quality, and efficiency, with help of state of the art technology.

7. To ensure direct payments of medical bills no matter the day, place, nor hour.

8. To guarantee all our processes (subscriptions, emissions, accident payments and commission payments).

9. To offer assistance that complements our coverage, making one of a kind products.

10. Social responsibility: active, voluntary, and permanent contribution to the social, economic and environmental

Background

THONA is and insurance company that abides by the terms and norms that the General Law of Insurance Institutions and Mutual Societies in México establishes. On January 16, 2013, THONA begins operations in the Personal Accidents and Sickness branches and, in November 2013, the Life Insurance branch, same month as the first policy's emission.



Main Brands and Products

THONA participates in the financial services industry of Mexico, inside the insurance sector, to attend the necessities of personal protection in the branch of Life and Personal Accidents Insurance.

Some of our Life Insurance products:

- Your Special Bright Star- Disabled people insurance
- Your Grand Bright Star- Elderly people insurance
- Your Micro Bright Star- Bottom of the pyramid people insurance
- Your Stellar Bright Star- Sales discount salary insurance
- Your Debtor Bright Star- Micro credit owners' insurance
- Your Occupational Bright Star- Companies Life insurance.

Quality Policy

In THONA insurances, the collaborators confirm that our commitment to be the best option for our clients, shareholders, and allies, is based on the innovation of products and processes inside a continuous frame of improvement, ensuring the satisfaction of our clients, where failing is not an option.

Some of our Personal Accidents Products:

- Your Childhood's Bright Star- Kids insurance
- Your Construction Bright Star- Laborers insurance
- Your Pilgrim Bright Star- Kids insurance
- Your House Bright Star- House-keeping insurance
- Your Migrant Bright Star- Migrants insurance
- Your Green Bright Star- Camping and Ecotourism insurance
- Your Sporting Bright Star- Sportsman insurance
- Your Cyclist Bright Star- Cyclist insurance
- Your Motorcycle Bright Star- Motorcycle insurance
- Your Sporting Bright Star- Sportsman insurance



Values

Passion: vehement love for what we are and for what we do.

Fraternity: profound empathy towards those who surrounds us.

Morality: absolute and unconditional convictions about what is right to think, to do, and to say.

Compromise: unmovable attachment towards the given word.

Adaptability: conscious that the continuous change of the environment forces our constant improvement.

Quality: permanent search for total perfection in all our products and services.

Productivity: maximize our results with the efficient use of resources.

Teamwork: one by one, we are

Social Responsibility Policy

THONA has decided to adopt the Decalogue of Socially Responsible Business proposed by the CEMEFI.

1. THONA promotes and impules a responsible culture of competitiveness that has for goal the success of the business, contributing at the same time to the welfare of society.
2. THONA makes public its values, fights internal and external corruption practices, and practices an ethic code.
3. THONA lives participative leadership schemes, solidarity, service and respect to human rights and dignity.
4. THONA promotes favorable working conditions for a good quality of life, human and professional development of its whole community (employees, families, shareholders, and providers).
5. THONA respects the ecological surroundings in each and every one of the operational and commercialization processes, besides contributing to the environmental preservation.
6. THONA identifies the social necessities of the surroundings in which it operates and collaborates in its solution, encouraging the development and improvement of the quality of life.
7. THONA identifies and supports social causes as part of its strategic business action.
8. THONA invests time, talent, and resources in the development of the communities in which it operates.
9. THONA participates, through intersectional alliances with other companies, civil-society organizations, cameras, and groups and/or government, in the discussion, proposition and attention of socially relevant issues.
10. THONA takes into account and involves its personnel, shareholders, and providers in its investment and social development programs.

Fundamental Principles of Corporate Government

1. Law's fulfillment
2. Accountability
3. Transparency
4. Ethical behavior
5. Respect to the interests of the interested parties
6. Respect for human rights

Base for the identification and selection of our groups of interest.

We know the importance that each and every one of our groups of interest has, and because of that we seek to offer products and integral services guaranteed.

The development of our products meets our principal groups of interest needs; "our clients". Many of our insurances are unique, looking to attend not covered markets by any other insurance company at the moment.

Thona segments the market in different niches and makes insurances according to clients' needs. Each insurance represents the commitment of the company to our clients, sales force, providers, shareholders and collaborators, in other words, with all our relationship groups, in order to make possible to work an efficient ecosystem in benefit of the business and all our community. We are conscious of the fundamental part that as a company we have in the development of the economy and sustainability of our country.

Our collaborators are the anchor that, throughout sales force, makes possible our value offers reach our clients with the quality and standards of excellence that we have established. We encourage and contribute to the development of professional and personal capabilities of everyone who integrate the Thona's Team. We impart training, regular assessments; we grant fair pay with benefits above the Law, as well as the flexibility that they need to attend professional and personal aspects.

Your Special Bright Star

Insurance for disabled people.

Characteristics:

We guarantee the maintenance of the disabled person, in case that the person responsible of him dies.

We also cover funerary cost en the case of the disabled person's demise. Because THONA insurances offers protection to



Sustainability Initiatives.

Certified in accidents pay

A fundamental aspect for THONA is giving quality services guaranteed to its clients, for this reason, since its inception it was decided to improve the management process and obtain the quality certification ISO 9001-2008 in payment process of personal and life accidents. It has been countersigned for three straight years.

Financial grade

HR Ratings assigned in March 2015 the grade of long-term:

HR BB+

With stable perspective and short-term of HR4 for THONA

Some points to highlight, THONA:

- Has an adequate investment rating.
- Counts with a minimum cap-rate payment that stands in adequate levels.
- Counts with an adequate organizational structure.
- Has an adequate corporative government in accordance to the Second Pillar of the new Law of Institution Counts with an adequate organizational structure.
- Has an adequate corporative government in accordance to the Second Pillar of the new Law of Institutions of Insurance and Finances, including personnel with a wide experience inside the insurance sector.

Considering the youth of the company, the evaluation is a good grade. The compromise is to continue strengthening the financial situation in the short-term. This will reflect in the improvement of its grade in the near future.

Your Special Bright Star

Insurance for disabled people.

Characteristics:

We guarantee the maintenance of the disabled person, in case that the person responsible of him dies.

Corporate Social Responsibility

In the ambit of sustainability, THONA decided to evaluate its performance in four fundamental areas:

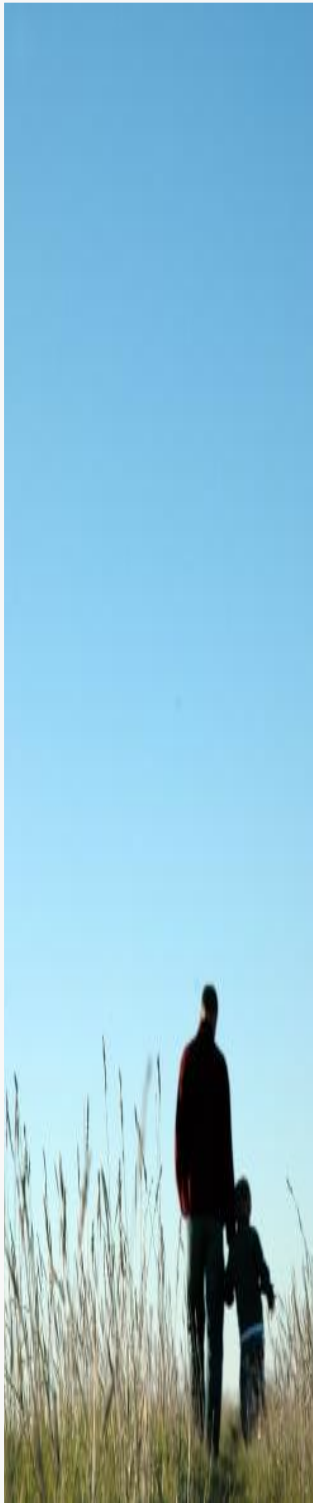
- I. Enterprise Ethics.
- II. Quality of life in the company.
- III. Environment.
- IV. Involvement with the community.

We also cover funerary cost en the case of the disabled person's demise. Because THONA insurances offers

Throughout the process of self-diagnostics established by ALIARSE and CEMEFI (Mexican Center for Philanthropy). We evaluate the 4 areas before mentioned, participated in the years 2013, 2014 and 2015 and got the distinctive as CSR (Corporate Social Responsibility) per 3 years consecutive.



We are about to obtain a certification on “Work Equality and No Discrimination”, for we have carried the actions to follow and abide the guidelines established in the Mexican Norms NMX-R-025-SCFI-2015 with the different people involved (providers, sales forces, shareholders, among others) and all the collaborators no matter their hierarchy level or type of contract. In Thona, we strengthen the work equality and no discrimination in all actions of the company.



Description of the actions that we carry out to implement the ten principles of the World Pact

Human Rights

With the objective of supporting and respecting the protection of the fundamental human rights recognized internationally inside our sphere of influence and insuring not being accomplice in the infringement of the same, the measures that we have implemented are:

- ✓ Guarantee a safe and nice work environment, with adequate, clean, and in perfect conditions facilities for our collaborators. There is a weekly program of inspection of the facilities.
- ✓ The Civil Protection Program was implemented
- ✓ Policies, procedures and practices that attend the themes of work and gender equality were developed and implemented.
- ✓ An Ombudsman was appointed: with the objective to give protection to the human rights of each and every one of the collaborators of THONA and monitoring the respect to work equality and no discrimination practices.
Among its principal functions are attending and giving solutions to:
 1. Any action that undermines the fundamental rights of every one of the THONA collaborators.
 2. Any situation that contravenes what was established in the politics, procedures, and practices by the company in favor of work equality and no discrimination.
 3. Situations presented to the work equality and no discrimination board (racism, bullying, harassment, disrespect, etcetera)
- ✓ A committee of work equality and no discrimination was created, whose objective is the vigilance of the development and implementation of the work equality practices and no discrimination in the company.



The committee is formed by six people, three women and three men. Where at least one of its members is from Human Resources, one collaborates in a directional level, one at a management level, two at coordination level, and one as an external consultant. Monthly meets

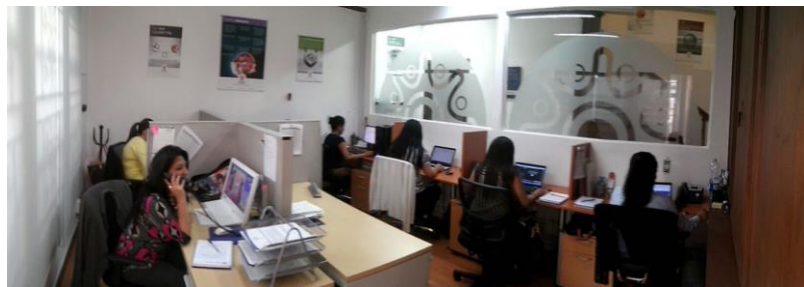
The principal functions of the committee are:

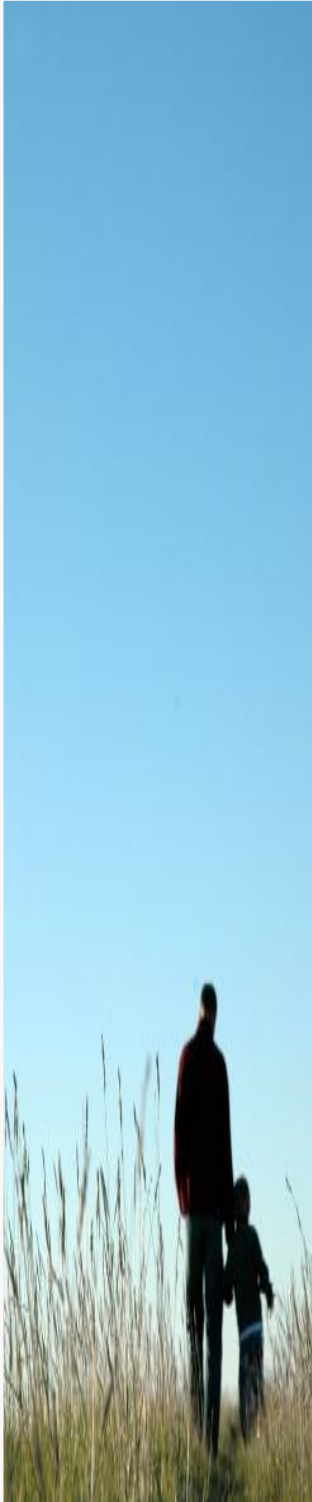
- Supervise, check out, and update the development of the politics, procedures, and practices that promote the work equality and no discrimination.
- Answer the controversies in work equality and no discrimination matters that are presented to the committee.
- Supervise and propose actions that promotes a culture of equality in the company.
- Support the implementation of self-diagnostics.
- Support the internal auditory process in themes of work equality and no discrimination.
- Watch that the processes are followed in the correct way to obtain the certification of a Mexican norm for work equality and no discrimination.
- Approve the training of the personnel and focused courses.
- Promote actions for the conciliations and equilibrium between family life and professional life.
- Supervise that all the accessibility measures on the work places are there.
- Establish and give a follow up to the mechanism to attend, prevent, and sanction discriminatory and work violence practices.

Labor Standards

With the objective of encouraging freedom of affiliation and the recognition of the right to collective negotiation, the abolition of all kinds of forced labor -including those performed under coercion-, the eradication of child labor, the abolition of discriminatory practices in jobs and occupations, the measures we've taken in the labor sector are:

- ✓ We abide the laws in welfare of our collaborators (freedom of association, prohibition of child labor, etc.) and to implement practices that collaborate in their development.
- ✓ We implement a policy of salaries through tabs above the market's average.
- ✓ We offer benefits to our collaborators above what is established by law.
- ✓ We evaluate the labor environment, six-monthly
- ✓ We establish the performance commitment of every collaborator and its evaluation of it in order to support the professional development of the team that makes up THONA.
- ✓ To implement policies and procedure that make THONA a more transparent business to obtain a promotion and salary adjustment.





THONA shares the same goals of the International Labor Organization (ILO) in which one its objectives is the economic growth and the respect for four social elements of the laborers: the job, the dialog, the rights, and the protection, based on the work place's ethics.

The business in financial year-end 2015, had 58 collaborators of which 29 were men, and 29 were women.

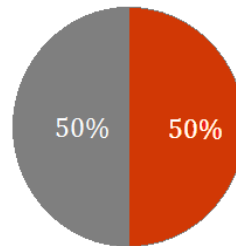
The total expenditure per wage was that of \$43,424,328 MXN



Total hired collaborators' breakdown by gender

Men-Women distribution

■ Men ■ Women



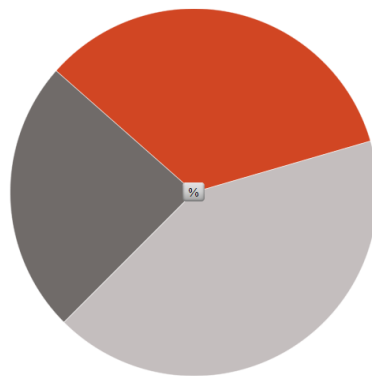


There is balance between men and women as a result of the business' philosophy of equal opportunities regardless gender or age.

Thona has conviction that people should be hired by their talents, expertise and capabilities.

Collaborator's age

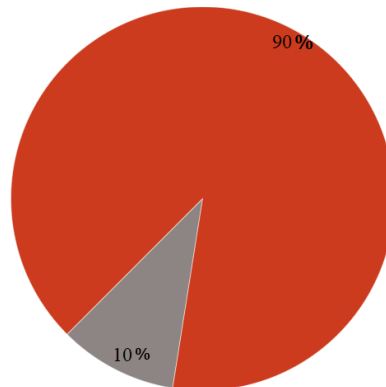
■ +50 years ■ 19-35 years ■ 36-49 years



96% of the employees were hired by *payroll payment*, and the remaining 4%, by fee.

Type of schedule

■ Free
 ■ Fixed



According to the business-growth prediction, it is expected a 50% recruitment increase for 2016.

The staff turnover was of 20%. We are working in order to reduce this percentage. In a short term (1 year), we expect to have reduced it at least 5%.

Education and training

Thona counts with a training annual programme in which were imparted courses of several topics for the professional and personal development of our collaborators



The training program has been taken by 100% of our staff.

Therefore we impart in 2015:

- 30 courses of 17 different topics
- 119 hours
- 467 participants



Training Courses imparted in 2015

Courses' Name	Number of courses	Duration	Participants
Introduction	4	10	25
Detection and Prevention of Procedures with Illegal Resources	1	5	65
2015's New Legislation	1	6	65
Induction SICASS	3	6	21
Brigades	2	4	11
Home First Aid	1	2	13
Civil Protection	1	3	57
	13	36	257

Specific Courses			
Subscription in Case of Accident	1	10	17
Preparation for ISO Audits	1	3	13
Accounting Course for Operations	1	10	9
Accountings Courses for Accidents	1	10	13
New Portal	3	6	29
Strategic Planning	2	16	12
	9	55	93

Technical Courses	Number of courses	Duration	Participants
Risk Prevention	1	4	66
SICAS for accidents	2	12	30
SICAS for trading	2	12	15
Actuaries' Certification	3	- - -	3
	8	28	114

Total	30	119	464
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Diversity and equal opportunities

THONA seeks that each one of its collaborators has the same opportunities of further development and growth.

The number of collaborators with positions with personnel under their responsibility divided by gender, and making a percentage analysis, it can be noticed that 50% of the positions are occupied by a women.

There is a balance between the positions occupied by men and women respectively.

Leadership Positions occupied by men and women

Principals and Vice Principals		
Women	Men	Total
6	6	12
50%	50%	100%

Management Positions occupied by men and women

Managers and Responsible people		
Women	Men	Total
7	13	20
35%	65%	100%

Operating Positions occupied by men and women

Managers and Responsible people		
Women	Men	Total
16	10	26
62%	38%	100%

As part of the process of the staff's development, as well as the improvement of the service provided to our direct customers (areas of the business) and external customers, we make an annual evaluation on the performance of our working team. In the first report, all members of the staff who had been working for a year were evaluated.

Environmental Responsibility

Thona committed with the environment has established policies in order to reduce environment pollution as far as possible.

Ecological Materials

A) Toilet paper: Paper consumption was 180 kg per month, this being the most used material, and therefore we were always used paper with the following specifications:

1. Environmentally friendly
2. Acid free
3. PROFEPA certified of ecological industry
4. Choline-free

B) As policy, Thona does not use unicel. If it should use disposable material, it must always be recyclable.

C) In energy consumption, Thona uses energy-saving light bulbs (approximately 350). In addition, we counts with light controllers witch help us save up to 35% of energy.

D) Unlike other insurance agencies in Mexico, Thona makes a policy and send it with all normative dates electronically, avoiding its print. With more than 2 million of policyholders, we have avoided the logging of 190 trees, sending electronically the insurance contractual documents.



Anti-Corruption

A fundamental aspect of THONA is to abide the anti-corruption policies that are stipulated by Mexican law through the National Committee of Insurance and Finance. We make this by an internal control procedure which detect clients with uncommon, relevant or illegal source operations. In additions, we count with files in order to identify every one of the clients.

Control and Communication Committee (Anti-corruption) meets monthly and report to CNSF the relevant, uncommon and concerning cases. The committee also regulates and monitors everything regarding prevention of money laundering.

Every year, the 100% of collaborators and sales force are trained and evaluated in the prevention of money laundering.

Thona has a responsibility towards society promoting ethics in all actions that it does.



Outcome Measurement

Human Rights

Three important indicators that help us to measure the results we have regarding human rights are:

1. We updated the ethical code to integrate employment equality and to fight against discrimination.
2. We create a committee of work equality and no discrimination, whose target is to survey the development and execution of work equality and no discrimination practices in our business. We appointed an Ombudsman to protect the human rights of all THONA insurances' collaborators, regarding the interaction with all the people working in all the different areas of the business and in order to promote respect, work equality, and no discrimination
3. We grant benefits, higher than the legal ones, to all our collaborators, as: Life Insurance, canteen, parking lots, saving fund, Health Insurance, and bonds.

Labour standards

Three important indicators that help us to measure the results we have regarding labour standards are:

1. Staff turnover. This year we had an indicator of 20%, which is high because the new guidelines in the business have already began, and it was expected an adjustment regarding this.
2. We register the salary and benefits in tabulators. Both salary and benefits are in a medium-high level in the insurance sector. Taking in consideration that THONA is a company with little time in insurance market.
3. Bonuses for performance have been implemented as a consequence of the individual's performance results. With a 100% fulfilment thus far.



Environment

Three important indicators that help us to measure the results we have regarding environmental issues are:

1. In order to mitigate the environmental impact, we decide to emit and send electronically all insurance contractual documentations to all our customers. This helps us to avoid the impact that would be to produce paper certifications for 2 million insured people, which helps us save 230 trees
2. Paper consumption (the most used material) was 180kg per month, therefore we have established, as a policy, to use paper with the following specifications: a sustainable product, environmentally friendly, acid free, PROFEPA certificated, chlorine-free, and with a 100% degradable packing.
3. Through the use of energy-saving light bulbs in all of our offices (350 in total) and light controllers, we have saved 35% of electrical energy.

Corruption

Three important indicators that help us to measure the results we have regarding anti-corruption issues are:

1. Ethical code's actualization.
2. 100% of the collaborators are trained and evaluated in preventing money laundering.
3. We have a Control Committee that regulates and monitors money laundering prevention.



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