



Together,
MOVING
FORWARD
safely

INTEGRATED ANNUAL
REPORT 2019





Trough 25 years, at Quálitas we have traced our own path, adapting to change with innovation and talent to offer solutions to the challenges of today and tomorrow, providing security and confidence to all members of our interest group while generating economic, social and environmental value.



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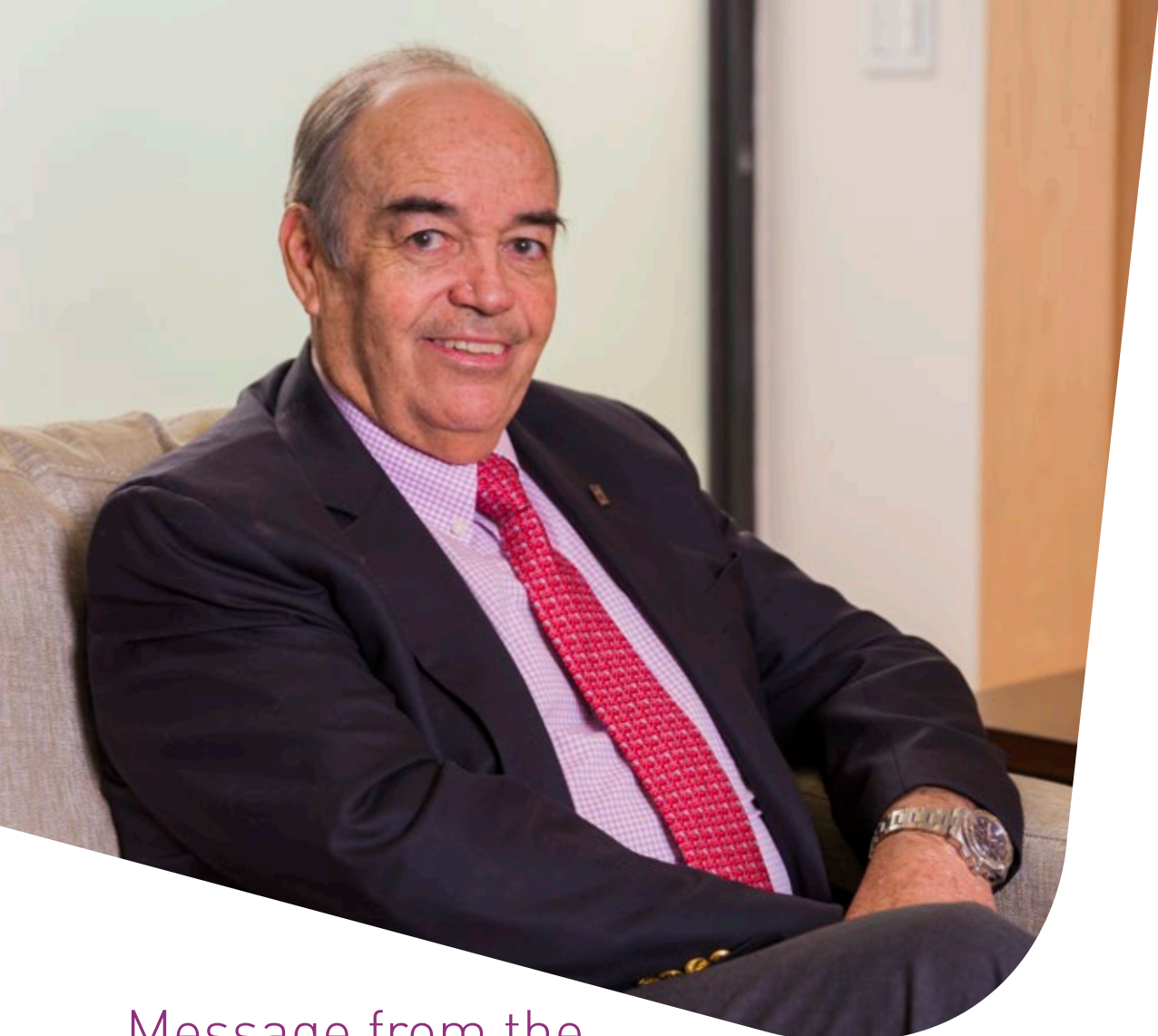
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Message from the
CHAIRMAN
 of the Board of Directors

GRI 102-14,102-15

With the effort of all our colleagues, we have been recognized as a reliable, efficient and very productive company.

Dears,

We celebrate Quálitas' first 25 years, a story of success and great achievement. We have grown as an insurance company specialized in the auto industry, with a focus on service and cost control; these values are part of our corporate culture. In these years, we have built the most extensive coverage network in the country, with the support of the service offices and the Quálitas Development Offices (ODQs) teams. With the effort of all our colleagues, we have been recognized as a reliable, efficient and very productive company.

The annual results are frankly outstanding. **Accumulated net income stood at \$5,358 million pesos, more** than double that obtained in 2018, and we closed with an **ROE of 47.3%**.

The written premium increased by 5% over the previous year, to \$36,196 million pesos; we ended the year with **4.2 million vehicles**

policyholder which represents a 9% growth in the year. Although the increase in premiums was not very large, it should be noted that the portfolio mix had a significant growth in individual policies and fleets, compared to a decrease in policies generated by financial institutions, which gives us a stronger position by reducing our exposure and risks from multi-annual policies.

Although Mexico continues to be our main market, we continue with a diversification strategy, placing special emphasis on the management of insurance subsidiaries in other countries, which together, increased the written premium by 22.1% with respect to the previous year and now represent 5.3% of the total. **The growth in Peru** was outstanding, in only nine months of management, went from 10,500 to more than 31,000 policyholder units and doubled its market share.

In relation to the **earned premium, we reported a 10% increase**, exceeding the guidance we had set, also aligned with the rest of the outstanding financial results.

We closed the year with a **combined ratio of 86.5%**, against the 92.5% reported in 2018. This was driven by drop in vehicle theft in Mexico and the increase of the recovery by Quálitas Mexico, with a higher rate than the rest of the industry. It is also the result of our efforts in risk prevention and seeking the profitability of our portfolio.

It is also worth noting that we were the **best performing** issuer in the **Mexican Stock Exchange (BMV)**, **delivering 92% profits** during 2019, improving 18 positions in the marketability index. In addition, Quálitas is now part of the **Sustainable IPC** as a result of the company's efforts in a management that integrates economic, environmental and social criteria.

We continue to make progress in getting closer to policyholders and extending the **prevention culture**, with a network of more than 450 service offices and ODQs, which is 8% more than the previous year. Likewise, the relationship with our more than 15 thousand agents is key, due to the trust they place in our service.

As part of our commitment to service, this year, we took over the management of Outlet de Refacciones, Easy Car Glass and CristáFácil, three of our non-insurance subsidiaries. In this way, we seek to obtain greater efficiency in their operations and reinforce the synergies they have with our insurance subsidiary in Mexico.

Technology is an ally in our operation and we seek to maximize the potential offered by mobile connectivity and artificial intelligence. Hand in hand with the technological advances, we innovate our customer service towards policyholder and the relationship with our allies in the commercialization and provision of the service.

By the end of the year, **we reached 5,275 employees**, with the incorporation of personnel from non-insurance subsidiaries and the insurance company's team in Peru. We support their growth and professional development through the extensive training program offered at Universidad Quálitas. Also committed to **well-be-**

ing, we are moving forward in Mexico and Central America with the implementation of the Adjust Your Emotions Program, which offers guidance and advice on different topics of work and personal life.

At Quálitas, we have been raising awareness about **responsible road behaviour**, through different alliances, which are added to the work of our claim officers within the framework of the Road Safety Management System. This year we wanted to go further, aware of the importance of values for citizen coexistence. To this end, we launched the campaign **#NosVemosEnLaEsquina**, as a call to convert public spaces and roads into spaces of harmony and safety.

At Quálitas, we are an active part of society and are committed to sustainability. We work on the implementation of the **10 Principles of the United Nations Global Compact** and contribute to the **Sustainable Development Goals (SDG)**.

The results obtained in 2019 and the journey of these first 25 years that we are celebrating, with an eye on the present and the future, encourage us to move forward, with the confidence of all our stakeholders.

Regards,



Joaquín Brockman Lozano
Chairman of the Board
Quálitas Controladora, S.A.B. de C.V.

47.3%
ROE

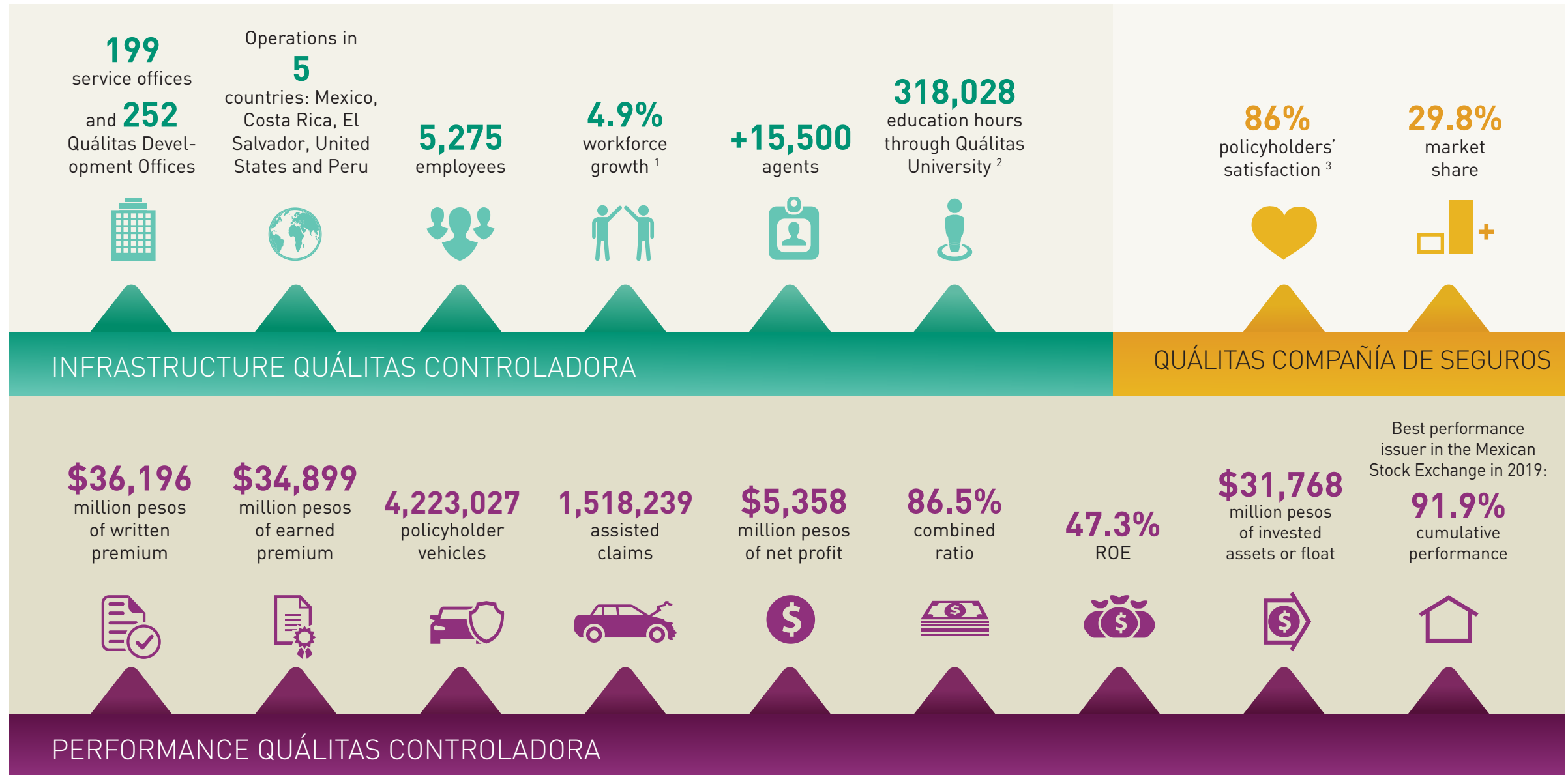
In 2019, Q* was the best performing issuer in the Mexican Stock Exchange (BMV)

LEAVING A MARK



Outstanding figures

GRI 102-7



¹ Includes the incorporation of non-insurance subsidiaries staff of Outlet de Refacciones, Easy Car Glass and CristaFácil) and of the team of the insurance company subsidiary in Peru.

² In all the countries, including employees, agents, service offices staff, suppliers and policyholder (fleets).

³ Average satisfaction obtained in the Comprehensive Service Survey.

25-YEAR COMMITMENT



Quálitas Compañía de Seguros, was born 25 years ago in Mexico, as an insurance company specialized in the automotive sector, in a context where the attention was placed in other fields of insurance. We believed in the market potential and got under way to develop a company making things different to and better than the market, focused on service, and setting our attention on the person, beyond the vehicle. Looking back, we know that we made the correct decision, and that we are on the right track.

We built a decentralized model, allowing us to be where the policyholder needs us, contributing to entrance of the automotive insurance. Jointly with the agents and the service offices teams, we build an extensive trust network available to policyholders, completed with the Quálitas Development Offices (ODQs), with which we reinforce the presence in Mexican territory.

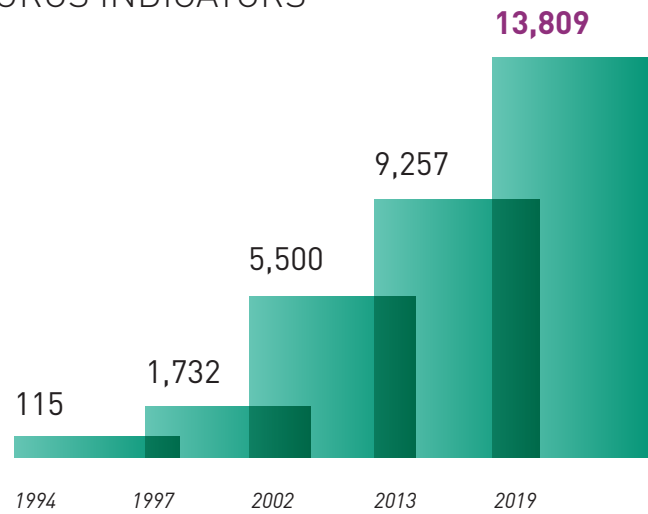
The success of the model and the management with strong attachment to costs control, has led us to internationalization. Having just started in Peru, we already operate

in 5 countries of the region, being present in Mexico, Costa Rica, El Salvador and the United States of America. In addition, working for a proposal of comprehensive value to the policyholders, we have subsidiaries focused on services complementary to the provision of insurance allowing us to reduce our costs and guarantee service quality.

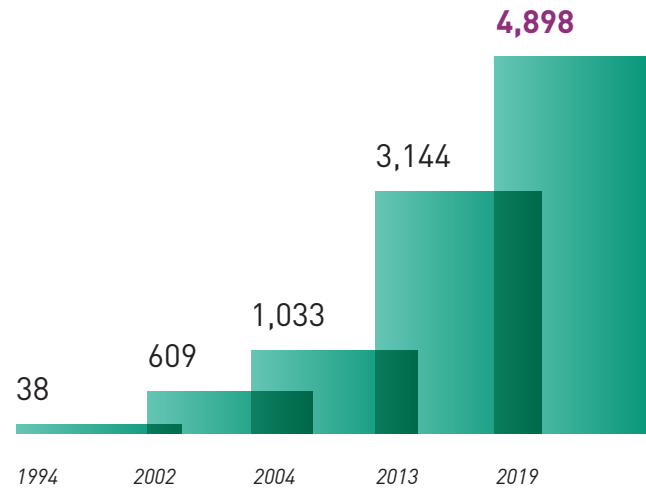
Our team's commitment has been and will continue being key in the business success where jointly with technology and the continued improvement processes, we innovate every day to attain a greater processes efficiency.

We approach future from today, with passion and service vocation, and the trust of our allies and customers.

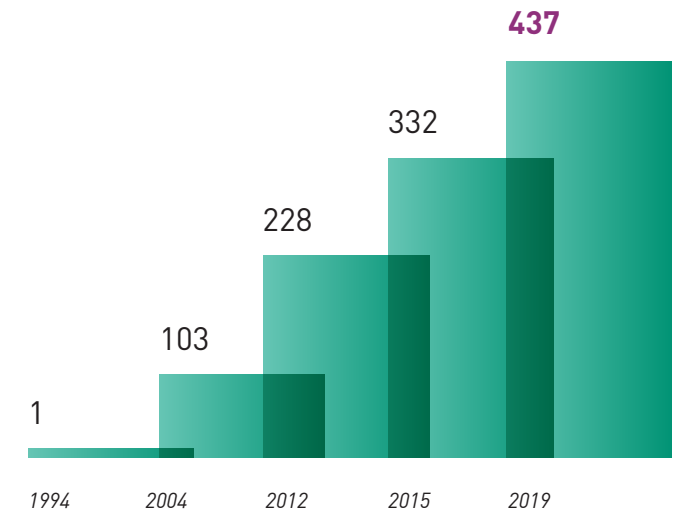
QUÁLITAS COMPAÑÍA DE SEGUROS INDICATORS



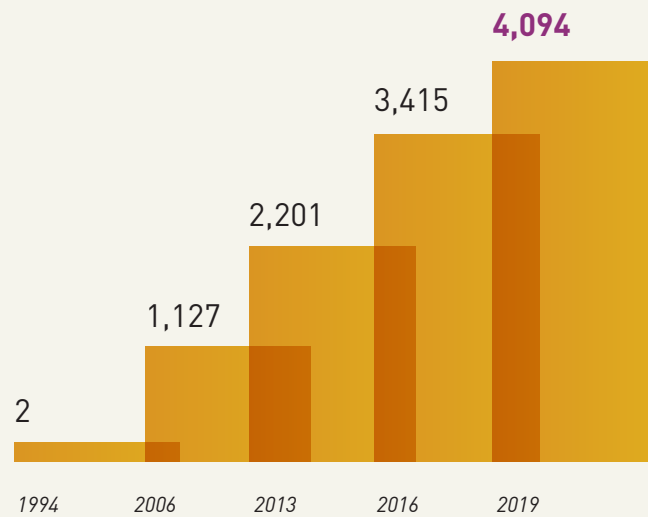
NUMBER OF AGENTS



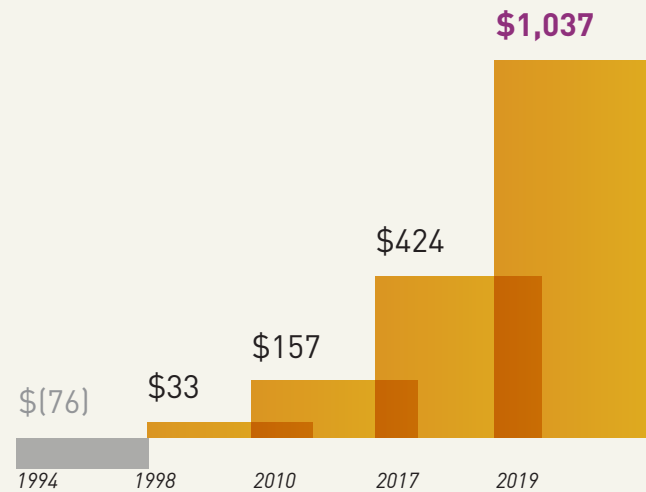
NUMBER OF EMPLOYEES



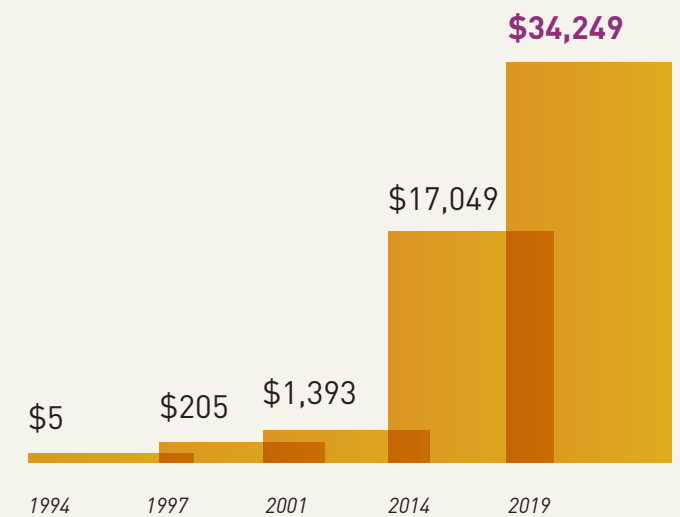
NUMBER OF OFFICES AND QUÁLITAS DEVELOPMENT OFFICES



NUMBER OF POLICYHOLDER UNITS (thousands)



PRODUCTIVITY (M MXN)



WRITTEN PREMIUM (MM MXN)

Note: Productivity is equivalent to the profit generated by employee

Promoting Values

We understand our company as a human group whose relationships are based on respect for others, from solidarity, responsibility and cordiality. These values guide the relationships among all of us who are part of it, including business partners and policyholders; they are also the basis of our contribution to social challenges such as the prevention and road safety culture.

Public spaces, including roads, are the setting of everyday stories. Respect among all citizens is essential for them to be harmony places. Corners particularly stand out. 87% of road accidents occur there and from Quálitas we want to promote care and respect so that they become meeting points, a model of coexistence.

This year we launched the campaign **#NosVemosEnLaEsquina** (#SeeYouAtTheCorner), in order to improve road security, optimize urban mobility and improve social harmony. We sought to be on the street, in different spaces, conveying the message and inviting to coexistence through different media such as radio, digital screens, billboards, bus stops, fences and cinema. The campaign had a national scope with the aim of connecting with all the generations, we also added an active performance in digital media.

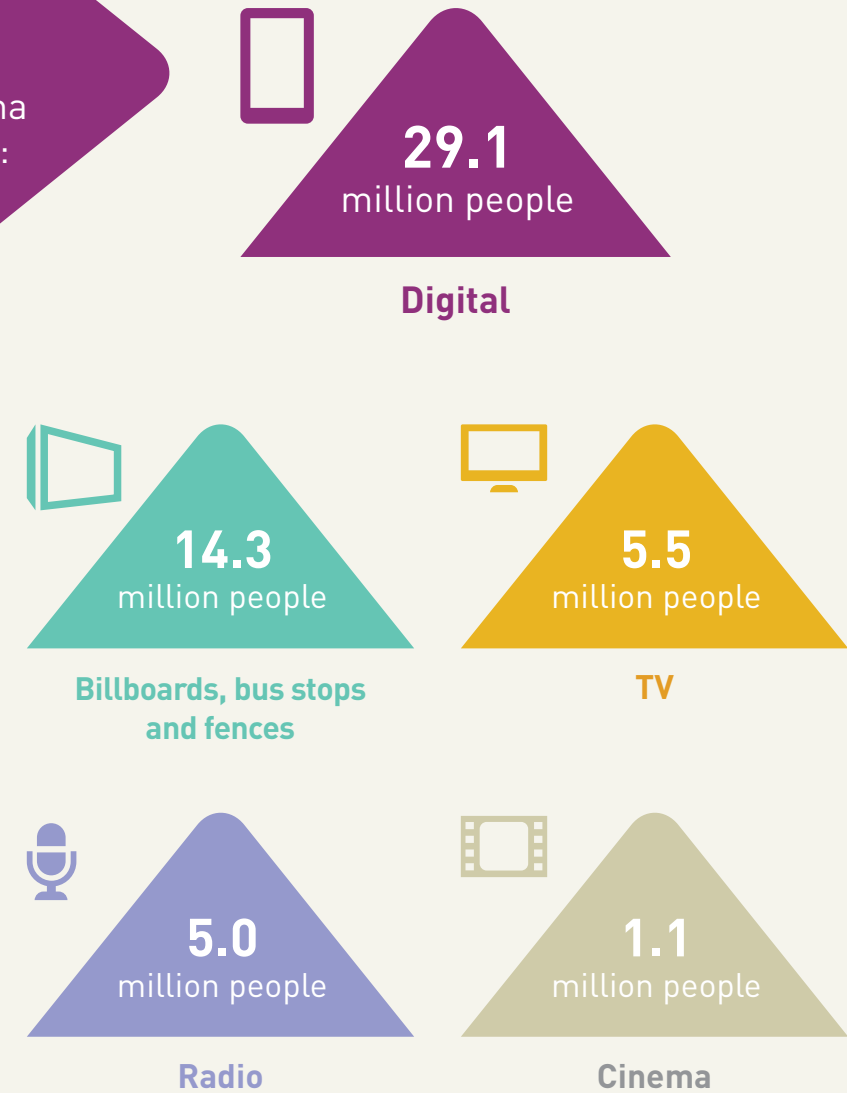
We built the campaign with the collaboration of various allies in the means, but also of those who have suffered and gone through

accidents on the road. We had already been working with the International Road Safety Academy (IRSA), the National Alliance for Road Security (*Alianza Nacional para la Seguridad Vial* or ANASEVI for its acronym in Spanish) in our road behavior program, but we also wanted that **#NosVemosEnLaEsquina** became part of the campaign.



Thanks to everyone's efforts, we expect that the campaign leads to reflection and to change on a value-based behavior. We will also continue working on that in the future.

With an investment of \$22.2 million pesos in 2019, the campaign **#NosVemosEnLaEsquina** had the following scope:





SUSTAINABLE DEVELOPMENT GOALS

Contribution to the Sustainable Development Goals (SDG)

GRI 102-12

We understand that, as a company, we may contribute to take care of the great challenges of society, included in the **2030 Agenda for Sustainable Development**. This roadmap was launched from the United Nations, with the participation of the business sector and civil society, and includes the **17 Sustainable Development Goals (SDG)**.

The contribution by Quálitas is made up by our business model, activities and impact of our operations. This has allowed us to focus our efforts particularly on a series of strategical SDG's, shown as follows.

In the GRI table of contents, we show the details of the correlation between the contents of this report and the SDG, including the goals of the latter to which we contributed.

3	4	8	9	11
<p>Promotion of responsible driving and a coexistence behavior on the road: Quálitas Road Safety Program (CVQ) and the #NosVemosEnLaEsquina campaign.</p> <p>Improve road security starting with the #NosVemosEnLaEsquina campaign.</p> <p>Enable an orderly and sustainable urban mobility.</p> <p>Education and consultancy in road security to policyholders with fleets.</p> <p>Implementation of the Road Security Administration System (<i>Sistema de Gestión de Seguridad Vial</i> or SGSV for its acronym in Spanish) for call center adjustment and assistance process (attention to the accident) (in accordance with the ISO 39001 standard).</p>	<p>Education to employees at Quálitas University. Also extended to agents, workers of the service offices, suppliers and policyholders (fleets, as part of the consultancy in road security).</p> <p>Talent seedbeds, to enable and expedite the training of professionals joining any of our positions.</p> <p>Financial education to policyholders, through campaigns. In addition, education as to savings and administration of personal finance for our employees and agents.</p>	<p>Through our model of Quálitas Development Offices (ODQs): support of socioeconomic development in growth places, creating steady jobs, offering automotive insurance and promoting prevention culture.</p> <p>Support to steady jobs and the employees' development in our different subsidiaries.</p> <p>Participation in the business model by agents and teams of the service offices.</p>	<p>Access to the automotive insurance through our offer and unique business model, including the combination of access possibilities (agents, service offices, ODQs, remote channels –telephone and on-line sales–).</p> <p>Investment for the incorporation of hybrid models to the Quálitas cars (<i>Qualicoches</i>) fleet, with which we assist policyholders.</p> <p>Support for the development of innovative business schemes in the value chain (e.g., in workshops: express lane and policyholder notification system).</p>	<p>Support to citizens security in public spaces and roads, promoting responsible driving and coexistence culture: Quálitas Road Safety Program (CVQ) and #NosVemosEnLaEsquina campaign.</p> <p>Starting with the #NosVemosEnLaEsquina campaign, enable a more orderly and sustainable mobility.</p>
<p>Close to 150,000 Quálitas Road Safety website users during the year</p> <p>\$22.2 million pesos invested in the #NosVemosEnLaEsquina campaign</p> <p>1,067 fleet trained in Mexico</p> <p>550 claim officers and call center staff composed as part of the SGSV (Mexico)</p>	<p>\$40.1 million pesos in investment in Quálitas University</p> <p>318,028 education hours in Quálitas University¹</p> <p>269 participants in the talent seedbeds.</p> <p>600,000 impacts of the financial education messages to agents and suppliers</p>	<p>252 ODQs</p> <p>Workforce growth of 4.9% (Quálitas Controladora)</p> <p>199 service offices</p> <p>+15,500 agents (Quálitas Controladora)</p>	<p>4,223,027 policyholder vehicles (Quálitas Controladora)</p> <p>14% of the <i>Qualicoches</i> fleet is hybrid (Mexico)</p> <p>33% of the certified workshops has an express lane (Mexico)</p>	<p>See SDG 3 indicators</p>



¹ In all the countries, including employees, agents, service offices staff, suppliers and policyholder (fleets).



Introduction

GRI 102-16, 102-26

In Quálitas, we seek to protect the assets and physical integrity of vehicle owners through a comprehensive auto insurance service and assistance in the event of an accident.

ORGANIZATIONAL IDENTITY

Our growth is the result of the confidence of the different stakeholders, with two relevant milestones this year: the start of operations in the automotive insurance market in Peru and the management control of the majority of our non-insurance subsidiaries, with the objective of strengthening synergies and delivering a more comprehensive value proposition to our customers.

You can consult our Mission, Vision, and Identity at: <http://qinversionistas.qualitas.com.mx/portal/about-qualitas/?lang=en>

<http://www>



Quálitas Controladora

GRI 102-1, 102-2, 102-4, 102-5, 102-6, 102-45

Quálitas Controladora, S.A.B. de C.V. is listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores - BMV) and has different insurance subsidiaries in the region, specialized in automobile insurance. Additionally, other non-insurance subsidiaries are added, called vertical subsidiaries in Mexico, linked to the process of claims assistance in aspects such as the provision of spare parts and windshield repair¹.

¹ Outlet de Refacciones is managed by our specialist partner, reason why it is not detailed in this report.

With the purpose of obtaining total control, during the year, we acquired the remaining shares of Easy Car Glass, CristaFácil and Outlet de Refacciones. In this way, we begin to manage the operations of these three subsidiaries directly.

QUÁLITAS SUBSIDIARIES

QUÁLITAS CONTROLADORA

**QUÁLITAS
Compañía de Seguros**
(Q MX) 99.99%

**QUÁLITAS
El Salvador**
(Q ES)
99.99%

**QUÁLITAS
Costa Rica**
(Q CR) 99.99%

**QUÁLITAS
Financial Services**
100%

**QUÁLITAS
Insurance Company**
(QIC) 100%

**QUÁLITAS
Premier Insurance**
100%

**QUÁLITAS
PERU**
(Q PE) 99.99%

EASY CAR GLASS
99.99%

CRISTAFÁCIL
99.99%

**OUTLET DE
REFACCIONES**
99.99%

**AUTOS Y
SALVAMENTOS**
54.00%

**OPTIMIZACIÓN
Y TALENTO**
98.00%

ACTIVOS JAL
99.99%

Quálitas Compañía de Seguros

FS13

Quálitas Compañía de Seguros continues to be the market leader in auto insurance, with a 29.8% market share, according to the Mexican Association of Insurance Institutions (*Asociación Mexicana de Instituciones de Seguros, AMIS*) at 2019. The growth was driven by the increase in the traditional segment (individual and fleets). On the other hand, the financial institutions segment was impacted by a 7.7% decrease in the sale of new cars in the country in 2019, according to the Mexican Association of Automotive Dealers (*Asociación Mexicana de Distribuidores Automotores, AMDA*), although it had a recovery in the issuance with an adequate pricing in the second half of the year.

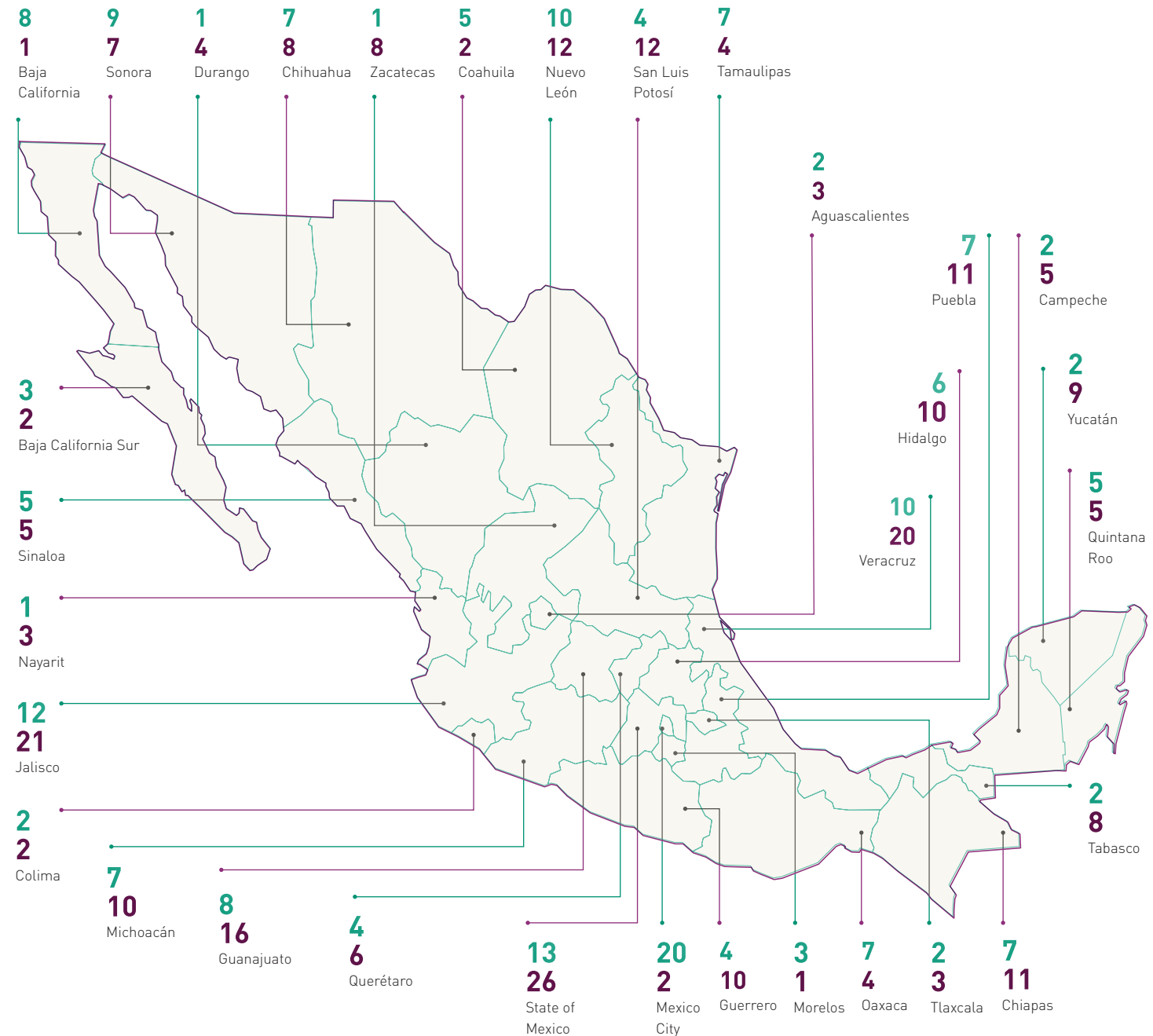
QUÁLITAS COMPAÑÍA DE SEGUROS				
	Δ 19-18	2019	2018	2017
Policyholder Units	8.0 %	4,094,194	3,793,178	3,739,614
Written premium (MM MXN)	4.3 %	34,249	32,821	32,141
Market share (%)	(1.5) pp	29.8	29.9	31.3
Employees ¹	+15	4,898	4,883	4,816
Service offices	+8	186	178	173
ODQs	+24	251	227	219

¹ The employees of the Tijuana office (Mexico) employed by QIC (United States) are included in the workforce of Quálitas Compañía de Seguros since it is the subsidiary in which their payroll its undertaken in the first place and the working conditions are established. In relation to the previous reports, the information of 2018 and 2017 is re-expressed to exclude them also from the QIC workforce and introduce them in the workforce of Quálitas Compañía de Seguros.

Our coverage network throughout the country increased by 8 service offices and 24 Quálitas Development Offices (ODQs). The ODQ network is a model developed by Quálitas Compañía de Seguros in Mexico and contributes 2.79% of the premium issued by that subsidiary, with a team of 498 employees.

186
Service offices

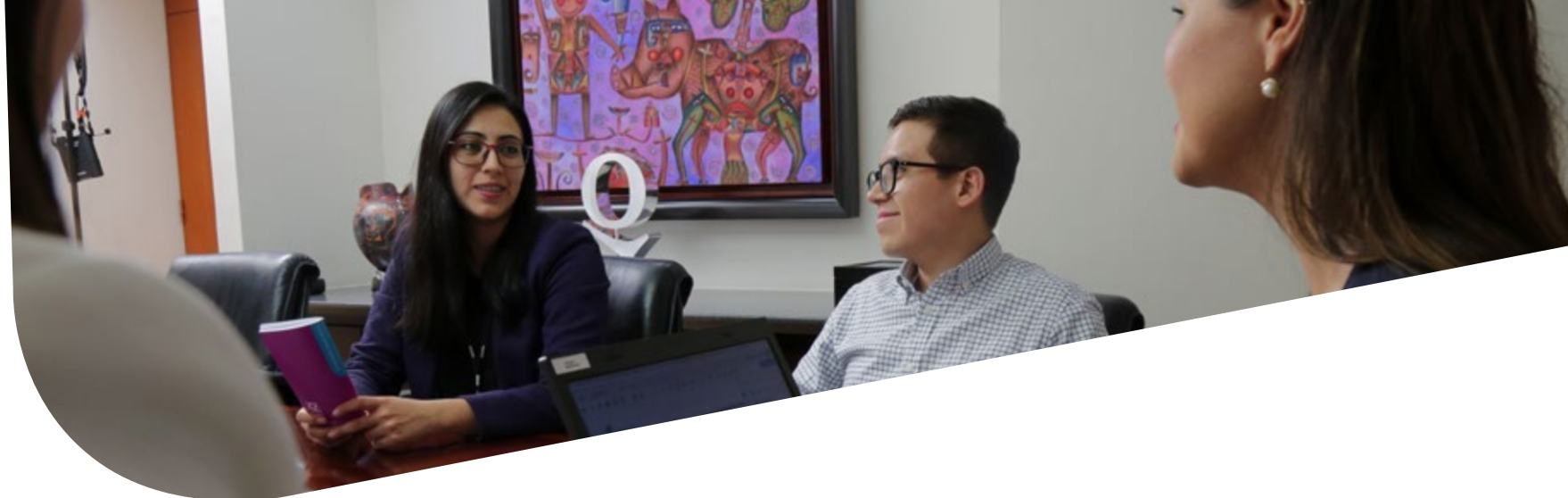
251
ODQs



International Presence

We have insurance subsidiaries in the United States, Costa Rica and El Salvador. This year, we started activities in Peru by acquiring an automobile insurance company in that country.

Our operation and portfolio adapts to the particularities of each market and the needs of our customers, maintaining our excellence differentiators in service and cost control.



	U.S.A.		COSTA RICA		EL SALVADOR		PERU
	Δ 19-18	2019	Δ 19-18	2019	Δ 19-18	2019	2019
Insured Units	17.5 %	18,290	13.66%	60,064	22.51%	19,467	31,012
Written premiums (MM MXN)	16.1%	1,115.9	0.6%	458.6	13.9%	166.5	167.6
Employees ¹	+5	39	+2	64	+15	64	42
Offices (all categories)	=	4	=	4	=	5	1

¹ The employees of the Tijuana office (Mexico) employed by QIC (United States) are included in the workforce of Quálitas Compañía de Seguros since it is the subsidiary in which their payroll is undertaken in the first place and the working conditions are established. In relation to the previous reports, the information of 2018 and 2017 is re-expressed to exclude them also from the QIC workforce and introduce them in the workforce of Quálitas Compañía de Seguros.

Quálitas Insurance Company (QIC), our subsidiary in the **U.S.A.**, consolidated the individual car insurance in Texas, after its launch in 2018. Insurance for cars and vans with California license plates continues to stand out, which has full coverage in the United States and Mexico, unique in the market for its characteristics. As for heavy transport, the service product for Mexican trucks with cross-border operations already reaches 15% of its market.

In **Costa Rica** there was an aggressive evolution of the market due to pricing. We responded by maintaining our offer focused on profitability and convinced of our quality. We closed the year aligned with 2018 with a 7.5% market share, being leaders of the private insurance market.

The placement of premiums in **El Salvador** stood out in private vehicles, already reaching the levels of trucks and public service vehicles, thanks to the support of our agents with an online platform. In the portfolio set, our premium growth was above the market average. We maintained a similar participation as of 2018, of 8.4%.

In **Peru**, we made a difference with respect to the sector, thanks to our specialization in automobile insurance and the business model through agents. With presence in the individual segment, we also have fleet and collectivities. In 2019, under our management, we accomplished to triple the number of policyholder units. It is worth noting the progress in the financial institutions segment, where we already work with the leading financial markets.

Non-insurance subsidiaries

With different activities, they are all framed in providing complementary services to the attention in case of accidents, from the provision of spare parts to the repair or replacement of the vehicle windshield.



Outlet de Refacciones

Acquires second-hand automotive spare parts, completing its inventory with its own operation of disassembly of cars declared as total loss in claims. This year, as a management result, we increased sales by 30% compared to the previous year.

Outlet de Refacciones sells to Quálitas Compañía de Seguros and to third parties, during 2019, it achieved an important milestone improving distribution and terms, which represented a 31% decrease in average delivery time. This is the result of our work with transportation providers.



Easy Car Glass

It operates as a wholesaler of automotive windshields, which markets and distributes to CristaFácil and other repair sites. This year, the implementation of purchasing bidding schemes stands out, which has allowed us to offer more competitive prices to customers. As a result, during the year it posted a 38% increase in sales compared to the previous year. On the other hand, we improved distribution logistics, which has led to reduced delivery times to a third.



CristáFácil

Service provider of repair or replacement of windshield glass, works mainly under the franchise model. Provides important synergies with the activities of Easy Car Glass. During 2019, we improved the franchise operation, payment schemes, and our brand image. The number of services increased by 21%, of which 95% are substitutions and the rest, repairs.

BUSINESS DIMENSIONS 2019		
	Outlet de Refacciones	Easy Car Glass
Inventory Value (MM MXN)	59.7	18.4
Sale of Parts (MM MXN)	146.6	0.1
Number of own fleet vehicles	6	9

BUSINESS DIMENSIONS 2019	
Number of own stores	2
Number of franchised stores	120
Number of franchisees	67
Number of services	90,000
Income	271.9



We have grown as a company focused on offering the best auto insurance for our policyholders, in strict collaboration with agents and through our service offices and Quálitas Development Offices (ODQs).



Business MODEL and Corporate STRATEGY

Introduction to business model

GRI 102-6,102-15,103-2,103-3, FS13,FS14

4 BASIC fundamentals

Our business model is built on basic fundamentals, that guarantee financial success, delivery of value to our stakeholders and our permanence in time.

Excellence in service

- Close to our customers, through a network of service offices and agents with personalized attention.
- Dynamic, due to our team structure, organization or our processes, and application of state-of-the-art technology.
- Demanding in terms of the quality of our suppliers.

Cost control

- Efficient in the use of resources.
- Comprehensive in monitoring operation and expenditure indicators.

Specialization

- Experienced in the auto insurance sector.
- Flexible in adapting our model to different countries where we operate.
- Innovative regarding the needs of the policyholders.

Decentralization

- Focused on being where the policyholder needs us.
- Allied with agents who share our vision and commitment.

3 SEGMENTS

attended

Through the insurance subsidiaries, we provide services in **three big segments:**



INDIVIDUAL
automobiles and motorcycles hired by unit



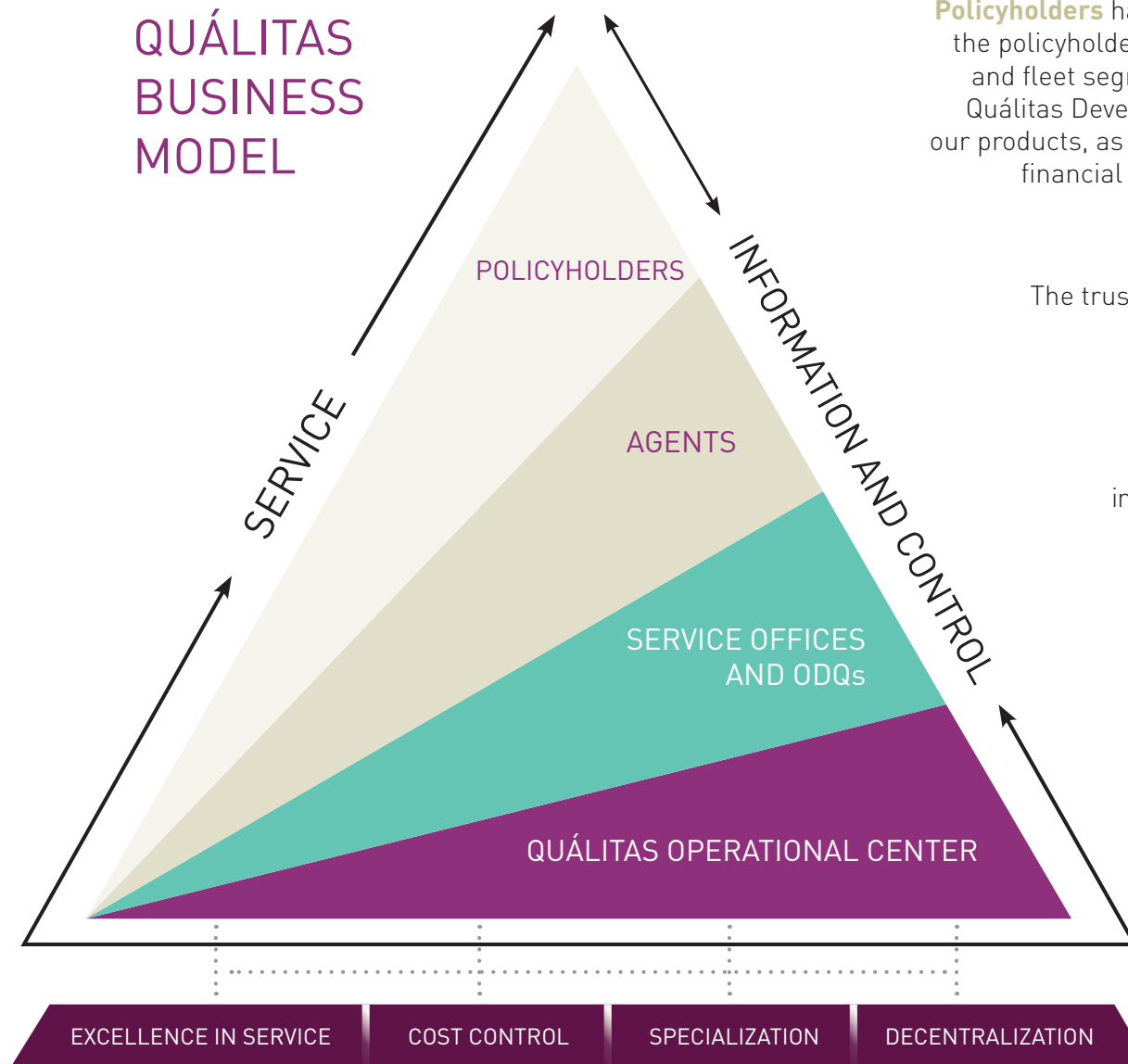
FLEET
automobiles and trucks, hired on a large number scheme



FINANCIAL INSTITUTIONS
insurance provided with the automotive financing companies at the time of purchasing a vehicle

Our objective is to be present where insurance is required and through the channel that the policyholder prefers.

In the event of an accident, our claim officers intervene in person or remotely (express adjustment), making available to the policyholder, the repair suppliers and doctors with whom we work, selected due to their quality and commitment. Synergies with our non-insurance subsidiaries emerge specially herein.



Policyholders have an extensive and specialized network of agents at the policyholders' disposal, who sell our insurance for the individual and fleet segments. They are also served at the service offices and Quálitas Development Offices (ODQs), which exclusively operate for our products, as well as online through the Internet. In the case of the financial institutions segment, Quálitas markets them directly.

The trust that **agents** generate upon offering our insurance is essential, result of a long history of working together.

We establish **service offices** in association with local industry-expert entrepreneurs. These are complemented with **ODQs**, our strategic offices in small penetrated localities. In addition to the direct attention to the policyholder, they advise agents in products, rates, processes and other elements required for marketing.

Service offices and agents have support of the **Quálitas Operational Center**, which is integrated by different specialist teams.

Our growth as a company has also included **internationalization**, convinced of its value in our business model.



We contributed to the development of insurance in these countries, benefiting vehicle owners.



Aware of the policyholders' needs and the efficiency of our management, we seek a more comprehensive assistance proposal. Therefore, this year we assumed the operation of most of our non-insurance subsidiaries, building important strategies regarding the care we already provided to policyholders in case of an accident.

Through Outlet de Refacciones, we supply to the insurance company in Mexico the parts necessary for the repairs of damaged cars, guaranteeing their quality. In the case of crystals, Easy Car Glass operates as who-

lesaler for their marketing to CristaFácil, Quálitas franchise network and to other repairers.

It is noteworthy that the company's and our subsidiaries¹ performance as well as the adherence to business fundamentals, are monitored through a series of indicators defined for each area, assessed on a monthly basis by the General Management and the Strategic Planning Management.

¹ More information regarding the activity of each subsidiary in the Organizational Identity chapter.

SUSTAINABILITY FOCUS

Sustainability Strategy

GRI 102-16, 102-20, 102-22

As a company, we seek to create value for all our stakeholders, specially regarding the development and provision of auto insurance, prevention culture, road safety education and claims management. The collaboration of the different areas and the work with our value chain is fundamental to this end.

The **Sustainability Strategy** articulates the main initiatives, facilitates the approach of new programs and synergies among all activities. It is composed of **five pillars**, which connect our understanding of the operation with the expectations of the stakeholders, always under the maximum attention of excellence to the policyholder. Such basis materialize through **work lines**, with **initiatives** equipped with their respective action plans, including follow-up indicators. The strategy is open to further actions as the operation progresses, business priorities and the relationship with stakeholders¹.

The **Social Responsibility Committee** monitors progress in the implementation of the Strategy, in which participate representatives of the different areas who have initiatives included therein². Their work goes beyond, analyzing the expectations of the different stakeholders, with spokespeople appointed at the direction level. Meetings are held quarterly, and the chairman of the Social Responsibility Committee submits its conclusions to the Board of Directors.

¹ The basis and work lines of the Sustainability Strategy were defined from material subjects, with the participation of different areas of the company. They are composed of already existent initiatives and others raised in the framework of the exercise.

² General management, Human Resources, Corporate communication, Finance management, Commercial management, Comprehensive risk management, Corporate Legal, Treasury, Relations with Investors, Claims service, Under Rating and operational assistance, Claims Operations, National medical manager, Sales customer service manager.

BASIC FOUNDATIONS OF THE SUSTAINABILITY STRATEGY

Connects our understanding of the operation with the expectations of the stakeholders, always under the maximum attention of excellence to the policyholder. Such bases materialize through work lines, with initiatives equipped with their respective action plans, including follow-up indicators.

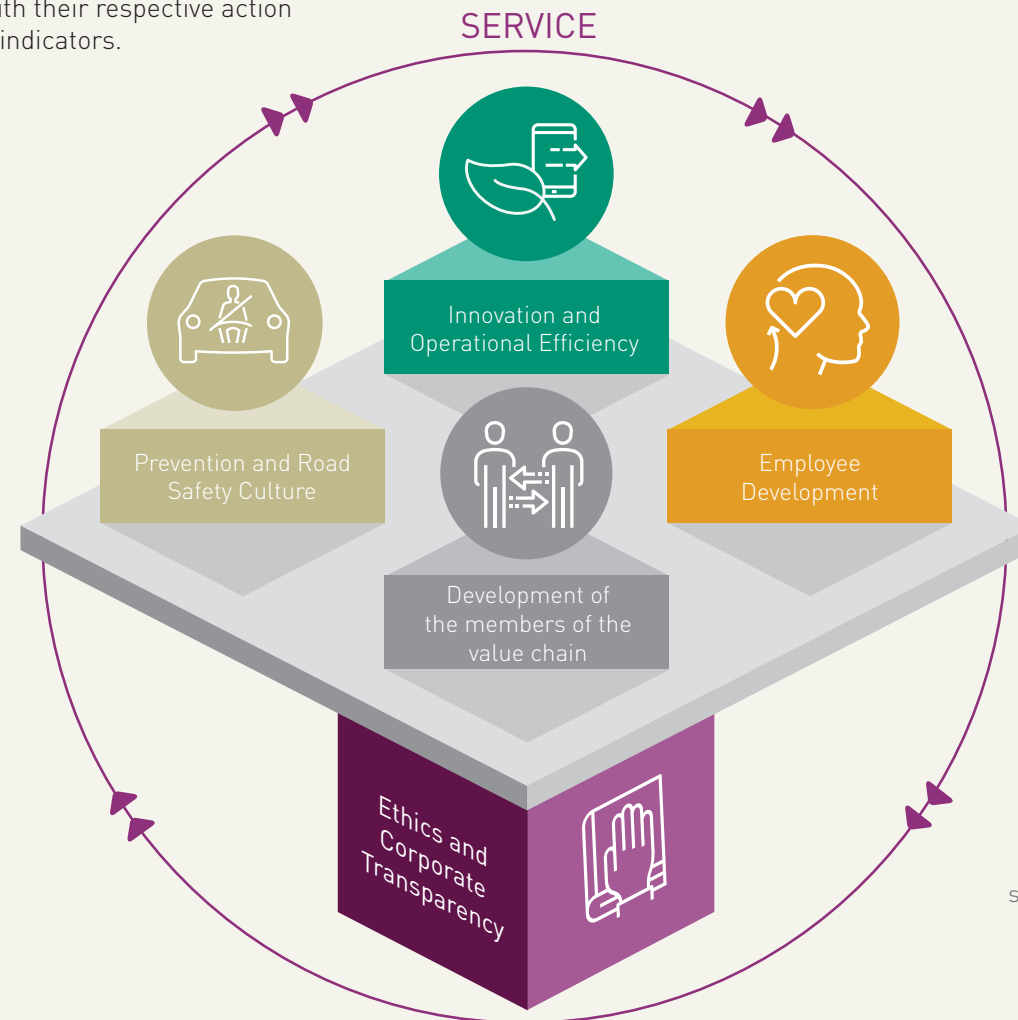
Promote the prevention, insurance and financial culture. Likewise, contribute to responsible driving and road behavior, encouraging coexistence of all those who use roads and public spaces.

To operate abiding by the values of the company, under ethical and conduct guidelines, raised from a solid corporate governance. Integrate sustainability criteria in decision-making.

Offer value-added products and services for the policyholder, jointly with an efficient operation of the company both in the use of resources and in the management of impacts (for example, environmental). To realize the potential of technology for operation.

To harness the talent of our employees and their development, from the value of diversity, and their well-being. To promote constructive leadership and a solid culture underpinned by internal communication.

Work closely with agents, teams of service offices and suppliers, supporting their training and operation, to offer excellent products and services to our policyholders.



See for further detail of the Strategy, bases and work lines



Relationship with Stakeholders

GRI 102-21, 102-40, 102-42, 102-43, 102-44

We understand our activity as generator of comprehensive value for all stakeholders, a focus that is present in our corporate culture and which we materialize in our performance.

In the identification of stakeholders, we consider the double perspective, those that could be affected directly or indirectly by our activities, as well as those who are key for the implementation of the business model and the attainment of our purposes and goals.

Our operation requires their participation, produced through different channels and counterparts inside the company. It is an open dialog that allows us to grow together.



<http://www.qualitas.mx/informeintegrado2019>

The detail of our commitments with the different stakeholders, channels and main subjects is available at [qualitas.mx/informeintegrado2019](http://www.qualitas.mx/informeintegrado2019)

Alliances and Memberships

GRI 102-12, 102-13

SECTORAL ASSOCIATIONS

U.S.A.

National Association of Insurance Companies (NAIC)
Insurance Accounting & Systems Association (IASA)
Pacific Association of Domestic Insurance Companies (PADIC)

MEXICO

Mexican Association of Insurance Institutions, A.C. (AMIS)
Coordinating Office for Policyholder Risks, S.C. (OCRA)

COSTA RICA

Association of Private Insurance Companies

EL SALVADOR

Chamber of Commerce and Industry

PERU

Peruvian Insurance Association (APESEG)

At Quálitas, we work in an articulate way in sectoral associations of the different countries in which we operate, supporting the development of insurance culture.

Our commitment with **sustainability** includes the support to more comprehensive collective initiatives, as part of the culture of the Quálitas corporate citizen. We materialize it through a responsible operation which considers the implementation of the United Nations Global Compact and the contribution to Sustainable Development Goals.



More information in the Leaving a Mark chapter.

In the framework of the outstanding initiatives of the sector in favor of sustainability, we integrate into our management the **Principles for Sustainable Insurance (PSI)**, launched by the Financial Initiative of the United Nations Environment Program (UNEP FI). In this way, we are committed to sustainability shaping the way in which we design and implement our operation, from the development of the insurance to investment.

PRINCIPLES FOR SUSTAINABLE INSURANCE

1

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

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.

3

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

4

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

We believe that values such as respect, cordiality and tolerance are fundamental for co-existence among those who share roads.

Thus, in 2019 we launched the campaign **#NosVemosEnLaEsquina**, first milestone of a broad program that we will develop in the following years.

More information in that regard in the Chapter, "Leaving a mark".

At Quálitas, we specially support responsible driving, through our Quálitas Road Safety program. This effort is part of the Decade of Action for Road Safety, declared by the United Nations in 2011, which calls for the collaboration of governments, companies and civil society organizations. Mexican initiatives are supplemented with other alliances in the different countries, such as the participation of Quálitas Insurance Company (QIC) in the Insurance Institute for Highway Safety (IIHS) (U.S.A.).

Social Investment

At Quálitas we understand that our participation as a company in society must be accompanied by the attention of the main needs of the environment. This supplements the activities that we already develop as part of the provision of auto insurance, promotion of the culture of prevention, road safety and citizen coexistence.

The recipients of our contributions are specialized organizations which are aware of the environment and have solid programs:

10.1 million pesos allocated to social investment, as donations



EDUCATION

- Casa Santa Clara, A.C.
- Comunidad de Desarrollo Integral Copilco A.C.
- EDUCA A.C.
- Fondo para la Paz, I.A.P.
- Fundación Casa Alianza México, I.A.P.
- Fundación Daunis A.C.
- Fundación León XIII
- Fundación Pro-niños de la calle, I.A.P.
- Fundación San Ignacio de Loyola A.C.
- Internado Infantil Guadalupano A.C.
- Proeducación I.A.P.
- Proyecto Cantera A.C.
- Servicio Educación y Desarrollo a la Comunidad I.A.P.
- Refleacciona con Responsabilidad A.C.
- Renovación, Unión de Fuerzas, Unión de Esfuerzos, A.C.

ENVIRONMENT

- Fundación comunitaria Malinalco A.C.

HEALTH

- Antes de partir A.C.
- Casa Hogar Kamami, A.C.
- Cadena de Ayuda contra la Fibromialgia A.C.
- Comer y Crecer A.C.
- Comedor Santa María, A.C.
- El Buen Samaritano I.A.P.
- Fundación Ayuda a Vivir A.C.
- Hogar Gonzalo Cosío Ducoing I.A.P.
- Fundación Hermanitas de los Ancianos Desamparados I.A.P.
- Fundación John Landgon Down A.C.
- Fundación Owen I.A.P.
- Infogen A.C.
- Instituto de Ayuda Humanitaria A.C.
- Instituto Nacional de Cancerología A.C.
- Metamorfosis Global A.C.
- Nocaltzin A.C.
- Unidos Asociación Pro-Trasplante de Médula Ósea Francisco Casares Cortina A.C.

EXCELLENT SERVICE to the policyholder's

GRI 103-2, 103-3, 416-1, 417-1, 418-1, FS15

Our unique business model and the way we operate is based on efficiency, the use of the latest technologies and the delivery of an excellent service. We seek to build long-term relationships with the policyholders, meeting their needs and generating a comprehensive experience.



Here is the journey that forms the policyholder's experience with the company and our service allies: agents, service office teams and suppliers. The description corresponds to the operation of Quálitas Compañía de Seguros, our main insurance subsidiary.

The information contained in this chapter is complemented by the new information included in the chapter on Innovation and operational efficiency; the detail of the contribution to road safety in the chapter of Prevention culture and the description of our business model in the chapter of Corporate strategy.

POLICYHOLDER'S EXPERIENCE

PART 1: ADVICE AND CONTRACTING



PART 2: ASSISTANCE IN CASE OF A CLAIM



PART 1: ADVICE AND CONTRACTING

1. Contact

Delivery of clear and timely information to the potential policyholder, mainly through the agents, who establish the relationship and respond to their needs.

Our employees and the service office teams work closely with the agents, applying the Commercialization Policy guidelines and the Code of Ethics and Conduct, as well as the Ethical Commercial Principles.

The information we provide to policyholders includes policy conditions, parties' rights and a glossary of terms to facilitate interpretation. We added a QR Code to policies to make the processing of claims more efficient.

2. Pricing

The **tariff setting** considers multiple variables. In Mexico, the area and context of claims is considered. We also seek to encourage responsibility in drivers and offer

risk-based pricing, for example, through a double-deduction scheme for heavy vehicles if they are driven at night at certain times and on certain higher-risk routes.

3. Vehicle inspection

The **vehicle inspection** is carried out prior to contracting for the different commercialization channels. It can be performed by the client by sending the photographs through a disposable app or with the analysis *in situ*, of

an claim officer, depending on what is most comfortable for the policyholder.

4. Road safety support

Awareness of road safety to the general public: Quálitas Road Safety Program and campaign **#NosVemosEnLaEsquina**

Road safety advice for policyholder fleets, including training programs, technology support and information analysis.

PART 1: ADVICE AND CONTRACTING

Contact

1

Pricing

2

Vehicle inspection

3

Road safety support

4

PART 2: ASSISTANCE IN CASE OF A CLAIM

Report

1

Adjustment

2

Valuation, repair, payment

3

Medical assistance

4

Legal advice

5

PART 2: ASSISTANCE IN CASE OF A CLAIM

1. Report

In the event of a **claim**, the policyholder can report the situation via telephone (in the call center), with the QMóvil app or by scanning the QR code from their policy documentation. The last two channels allow immediate geolocation and automatic assignment of the nearest available claim officer; the policyholder can follow the claim officer's movement to the site in real time.

2. Adjustment

The process is carried out by Quálitas' own claim officers, who attend the policyholder in person, with the coordination of our call center team. The claim officers are assigned with the support of geolocation tools, so that it is the closest available to the location of the claim.

We also offer the possibility for the policyholder to carry out the process directly, through a disposable app. It is the **Express Adjustment**, applicable for claims that meet a number of conditions, such as the absence of a third party involved or the damage to the public road.

If necessary, the vehicle is moved by the tow truck services we use.

3. Valuation, repair, payment

The policyholder chooses the workshop to which their vehicle will be transferred, depending on their convenience.

Once it is in the workshop, the **valuation** is carried out by Quálitas' staff, experts in the field. In cases where the repair of a claim does not involve the replacement of parts, a **statistical valuation** is performed.

We offer additional coverage to our policyholders that allows them to have a substitute car at their disposal during the time the vehicle is being repaired.

We also provide the necessary parts for the repair of the vehicle.

In the event of a total loss situation, we will proceed with the corresponding compensation in accordance with the policy conditions.

4. Medical assistance

In case of physical damage due to a claim, we provide the policyholder with a selection of medical suppliers, either for outpatient or inpatient care, with whom we work closely on quality through the monitoring of data from the comprehensive service survey and specific indicators.

5. Legal advice

We support the policyholder in the legal processes and formalities that may arise from the claim with our own team of lawyers, who will represent them at Administrative and Judicial Institutions.

Our average response time in the call center is 23 seconds, and the assignment of the claim officer and their arrival at the site of the claim is done in an average of 25-30 minutes.

To respond to the potential risk of fraud in the use of insurances and/or in the assistance of claims, we have solid processes. In Quálitas Compañía de Seguros, the cases of claims that we handle are analyzed by technological tools that alert of inconsistencies or deviations and are analyzed by our specialized team. In addition, we encourage vehicle inspection prior to contracting insurance to prevent fraud.

On the other hand, with the aim of implementing greater efficiency in **valuation**, we are working on the certification of the process in accordance with the ISO 9001 Quality Management System standard. Specifically, we begin with the process of remote valuation of light vehicles, from the assignment to the valuator in each case until the first resolution of the company on the damage. In this regard, it is worth noting the training during the year of 208 employees from different areas and

suppliers who are involved in the process. In this way, the valuation criteria will be homogenized, facilitating shorter times and ensuring quality.

It should also be noted that we safeguard the information of the policyholders, with strict controls; we did not have any claims for losses or misuse of information.

We monitor policyholders' satisfaction throughout the different stages of post claim assistance, through the Comprehensive Service Survey, which allows us to identify improvement opportunities. During the year, we achieved an average satisfaction rate of 86%, with call center assistance and medical services standing out with an average satisfaction rate of 91% and the claim officers with a 88%.

Compared to 2018, there is an update of the methodology of the Comprehensive Service Survey.



85%
of the time our adjusters get there before our competitors.

VALUE CHAIN development

GRI 102-9, 102-10, 102-48, 103-2, 103-3, 204-1, 417-1



Our business model is based on the collaboration with our stakeholders, from the commercialization of insurance to the attention of claims.

We work with different allies, including agents, automotive financial institutions, teams of service offices and our different suppliers.

Further detail in the section Business model and corporate strategy (Corporate Strategy chapter).

WE SHARE THE MISSION TO PROVIDE A SERVICE OF EXCELLENCE TO OUR POLICYHOLDER FOR THEIR SATISFACTION¹

AGENTS

15,503
agents

Participation

They serve as trusted advisers of the policyholder, upon marketing Quálitas insurance.

Quálitas Support

Inquiry service

at the service offices and Quálitas Contact Center.

Tools for the operation

- Q Agents Portal, which allows, among other functions, to arrange renewals and follow-up claims.

- Vehicle inspection app to expedite the vehicle inspection prior to the contracting.

Training

Agents School at Quálitas University (on line, including regulations, business plan development, prospecting and sales, among other subjects) and regional seminars (in person).

Financial advice

Training program of new agents.

Different communication and follow-up channels through the specific service survey.

AUTOMOTIVE FINANCIAL INSTITUTIONS

33%
of total written premiums

Participation

It markets insurance for new vehicles, mainly in multiannual schemes.

Quálitas Support

Inquiry service

(for example, of the policy conditions), through Quálitas Contact Center

Q Agencies Portal

Policy management, rate update, collection and commission payment, among other functions.

SERVICE OFFICES

186
offices in Mexico
1,011
employees

Participation

They act as deputy operating managers of Quálitas in different zones (for example, quoting, issuance and renewal of the policy, management of policyholders' payments), as well as policyholder and agents service.

Quálitas Support

Operational support

At an office of each main zone, Quálitas has a team of its own for claims management and legal advice, which works with the staff of the service area offices.

Training of office employees through Quálitas University (online).

Strategy and leadership training for directors.

Support in Human Resources, well-being and participation in Quálitas' volunteering.

SUPPLIERS

\$11 billion
MXN spent
5,076
suppliers

Participation

Deliver products and services required for the operation of Quálitas, specially for the attention of the policyholder and his/her vehicle in case of accident.

Main products and services²:

Legal services · Medical services · Tow truck
Repairs (workshops and agencies)
Supply of spare parts and crystals

Quálitas Support

Inquiry service: phone line.

Support for invoicing and other operations through the Q Suppliers Portal.

Training: Suppliers School at the Quálitas University (online, including operational aspects such as service allocation from Quálitas and invoicing to the company).

Quality follow-up, through the policyholder service survey³ and other assessments (for example, monthly monitoring in the case of medical suppliers).

Promotion of best social and environmental practices, conditions of legal compliance in the assessment for the selection.

¹ More detail in the Business Model and Corporate Strategy section of the Corporate Strategy chapter.

² Repair suppliers include CristaFácil, subsidiary of Quálitas Controladora; the same happens with Outlet de Refacciones.

³ In the case of agencies, we also conduct a specific survey.

AGENTS

AUTOMOTIVE
FINANCIAL
INSTITUTIONS

SERVICE
OFFICES

SUPPLIERS

AS PART OF OUR CONTINUOUS IMPROVEMENT PROCESS, WE WORK TOGETHER WITH ALL OUR PARTNERS TO DEVELOP BETTER SOLUTIONS

As part of our continuous improvement process, we work with **agents**, to understand their needs and improve our work tools. This year we significantly updated the Q Agents Portal, to make it easier for them to manage policy renovations and accident follow-up. In addition, we made available an App for vehicle inspection from insurance applicants, which helps agents to improve the quality of their portfolio. We monitor the perception of agents on their relationship with Quálitas, through an annual survey, which in 2019 resulted in 81% of satisfaction, consistent with the result of the previous year.

The relationship with **automotive financial institutions and agencies**, contributes to the development of the insurance market, specially in new vehicles. We monitor their satisfaction with Quálitas to keep strengthening the relationship and synergies, obtaining a result of 92% of satisfaction in the 2019 survey, similar to the previous year

With respect to our **support to service offices**, we would like to highlight the continuity of the training program in strategic skills and leadership for directors. We also made special emphasis on the conformity with Ethical Commercial Principles, extending our culture and values.

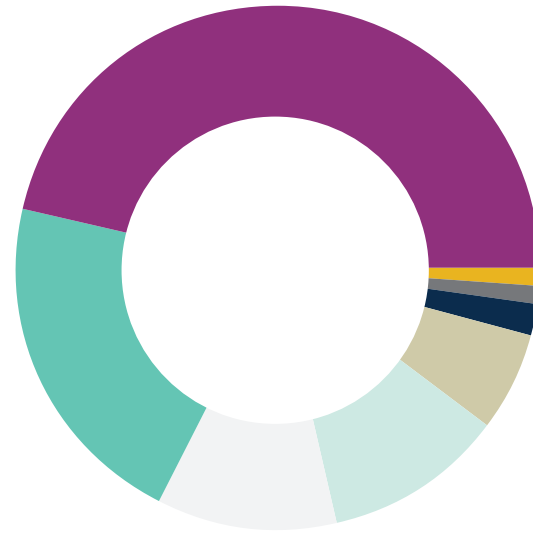
We assess in our recruitment process that they perform with high ethical, social and environmental criteria, including that they are consistent with our Code of Ethics and Conduct.

With respect to workshops, we support them to operate in accordance with high quality standards in the service we establish, including the certification in that regard by an external third party. 29 auto workshops were participating in such program in the year, out of which 9 are already certified¹. We also promote that they have an express lane to shorten the repair times in the cases of lighter accidents.

¹ The 2018 report pointed out as certified all auto workshops who participated in the process, regardless of the stage they were in.

At Quálitas Compañía de Seguros, we allocated **\$11 billion pesos to 5,063 suppliers** in 2019, a contribution that grows each year and contributes to develop the service industry associated with automotive insurance; **99.9% of the expense is allocated to local suppliers.**

BREAKDOWN OF SUPPLIERS PER CATEGORY



Category	Percentage (%)	Percentage (%)
AGENCIES	46	30
WORKSHOPS	21	22
TOW TRUCKS	11	16
REPAIR SHOPS (without Outlet de Refacciones)	11	7
MEDICAL SERVICES	6	17
CONSTRUCTION COMPANIES	2	3
GLASS MAKERS (without CristaFácil)	2	3
FEES	2	2
OTHERS	1	3

BREAKDOWN OF THE EXPENDITURE IN SUPPLIERS PER CATEGORY



There is a reexpression of the information regarding 2017 and 2018 reports in the evolution graph. Given the incorporation of the subsidiaries CristaFácil and Outlet de Refacciones to the direct management of Quálitas Controladora, the expenditure of Quálitas Compañía de Seguros therein has been discounted, to show only the expenditure and number of suppliers of Quálitas Compañía de Seguros external to Quálitas Controladora.



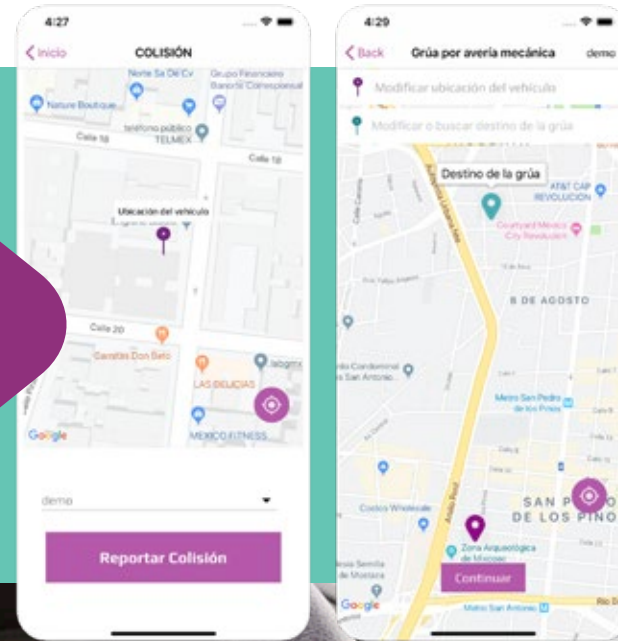
INNOVATION and operational EFFICIENCY



Innovation and technology for efficiency GRI 103-2, 103-3, 416-1

In Quálitas Compañía de Seguros, we are focused on the continuous improvement for the growing generation of value both for policyholders and for our allies in the delivery of the insurance and the attention in case of accident: agents, teams of the service offices and suppliers.

In 2019, we launched a **disposable application** for policyholders to report accidents and contact the claim officers. The application indicates the policyholder's position, enabling the claim officers assignment and assistance. It can be accessed through the personal QR Code delivered jointly with the policy, another novelty this year. The use of the QMovil app is complementary, with the advantage that the policyholder does not have to enter his/her data.



AI

The use of **disposable applications** has allowed us significant innovation in different processes. In 2018, we had already launched an app for claim officers' use during the attention of an accident and also for the express adjustment, where the process is remotely performed. Likewise, we launched an app for vehicular inspection prior to the issuance of a policy.

Artificial Intelligence is transforming the manner in which relate to policyholders; presently, we have chatbots for the attention of questions through the webpage and the QMovil app. In addition, we are incorporating solutions based on artificial intelligence in the agents' and suppliers' Internet portals.

We extended the **express adjustment** process to all the Mexican Republic, having increased the equipment and team intended for such purpose. This process allows remote attention, provided that a series of conditions are met, reducing the adjuster's waiting time to zero, shortening the time of reply and reducing vehicles circulation. At the end of the year, it represented the attention of 3.5% of the reported accidents.

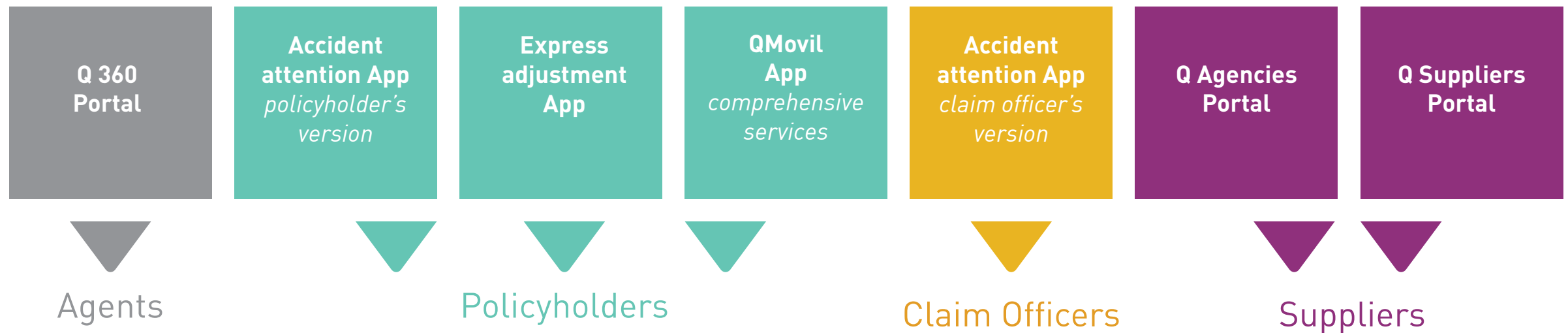
This year we launched the **statistical valuation**, allowing to make this process faster and authorizing the vehicle's repair. It applies for the cases in which auto parts replacement is not required.

With the operation control of our **CristaFácil** and **Easy Car Glass** subsidiaries, we encourage the repair of crystals instead of their replacement. This has a benefit for the customer since he/she does not pay a deductible and does not compromise safety or quality. It allows to expedite times and is a more amicable environmental option linked to circular economy.

We rely on **technology** as an ally in accidents prevention with devices providing information to the policyholders to know the behavior of their drivers and take steps to reduce claims.

We also offer outstanding efficiency devices, expediting vehicle localization in case of theft. Out of the total amount of stolen cars policyholder by Quálitas, 51% were recovered. From those that had the device, we recovered 79%; both figures are higher than the total recuperation rate of the sector in Mexico which was 44%, according to data from the Coordination Office of Policyholder Risks (*Oficina Coordinadora de Riesgos Asegurados* or OCRA).

CHANNELS AND PLATFORMS



Environmental performance

GRI 102-48, 103-2, 103-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4, 305-5

The efficiency in the use of funds is one of the keys of our business model. Applied to our energy and water inputs, it allows us to reduce environmental impact, including the emissions of Greenhouse Gases (GHG) resulting from the operation. Likewise, we extend the responsibility approach with the environment to waste administration.

During the year, at Quálitas Controladora level, we consumed 7,490,271 kWh of **electricity** at the own facilities of the group of countries where we operate; in relation to the preceding year, we added the consumption of non-insurance subsidiaries from which we take the operational control¹ and also from our insurance subsidiary in Peru (that started operations).

¹ Easy Car Glass, CristaFacil and Outlet de Refacciones.

Electricity Consumption - Quálitas Controladora (kWh)			
	2019	2018	2017
Mexico	7,137,999	6,448,185	6,583,297
Quálitas Compañía de Seguros ²	6,883,864	6,448,185	6,583,297
Non-insurance subsidiaries	254,135	N.A.	N.A.
United States of America	24,304	13,073	11,134
Costa Rica	121,872	113,119	103,012
El Salvador	165,524	147,534	140,981
Peru	40,572	N.A.	N.A.
TOTAL	7,490,271	6,721,911	6,838,424

² Includes the consumption of its own 12 (administrative) offices and of the 251 ODQs in Mexico. N.A.: Not Applicable. It does not apply since it did not have the ownership (insurance subsidiary in Peru) or the operating control (non-insurance subsidiaries in Mexico, Easy Car Glass, CristaFacil and Outlet de Refacciones).

With regards to Quálitas in Mexico, including both Quálitas Compañía de Seguros and the three non-insurance subsidiaries that we administrate, we consumed 160,674 GJ of fuel, of which 99% corresponds to the *Qualicoches* (Quálitas cars') gasoline.

Fuel consumption (GJ) (Mexico) ³			
	2019 ⁴	2018	2017
L.P. Gas	344	235	276
Diesel	1,284	1,423	N.D.
Gasoline ⁵	159,046	168,105	171,540
TOTAL	160,674	169,763	171,816

³ There is a re-expression of the 2018 and 2017 for adjustment in the used calorific values; Likewise, the scope was modified in gasoline (see note 5).

⁴ In 2017 and 2018, the Quálitas México fuel consumption is reported; in 2019, also the consumption of the non-insurance subsidiaries is added: Easy Car Glass, CristaFacil and Outlet de Refacciones (since Quálitas Controladora takes the operational control of them).

⁵ Only the gasoline consumption that Quálitas Compañía de Seguros directly credits and uses in the operation of the company is included (not for the policyholders or for the collaborators under personal title). N.D.: Not available.

Therefore, the total **consumption of energy** for the operations of Quálitas in Mexico, considering both electricity and fuels, was of 186,371 GJ. 99.5% of it corresponds of the operation of Quálitas Compañía de Seguros, the rest to the non-insurance subsidiaries. We calculated the energy intensity for Quálitas Compañía de Seguros, which was of 5.4 MJ per weight of written premium.

It should be noted that in Quálitas Compañía de Seguros there are different initiatives to reduce energy consumption, such as the replacement of lamps by LED.

Since the claim officers work requires to travel in vehicle, we are working on two areas:



Remote adjustment development (express adjustment), that does not require that the adjuster drive to attend the event, reducing fuel consumption and saving time



Incorporation of hybrid vehicles to the Qualicoches fleet, reducing the fossil fuels requirement

By means of both lines of action, we contribute to reduce Greenhouse Gases (GHG) emissions of both the subsidiary and Quálitas Controladora group

At the end of the year, Quálitas Compañía de Seguros had 254 hybrid Qualicoches, which represent 14% of all its fleet, exceeding the target established for 2019, which was of 100 hybrid vehicles. It is expected that the proportion will increase; since 48% of the acquired vehicles during the year already corresponded to hybrid model.

Also, to reduce emissions, our insurance subsidiary in Mexico has panels for renewable energy supply in some of its facilities.

In addition, we calculated the **Greenhouse Gas emissions inventory** (GHG), at the level of Quálitas Controladora, in accordance with the ISO 14064-1 Standard and the methodology established by the Mexican authority for the National Emissions Registry (Registro Nacional de Emisiones or RENE).

We include the following emissions in the inventory:

Scope	Included Emissions
Scope 1: Direct Emissions	L.P. gas and diesel consumption at its own facilities (Quálitas Compañía de Seguros and non-insurance subsidiaries).
	Gasoline consumption by the Qualicoches and other utility vehicles by the company (Quálitas Compañía de Seguros).
	Refrigerant gases refueling in air-conditioning units (Quálitas Compañía de Seguros).
	Emissions of waste waters treatment plants (Quálitas Compañía de Seguros)
Scope 2: Indirect emissions	Power consumption (emissions related to the generation of said power) in: <ul style="list-style-type: none"> Insurance subsidiaries: Mexico, United States of America, Costa Rica, El Salvador and Peru. Non-insurance subsidiaries (only operating in Mexico) ¹.
Scope 3: Other Indirect Emissions	Flights of the Quálitas Compañía de Seguros employees in the performance of their work.
	Emissions related to hotel stays by the staff of Quálitas Compañía de Seguros in work trips. <ul style="list-style-type: none"> Gasoline consumption in Quálitas Compañía de Seguros for: <ul style="list-style-type: none"> Service rendered by the insurance company to its customers in the delivery of fuel as part of road assistance. Vehicles owned by the employees, Quálitas pays for fuel first (the employee pays it later).

¹ Easy Car Glass, CristaFácil and Outlet de Refacciones, those of which Quálitas Controladora took operational control in 2019.

Following are the emissions per country. In Mexico, the total of emissions of the Scopes 1 and 2 was 17,118 tonCO₂eq, 99.5% corresponds to our insurance subsidiary. The emissions intensity for Quálitas Compañía de Seguros was of 0.5 gCO₂eq per each weight of written premium.

Greenhouse Gases Emissions (GHG) (tonCO ₂ eq) - Quálitas Controladora ¹				
Country		2019	2018	2017
Mexico	Scope 1	13,554.50	14,269.73	14,003.84
	Scope 2	3,604.69	3,398.19	3,831.48
	Scope 3	1,348.15	704.40	990.51
U.S., Costa Rica, El Salvador, Peru	Scope 2	165.55	114.91	24.59

¹ There is re-expression of the emissions of the Scopes 1 and 3 in relation to that published in the 2017 and 2018 Report; due to the fact that the gasoline consumption emissions delivered to policyholders in road assistance and gasoline consumption advanced to the employees for their personal trips, went from Scope 1 to 3.

On the other part, in our efforts to reduce environmental impact, in Quálitas Controladora we promote the **paper** use reduction for our various activities jointly with technology. For example, in Quálitas Compañía de Seguros the attention and documentation process of the accident is already made completely in electronic forms.

In our insurance subsidiaries we do not have a significant impact of **waste** generation given the type of activity. Notwithstanding the above, in Quálitas Compañía de Seguros we make a differentiated collection of paper, aluminum and PET at the main workplaces, also of the electronic waste, for their recycling by a third party. Toner cartridges have also a specialized management.

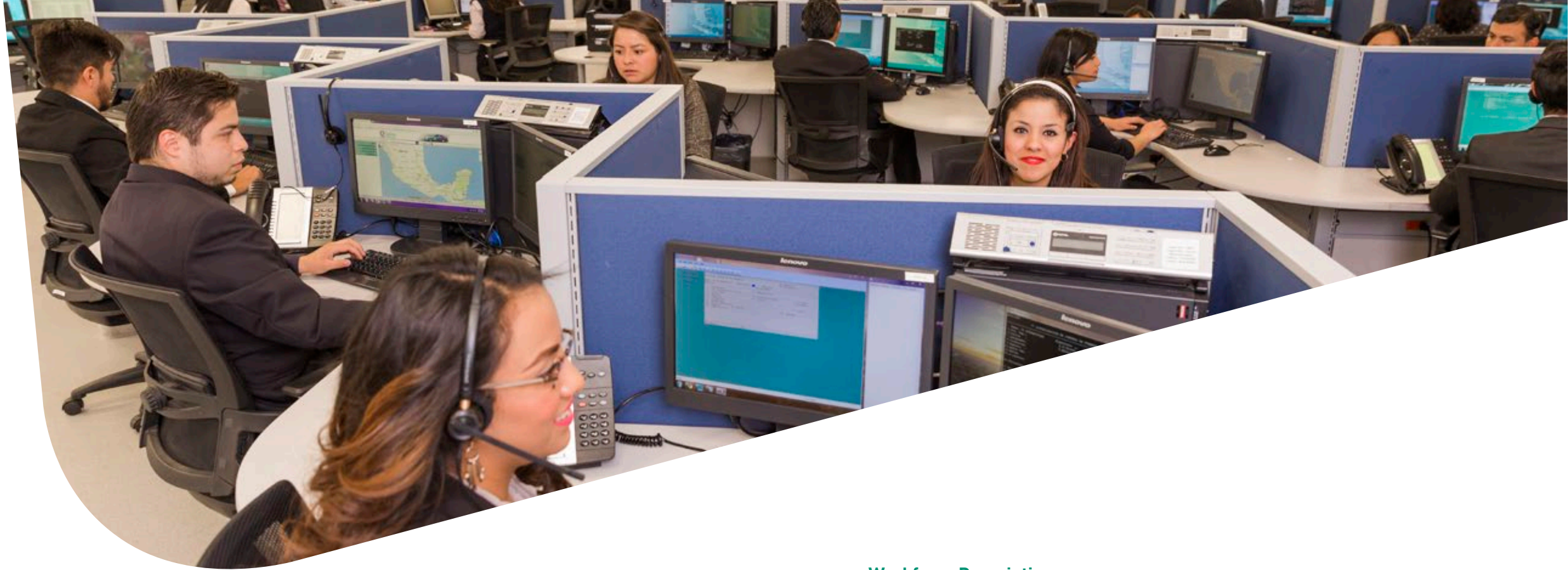
Recycled material - Quálitas Compañía de Seguros ² (Kg)			
	2019	2018	2017
Paper and cardboard	3,240	4,095	1,599
PET	183	185	187
Aluminum	23	37	41
Others	100	480	237

² Ajusco, San Ángel and San Jerónimo offices.

Likewise, we promote a responsible use of water in our offices; the consumption during the year was of 18.7 million liters for Quálitas Compañía de Seguros. It should be mentioned that we also have treatment plants at the facilities of San Jerónimo and Maguey (Mexico), that contributed with the treatment of 2,604 m³ of water during the year.

Close to our environment, the employees of Quálitas Compañía de Seguros and their families participate in volunteering activities to reforest different zones of the country. In 2019 we carried out reforestation workdays in Mexico City, Guadalajara and Monterrey, with 1,812 participants and 11,900 planted trees.

11,900
planted trees in 2019
volunteer activities



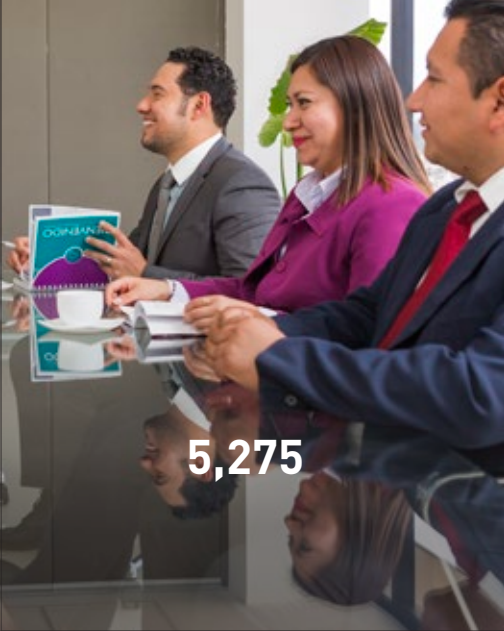

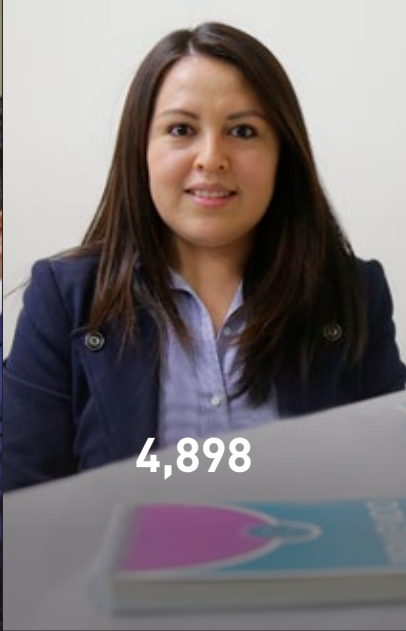
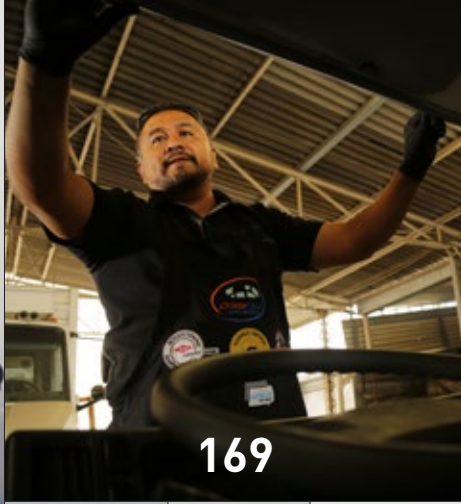
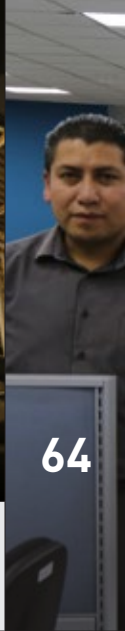



EMPLOYEE DEVELOPMENT

Workforce Description

GRI 102-8, 102-41, 102-48, 103-2, 103-3, 201-3, 401-1, 405-1

In Quálitas Controladora we have a solid team, that upon closing of 2019 amounts to a total of 5,275 employees. It is 5% more than the previous year, and considers the incorporation of the teams of the non-insurance subsidiaries (Outlet de Refacciones, Easy Car Glass and CristaFácil) and of the insurance operation in Peru. The workforce of Quálitas Compañía de Seguros, our insurance subsidiary in Mexico, employs 93% of our total employees.

NUMBER OF EMPLOYEES

	Quálitas Controladora	Mexico	Quálitas Compañía de Seguros	Non-insurance subsidiaries			El Salvador	Costa Rica	USA ¹	Peru
2019	 5,275	 5,067	 4,898	 169			 64	 64	 39	 41
				102 Outlet de Refacciones	37 Easy Car Glass	30 CristaFácil				
2018	5,028	4,883	4,883	N.A.			49	62	34	N.A.
2017	4,959	4,816	4,816	N.A.			51	58	34	N.A.

N.A.: Not applicable.

¹ The employees of the Tijuana office (Mexico) employed by QIC (United States) are included in the workforce of Quálitas Compañía de Seguros since it is the subsidiary in which their payroll is undertaken in the first place and the working conditions are established. In relation to the previous reports, the information of 2018 and 2017 is re-expressed to exclude them also from the QIC workforce and introduce them in the workforce of Quálitas Compañía de Seguros.

40%
of the directors
are women

41%
women in
workforce

31%
of asistant
director
positions are
held by women

We have a varied workforce, in which 41% are women; we want to emphasize also that they represent 40% of the Director positions and 31% in asistance director. We also encourage employment opportunities for young people; employees of less than 30 years of age make up 28% of the workforce and they mainly work as analysts and assistants, starting positions for their professional development at the company.

EMPLOYEES BY PROFESSIONAL CATEGORY, AGE AND GENDER – QUÁLITAS CONTROLADORA - 2019

	Under 30 years old		Between 30 and 50 years of age		Over 50 years old		TOTAL	
	Female	Male	Female	Male	Female	Male	Female	Male
Director	0	0	4	5	6	10	10	15
Assistant Director	0	1	13	25	3	10	16	36
Manager	4	3	67	93	3	17	74	113
Coordinator/Supervisor	33	64	215	363	14	36	262	463
Analyst	474	573	860	1,665	34	116	1,368	2,354
Assistant	253	68	157	70	4	12	414	150
TOTAL ²	764	709	1,316	2,221	64	201	2,144	3,131

² For the Outlet de Refacciones workforce, the office staff is accounted for in the category as Assistant; the sales staff, mechanics and storekeepers, are considered in the Analyst category; thus, they are consolidated in the general structure of work categories established for the group of subsidiaries.

In Quálitas Controladora we are committed to diversity, and during the year we developed our **Human Rights Policy**, having non-discrimination as one of its main principles.

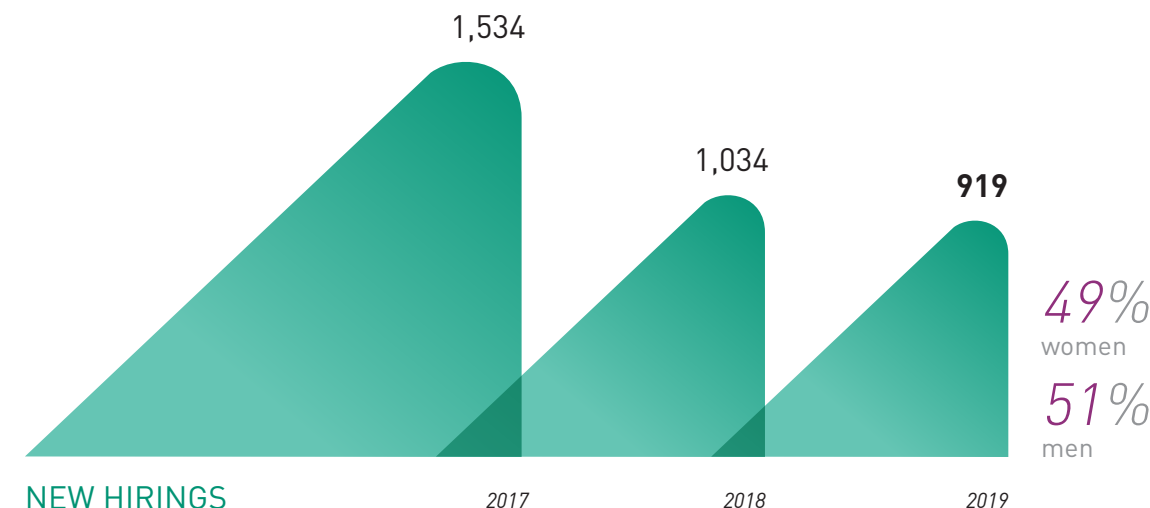
At the level of Quálitas Compañía de Seguros we have given particular attention to the **coexistence among the different generations**, launching a workshop focused on making team from the similarities, promoting that the differences are evaluated and that teamwork prevails. With a 3-hour duration, 1,094 employees participated in it. The commitment with a working environment based on equity and mutual respect also supports the **Policy of Respect of the Person and their Diversity**, that our insurance subsidiary in Mexico has.

Following with Quálitas Compañía de Seguros, 96% of employees have an indefinite contract, showing our commitment with the **job stability**. In addition, we offer a contri-

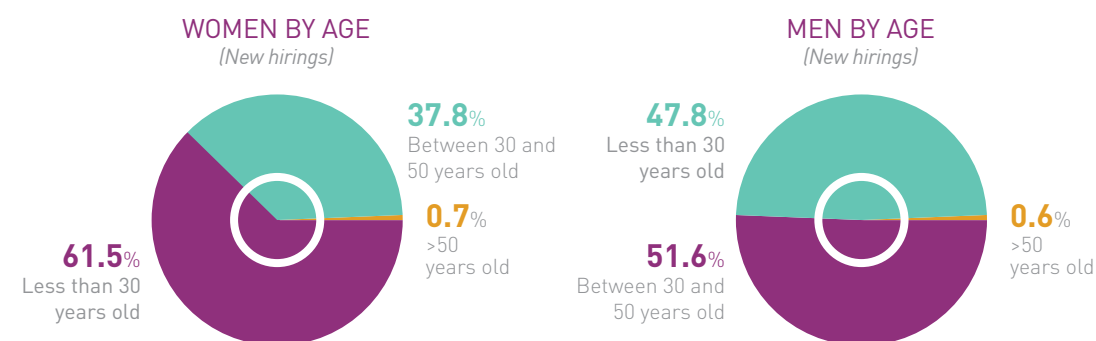
bution as support to their retirement, in the case of employees from 60 years of age and 10 years of seniority at the company¹. The workforce is also complemented with 192 workers of external companies for auxiliary services, such as cleaning, valet parking and security.

For our growth, the **attraction and retention of talent** is essential, consolidating high-performance teams. In 2019, 919 persons joined Quálitas Compañía de Seguros, through a first three-month temporary hiring as trial period. From them, 59% already has an indefinite contract and 21% still stays within said initial stage at the closing of the year, the rest corresponds to those non-renewed. Promoting the development of our employees; during the year, 53% of vacancies were filled by internal staff.

¹ In 2019, we assigned 3,517,572 pesos to this benefit in our insurance subsidiary of Mexico.



NEW HIRINGS
Quálitas Compañía de Seguros



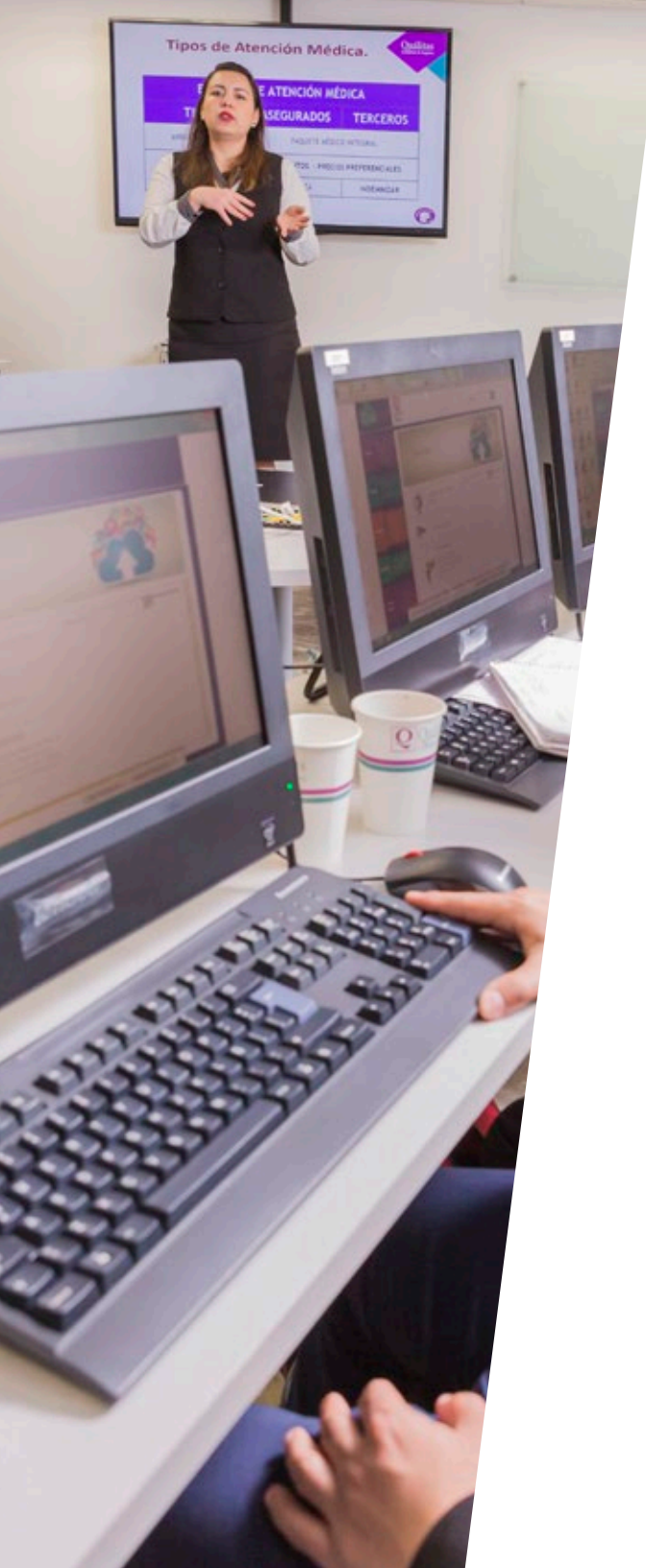
Jointly with the employment opportunities, we support employees through training, career development and well-being measures, as well as the promotion of organizational culture based on internal communication and collaboration. Turnover in Quálitas Compañía de Seguros was of 13.1%, as to the employees that we have already integrated in the workforce with indefinite contract, after the trial period³; that results in a 1.7 percentage points reduction in relation to 2018.

We back-up all the communication between the employees of Quálitas Compañía de Seguros to ensure compliance with labor rights and obligations and to consider the expectations and interests of the employees.

³ The turnover was calculated as Dismissals with indefinite contract / Active employees as of Dec 31st for those with indefinite contract.

NEW HIRINGS AND DISMISSALS 2019 - QUÁLITAS COMPAÑÍA DE SEGUROS ²								
Gender	< 30		Between 30 and 50 years of age		> 50 years of age		Total	
	Women	Men	Women	Men	Women	Men	Women	Men
Hirings	278	223	171	241	3	3	452	467
Dismissals with indefinite contract	116	97	137	231	9	26	262	354
Dismissals with temporary contract	69	45	52	54	1	1	122	100

² You can consult in the previous annual reports the breakdown of hirings and dismissals of previous years.



Training and Career Development

GRI 102-35, 102-36, 102-37, 103-2, 103-3, 404-1, 404-2, 404-3, 405-2

We offer training to employees for the performance of their activities and growth at the company.

In Quálitas Compañía de Seguros, with a total investment of 40.1 million pesos, we provi-

de 318,630¹ training hours during the year, of which, 73% was in virtual mode through Quálitas University. The total training that was provided corresponds to an average of 65 training hours during the year by employee² at said subsidiary.

¹ It includes the training hours of the Talent Seedbeds.

² Considering the total employees of Quálitas Compañía de Seguros at the closing of 2019.

TRAINING HOURS PER WORK CATEGORY – QUÁLITAS COMPAÑÍA DE SEGUROS									
Work Category	2019			2018			2017		
	Total	In person	Virtual	Total	In person	Virtual	Total	In person	Virtual
Director	759	178	581	503	202	301	683	356	327
Assistant Director	2,318	864	1,454	3,321	1,715	1,606	2,854	2,193	661
Manager	11,785	2,679	9,106	9,824	1,770	8,054	7,564	4,782	2,782
Coordinator	77,476	14,767	62,709	31,557	4,016	27,541	12,571	5,257	7,314
Analyst	189,152	58,468	130,684	193,383	94,558	98,825	194,194	149,742	44,452
Assistant	37,141	8,709	28,432	16,669	406	16,263	11,907	3,763	8,144
Total	318,630	85,664	232,966	255,257	102,667	152,590	229,773	166,093	63,680

It should be noted that we continue reinforcing **Quálitas University** with new contents. Technology allows us also to have a further scope and expand training to agents, service office staff and suppliers in Mexico. Taking advantage of Quálitas' University platform, we have reached our policyholder fleets for the first time, teaching the risks administration program (road security prevention), that is also available for agents.

DIMENSIONS OF QUÁLITAS UNIVERSITY – QUÁLITAS COMPAÑÍA DE SEGUROS						
Group	2019		2018		2017	
	Number of participants	Number of hours	Number of participants	Number of hours	Number of participants	Number of hours
Quálitas Employees	5,392	227,526	5,434	147,950	5,125	68,975
Agents	512	5,792	182	1,906	702	1,542
Service Offices' Employees	1,135	62,039	1,095	25,296	901	11,302
Suppliers	2,246	2,701	398	599	11	11
Policyholders	19	109	N.A.	N.A.	N.A.	N.A.
Total	9,304	298,167	7,109	175,751	6,739	81,830

Of the performance of Quálitas University out of Mexico, the implementation for the first time of courses in the Peru subsidiary after the start of our operations in this country should be noted. In this manner, we transmit the Quálitas organizational culture and the characteristics of our service model.

Next year we will extend training to non-insurance subsidiaries.

QUÁLITAS UNIVERSITY - INSURANCE SUBSIDIARIES OUT OF MEXICO TRAINING TO EMPLOYEES						
Country	2019		2018		2017	
	Number of participants	Number of hours	Number of participants	Number of hours	Number of participants	Number of hours
Costa Rica	59	2,465	62	2,040	56	308
El Salvador	31	259	57	516	40	115
USA ¹	0	0	4	8	N.P.	N.P.
Perú	16	137	N.A.	N.A.	N.A.	N.A.

¹ The training of the Tijuana employees working for QIC is included within the training data of Quálitas Compañía de Seguros (Mexico), since this subsidiary is the one managing its work aspects.

N.P. = Not provided.

N.A. = Not applicable.

The person who ended at least one course is known as participant.

As part of the training efforts, we teach technical training related to the different positions, processes and activities of the company.

In Quálitas Compañía de Seguros, we develop **Talent Seedbeds** for those profiles that we mostly demand. They are intensive training programs for employees just joining the company. In 2019, we provided 44,455 training hours under this scheme, with 269 participants; the definitive incorporation rate of the participants after the program was of 87%, which is a total success.

We also train in key skills for the professional growth of the employees and cross-wise to the different teams, for example, in effective time administration. Aware of the leadership significant for the working environment, performance and the satisfaction of our staff, we develop in our insurance subsidiary in Mexico a series of workshops for persons in charge of team, to reinforce their skills on the matter, for example, in emotional intelligence.

In Quálitas Compañía de Seguros we **annually evaluate the performance** of our employees, being the determining result for the remunerations update proposal. The process

applies to all the staff with more than three months at the company. At the beginning of the year they define with their superior the goals to reach, on the progress of which they receive feedback during the period, until reaching the final evaluation. In 2019, 99% of the subsidiary's employees participated in the process¹. For directors, we also evaluate compliance with the scorecard balance assigned to them from the goals to reach by their area, which determines their annual bonus. It should be noted that we have extended the performance evaluation process to our insurance subsidiary of Peru.

The remunerations at Quálitas Compañía de Seguros are established accord to thresholds set generally by professional category, which are complemented by specific policies for the variable in those areas whose teams have this scheme. We have also a bonus payment policy for directors and deputy directors. We detail as follows the remuneration ratios by gender and professional category, even though for equivalent charges and same seniority, we guarantee salaries equality.

¹ Of the total who may be evaluated, therefore, it is required that the employee has more than three months at the company.

SALARIES RATIOS WOMAN/MAN - 2019 - QUÁLITAS COMPAÑÍA DE SEGUROS		
	Fixed	Fixed + Variable ²
Director	0.82	1.02
Assistant Director	0.84	1.00
Manager	0.87	1.15
Coordinator	1.02	0.88
Analyst	1.27	0.71
Assistant	0.69	0.81
Total	1.03	0.74

² It does not include the Employee Profit Sharing (PTU as per its acronym in Spanish), since it is a cross-wise variable for all the employees depending on the performance of the company's group.

99% of Qualitas Compañía de Seguros employees participated in the annual performance evaluation



Working Environment

GRI 401-2, 401-3, 404-2

At Quálitas Controladora we seek to give the employees of our different subsidiaries, working conditions and environments guaranteeing their **well-being**.

In 2019, in Quálitas Compañía de Seguros we developed the Psycho-Social Risks Policy. We seek to reinforce the prevention of said risks and strengthen the respect that is part of our organizational culture.

As a company, we have been working to offer support channels to employees. **The Adjust your emotions** program makes available a telephone line, an email and a mobile app, for legal, financial, psychological external consultancy and even food guidance; if necessary, it enables sessions in person. Initially implemented in Quálitas Compañía de Seguros, we have extended it already to the Costa Rica and El Salvador subsidiaries, to which the rest will be followed in the next years.

In addition, in the framework of the Mexican Official Standard NOM-035-STPS-2018, we make a deep analysis for Quálitas Compañía de Seguros in the diagnosis of the trauma causes and their follow-up, continuing in 2020 with a following analysis of the psycho-social risk factors in a full-sense. As a result of this year's works, we will add addictions and sleep disorders consultancy to the content of the Adjust your emotions program.

We also promote the well-being in the **service office teams** working for the insurance subsidiary in Mexico, supporting their directors in the knowledge of the norm, providing them a self-diagnosis questionnaire and helping them at work on improvement opportunities.

Our well-being understanding is multi-dimensional, and includes other additional benefits for the employees.

WELL-BEING PROGRAMS AND INITIATIVES - MULTI-DIMENSIONAL APPROACH QUÁLITAS COMPAÑÍA DE SEGUROS		
BASE	PROGRAM/OUTSTANDING INITIATIVES	OUTSTANDING INDICATORS
Physical	Health workdays: medical evaluations and awareness	Adjust your emotions Cross-wise program (attention line)
	First-attention medical service and preventive care	
	Major medical insurance and life insurance ¹	
	Physical activation and other sporting activities (yoga, support to membership in gyms)	
Financial ²	Financial education: training sessions Savings bank Financing facilities (housing and automobile) and other supports	3,277 participants in the savings bank
Social-laboral	Activities for families Volunteering Scholarships for employees' studies Agreements with universities for family members	53 scholarships to employees 1,812 participants in the volunteering workdays (reforestation, including employees and their families)
Mental-emotional	Consultation line Application of the severe traumatic events questionnaire	586 attended cases (includes the insurance subsidiaries of Costa Rica and El Salvador)

¹ The medical insurance, the awareness and training activities and the consultation line apply for all the employees, not only to those having indefinite contract.

² More information in the subchapter of financial and insurance Culture (Chapter of prevention and road security Culture).

We also watch the health and safety/security of employees through different steps. In Quálitas Compañía de Seguros:

We support the conciliation of the working and personal lives of our workforce.

We support the conciliation of the working and personal lives of our workforce. It should be noted that in Quálitas Compañía de Seguros 141 employees took their maternity/paternity leave in 2019, being 53% women; all of them reincorporated to the workforce¹. As a result of our efforts to facilitate work-life balance, this year 86% of the employees who have returned one year ago to the company from their maternity/paternity leave, were still part of our team.

Our efforts in well-being, health and safety/security, in addition to the attention that we give to the **working environment** and the different factors determining it, have allowed that the **absenteeism rate** in 2019 be of 1.4% in Quálitas Compañía de Seguros².



We have

164

voluntary brigade members, protecting the integrity of their fellow workers, to whom we teach **2,107 training hours** during the year.



We have a

Road Security Management System,

in accordance with ISO 39001³, standard, applying to claim officers, employees with higher risk of accidents for the time that they spend driving and the emergency situations that they take care of. We have updated the process in which they participate and we give them guidelines for the safe practice of their activity.

Through the working environment survey, we supervise the workforce status. The results allow us to identify the priority work areas and allows the team leaders to define the action plans in which they will work during the year.

From the survey performed to evaluate the working environment in 2019, 91% of the workforce of Quálitas Compañía de Seguros participated and 93% of the employees are actively engaged and satisfied with their work and have an intention of long term permanence in the company.

It should be noted that we also implemented the survey in the teams of our foreign insurance subsidiaries and non-insurance subsidiaries. Besides, we evaluate the working environment of the service offices, in order to support their directors in the staff management and in their action plans over improvement commitments.

¹ The total of those who should reincorporate within 2019.

² Absenteeism Rate = $\frac{\text{Lost hours} / \text{year work hours}}{\text{average workers}} \times 100$; the rate shown only includes absences due to accidents and work illnesses.

³ More information in the subchapter of Road behavior (chapter of prevention and road security).



As part of our corporate citizenship, we contribute to the development of a culture of responsible driving. Due to our business, we know the risks firsthand, and we would like to bring our knowledge and experience to achieve a positive change in road safety.

PREVENTION

and road safety

CULTURE



Quálitas
Compañía de Seguros

I am Quálitas in movement

Quálitas Adjusters take care of you and protect your property

Therefore, follow the recommendations

- Quálitas Adjusters have the best practices in road safety
- We always seek to safeguard your integrity
- Avoid flashing lights
- Get to a safe place
- Avoid placing yourself in other drivers' blind spots.
- Follow our recommendations, avoid another accident
- Avoid distractions when you are in contact with the traffic flow on the road.
- While I take evidence of the accident, remain on the sidewalk or in a safe place.
- If your accident took place in a curve or slope, find a safe place.

We know our business and our clients' needs.

For our own sake and that of our people, we do not accumulate negative emotions.

We are Quálitas in movement!

Road conduct

For the past five years, we have been working with the program **Quálitas Road Safety (Conducta Vial Quálitas, CVQ)**, which includes a message distribution on responsible driving through our website www.conductavialqualitas.net and in the company's social media and service offices. These messages are addressed to a large audience, adding specific campaigns for our employees and agents.

We also have a Road Safety Management System (*Sistema de Gestión de Seguridad Vial, SGSV*) based on the standard ISO 39001. This includes the guidelines that claim officers must follow in road assistance to the policyholder and the involved call center staff. Its scope includes Mexico City's staff and it will be extensive to the other claim officers in the following years, after the assessment of the initial results.

In 2018, we analyzed the main causes of accidents, obtaining as a result that 80% of the cases is associated to human factor. Therefore, this year we modified the related processes to incorporate the improvement actions identified.

CVQ's website had close to **150,000** users this year

During the year, we continued with our training programs. **We trained 225 claim officers** through the Minimizing Risk in Adjustment course **and 330 call center members** in the new Emergency Response Protocol.



As part of our value proposition for the policyholder, in the case of truck fleets, we provided **road safety consultancy** to carriers who are specially exposed to accidents due to the time they spend on the road. We understand the import that the policyholder knows the accident rate of their fleet so that we can follow up regularly, including a plan of action and improvements to reduce accidents. Likewise, with the delivery of the data, we provide joint causality sessions, that has led us to very successful cases of accident decrease.

We also provide **training** in drivers management, a program that the Ministry of Labor and Social Welfare (*Secretaría del Trabajo y Previsión Social*, STPS) acknowledges. In addition, we train the management and support teams of the operation, to create internal road safety instructors.

To reach a broader audience, this year we launched an online course on prevention through Quálitás University, aimed at the smallest fleets.

We also promote the creation of road safety committees in all these companies. All this allows us to be proactive and seek, jointly with our customers, strategies and best practices aimed at decreasing accident rates.

Convinced of the potential of technology, we offer devices in bailment to fleets for the prevention of accidents and facilitate the recovery of the unit in case of theft. We also support the development of internal and operational self-regulation of processes that support the rest of the developments; the year was marked by the fact that three of the companies whose fleets we worked with were certified in ISO 39001.

Financial and insurance culture

GRI 103-2, 103-3, 401-2, FS16

In most of the markets in which we operate, the insurance culture, including auto insurance, is still emerging. At Quálitas, besides of making available our portfolio of auto insurance to the public, we want to raise awareness regarding the significance and value of being policyholder, safeguarding your property. We add agents and teams of service offices to this effort, which is supplemented with the presence and work of Quálitas Development Offices (ODQs) in locations with lower penetration, allowing auto insurance to gain hard-to-reach populations.

Besides the insurance provision, we promote health in personal finance, savings and responsible income management. We continue our collaboration with the National Commission for the Protection and Defense of Financial Services Users (*Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros*, CONDUSEF) offering information on our website and specific campaigns by e-mail.

The agents with whom we work have at their disposal a financial education course at Quálitas University. In the case of our employees, we established a threefold approach: with training and courses, the attention of consultations through the phone line of Adjust your emotions (Health and well-being program) and the savings bank. It is noteworthy that 3,277 employees in Mexico used the latter benefit at year-end.

EDUCACIÓN FINANCIERA EN TU INSTITUCIÓN

CONDUSEF

"GASTO HORMIGA" la amenaza invisible

A muchos nos ha pasado que salimos por la mañana con un billete de \$200 pesos en el bolsillo y al regresar a casa solamente tenemos unas cuantas monedas, y lo peor de esto es que no sabemos en qué lo gastamos.

Un ejemplo
Suponiendo que entre semana compras un café diario que vale \$18, a la semana gastarías \$90, al mes \$360 y al año \$4,320; pero eso no es todo, aún te falta sumar los demás gastos que haces a diario y sin que lo notes poco a poco están mermando tus finanzas. Te recomendamos hacer el ejercicio, seguro te sorprenderás, pues se trata de una cantidad considerable, que bien podría alcanzarte para irte de fin de semana, comenzar un fondo para emergencias o asegurar tu casa o auto.

Extermínalos en 3 pasos

- 1** Lleva un control minucioso de cada uno de los gastos que haces a diario, así sea el más mínimo; así identificarás en qué gastas y a cuánto asciende tu fuga de dinero por cada concepto.
- 2** Analiza tus hábitos de consumo y decide qué gastos eliminar y cuáles reducir. Muchos de estos desembolsos son pequeñas comodidades de las que podrías prescindir, como por ejemplo el sándwich del puesto de la esquina, puedes eliminarlo si lo preparas en casa.
- 3** Recuerda que al disminuir o eliminar tus gastos no debes sufrir, si no a la larga no funcionará y los sustituirás por otros, incluso más caros. Puedes darte tus gustos, la diferencia está en que te moderes al hacerlo. Destina una cantidad mensual para comprar aquellos pequeños placeres que más disfrutas.

Trasforma la amenaza en ahorro
Guarda el dinero de cada uno de los gastos eliminados o disminuidos en una alcancía y posteriormente en una cuenta de ahorro. Después define los objetivos que deseas lograr (crear un fondo para emergencias, irte de vacaciones, juntar para el enganche de un auto, etc.) y el plazo para cumplirlos.

During the year, 7 messages were sent for the **care of finances to employees**, with recommendations

Financial Highlights

GRI 102-7,102-40, 103-2, 103-3, 412-3, FS6

The company's management is based on a unique business model to ensure proper performance and operation. Excellence in service and specialization, together with the work with our business allies, are essential for the confidence of the policyholders, which is reflected in the outstanding year-on-year growth in written premiums. Emphasis on cost control and risk prevention efforts allow for a further reduction in casualties and an increase in operating margins.

ECONOMIC
PERFORMANCE



The main financial ratios and their evolution regarding the previous year are as shown.

The 2018 figures reported throughout this chapter may vary from those previously reported due to a reclassification of accounts.

Figures in million mexican pesos

INCOME STATEMENT	2019	2018	Δ 19-18 %/bp	2017
Written Premium ¹	36,196	34,495	4.9%	33,820
Retained Premium	35,991	34,183	5.3%	33,604
Earned Premium	34,899	31,810	9.7%	28,668
Acquisition Cost	7,780	7,464	4.2%	7,851
Loss Cost	20,687	21,048	(1.7%)	19,184
Technical Result	6,432	3,298	95.0%	1,633
Operating Expenses	2,029	1,568	29.4%	855
Operating Result	4,409	1,734	154.3%	778
Comprehensive Financing Result	2,882	1,717	67.9%	1,829
Taxes	1,934	1,023	89.0%	544
Net Result	5,358	2,428	120.7%	2,064
BALANCE SHEET				
Total Assets	63,041	56,642	11.3%	51,059
Invested Assets or Float	31,768	28,034	13.3%	25,956
Technical Reserves	35,896	36,173	(0.8%)	32,843
Total Liabilities	49,477	47,537	4.1%	43,108
Total Equity	13,564	9,104	49.0%	7,951
COST INDICATORS				
Acquisition Ratio	21.6%	21.8%	(22)	23.4%
Loss Ratio	59.3%	66.2%	(689)	66.9%
Operating Ratio	5.6%	4.5%	106	2.5%
Combined Ratio	86.5%	92.5%	(605)	92.8%
Adjusted Combined Ratio ²	87.4%	94.6%	(718)	97.3%
PROFITABILITY INDICATORS				
Return on Investments	8.2%	4.7%	355	6.5%
ROE 12m	47.3%	28.5%	1,873	29.5%

¹ The total written premium by Quálitas Controladora includes the issuance of the car insurance subsidiaries and the sales of the other non-insurance subsidiaries related to the insurance or claim assistance processes.

² It refers to the sum of acquisition, loss and operating costs divided by the earned premium, and is provided for purposes of comparison with international ratios.

Premium issuance

In 2019, the **written premium** at the level of our insurance subsidiaries as a whole increased by 4.9% compared to the previous year. Quálitas Compañía de Seguros, our main subsidiary, increased by 4.4%, closing at \$34,249 million pesos. The above was driven by double-digit growth in the traditional segment¹, especially by the competitiveness of our offer and the close relationship with our more than 15,500 agents. It is also worth noting the recovery during the second half of the year in the issuance of financial institutions despite the significant drop of 7.7% in new car sales in the country.

On the other hand, we placed special emphasis on the management of our foreign subsidiaries, showing as a result a 22.1% increase in the written premium in comparison with the previous year; representing 5.3% of the total issuance of Quálitas Controladora.

¹ Agents, service offices, ODQs and other Quálitas channels.

WRITTEN PREMIUM BY INSURANCE SUBSIDIARY (MILLION PESOS)				
Subsidiary	2019	2018	Δ 19-18	2017
Quálitas Compañía de Seguros	34,249	32,821	4.4%	32,141
Quálitas El Salvador	167	146	13.9%	132
Quálitas Costa Rica	459	456	0.6%	465
Quálitas Insurance Company (QIC, U.S.A.)	1,116	961	16.1%	940
Quálitas Peru	168	N.A.	N.A.	N.A.
Total	36,196	34,495	4.9%	33,820

N.A.: Not applicable.

Note: Total includes sales of non-insurance subsidiaries.

We issue policies through different segments, focused on the insurance of individual vehicles, fleets and heavy equipment; the financial institutions segment is linked to new car sales.

More information in the subchapter Business model and corporate strategy (Strategy chapter).

WRITTEN PREMIUM BY SEGMENT (MILLION PESOS)				
Segment	2019	2018	Δ 19-18	2017
Individual	10,771	9,144	17.8%	7,450
Fleets	11,411	10,664	7.0%	9,294
Financial institutions (special business)	12,066	13,015	(7.3%)	14,733
Foreign subsidiaries	1,909	1,563	22.1%	1,537
Total	36,196	34,495	4.9%	33,820

Note: Total includes sales of non-insurance subsidiaries.

With regard to **the policyholder units**, the increase for all insurance subsidiaries was 8.9%, reaching a total of 4,223,027 units. The growth in our subsidiary in Peru is particularly significant, where we started operations in 2019 and managed to triple the number of policyholder units.



Business result

The **acquisition ratio** was 21.6%, a 22 bp decrease in comparison with the previous year, related to the drop in issuance through financial institutions, which represent a higher acquisition cost.

On the other hand, the annual **loss ratio** was 59.3%, presenting a decrease of 689 bp in comparison with 2018, the lowest since 2007. This is due to the decrease in thefts and the increase in the recovery of stolen vehicles policyholder by Quálitas, as well as our efforts to prevent accidents and decrease fraud.

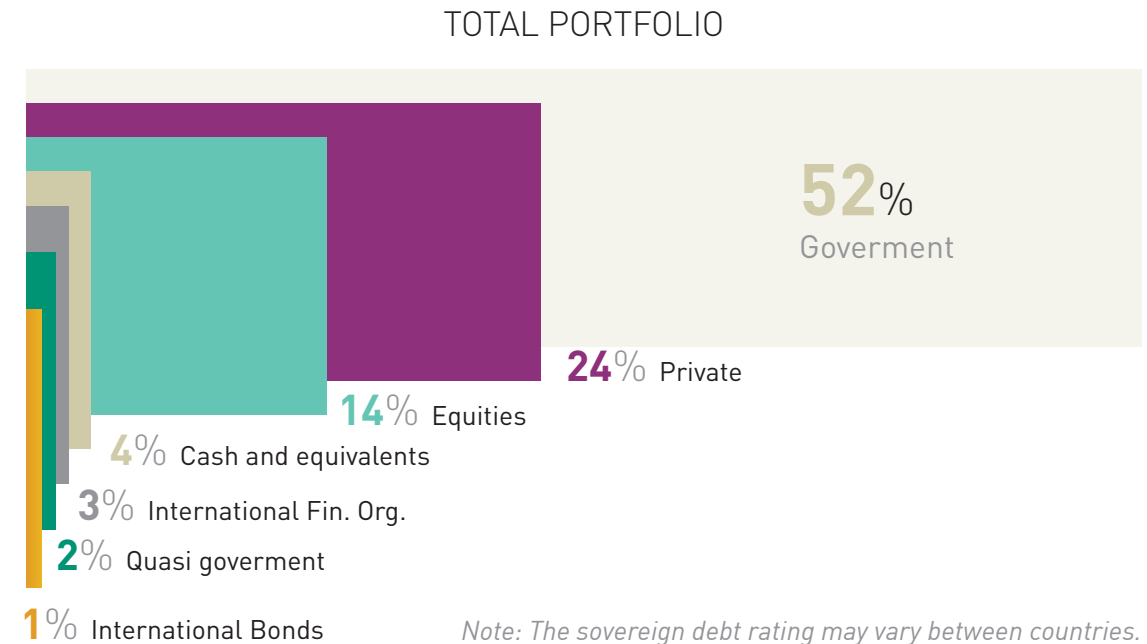
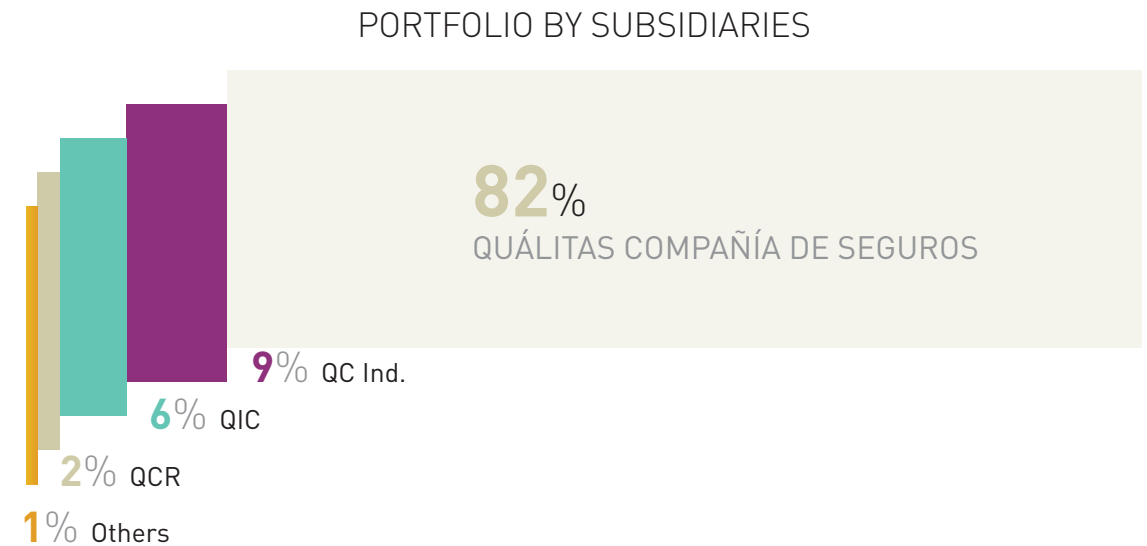
The annual loss rate of 59.3% is the lowest since 2007.

Investments

The investment strategy is defined on a monthly basis in the Investment, Finance and Planning Committee of Quálitas Controladora, for the different insurance subsidiaries and always in accordance with the regime established for the sector in each of the countries in which we operate. Our fiduciary duty to policyholders and shareholders leads us to a cautious approach, with 85.9% of the fixed income portfolio, with the remaining fraction in equity instruments. The assets invested during the year amounted to \$31,768 million pesos, 13.3% more than in 2018. The return on investment was 8.2%, benefiting from attractive interest rates and exceeding the average reference rate.

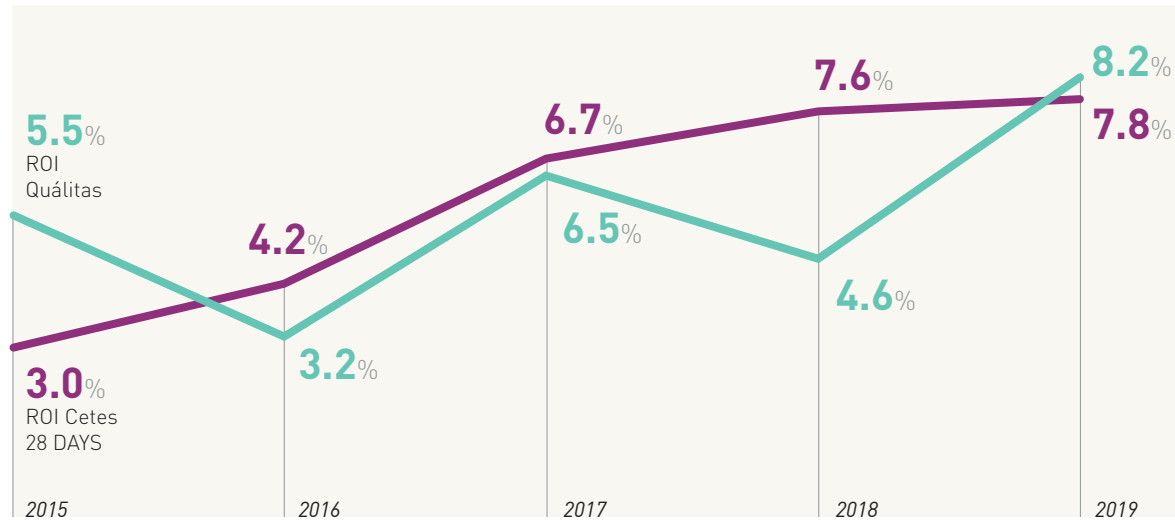
We address the growing relevance of environmental, social and governance (ESG) issues for investment instruments, because of the risks and opportunities that companies related to these may have (e.g. debt and equity issuers, etc.). During the year we launched our **Investment Policy with ESG criteria**, which confirms the commitment to improve the integral evaluation of these aspects as part of the analysis of assets prior to investment.

QUÁLITAS CONTROLADORA INVESTMENT PORTFOLIO DISTRIBUTION

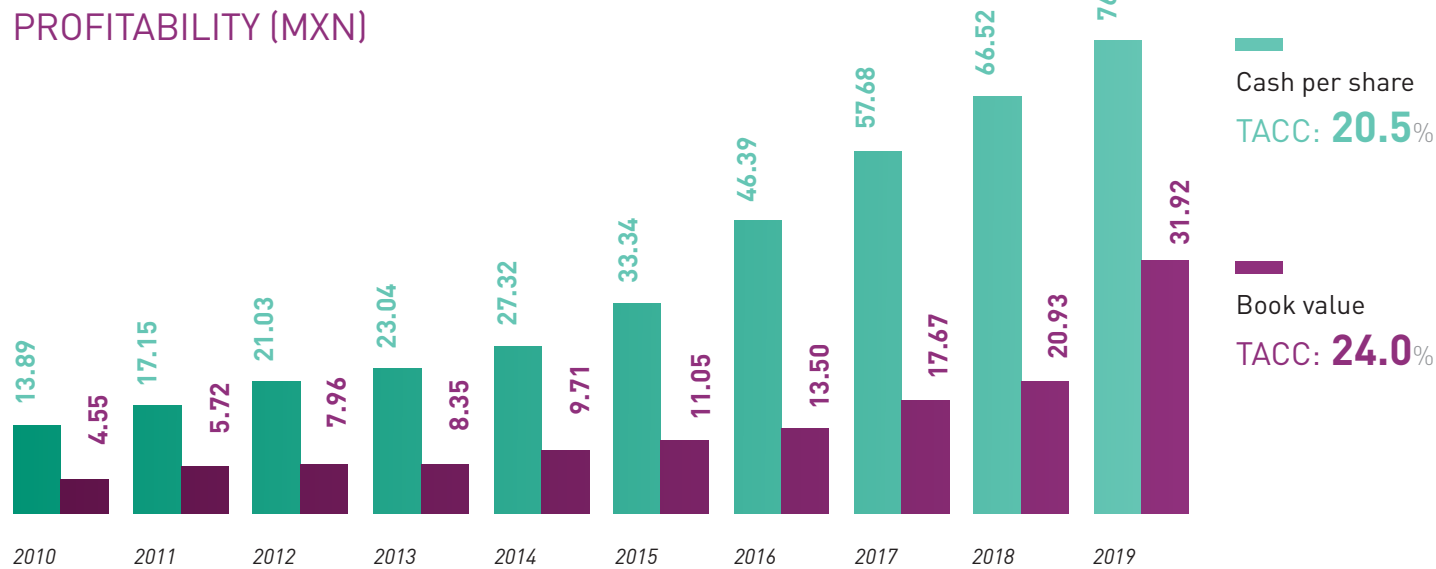


Note: The sovereign debt rating may vary between countries. Variations by exchange rate could generate differences

RETURN ON INVESTMENTS (%)



PROFITABILITY (MXN)



Net Result

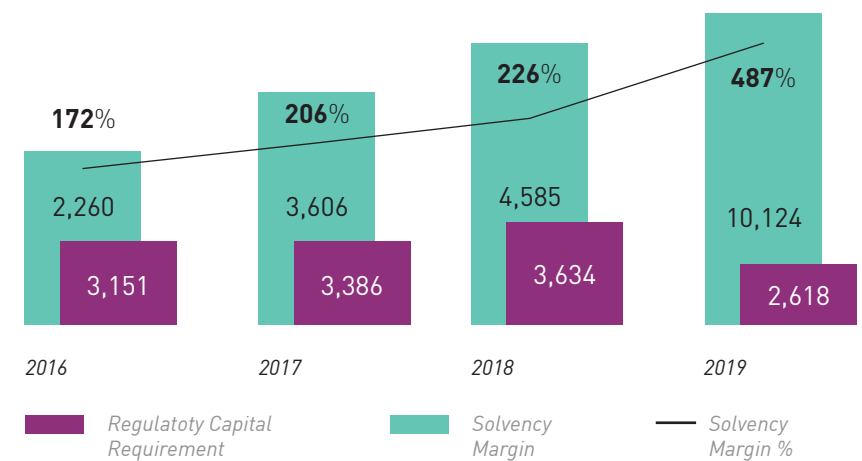
Accumulated net income was \$5,358 million pesos, which represents a 121% growth or \$2,930 million more than the previous year. Thus, 2019 is positioned as a new record year for the company, with the best net result since its incorporation. The ROE at 12 months was 47.3%.

Earnings per share closed at \$12.6 pesos, representing a 126% growth in comparison with the previous year. The P/E is at 6.3, below the company's historical average.

A 126% growth in earnings per share, in comparison with the previous year.

Solvency Margin

Our solvency margin was \$10,124 million pesos and a solvency margin percentage of 487%, which is \$8,815 million pesos above our goal of having 50% more than the required regulatory capital. The investments made during 2019 are considered in the balance sheet, as capitalizations to our geographic and vertical subsidiaries (non-insurance business) and the share buyback program, among others.



The calculation of the required regulatory capital varies in the countries where Quálitas operates.

Share's Value

Quálitas Controladora is listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores - BMV: Q*), with a floating capital of ~ 40% of shares; the company's market capitalization was \$33,745 million pesos. It stood out as the best performing issuer in 2019, achieving a cumulative return of 91.9%, in comparison with a return of 4.6% for the Mexbol Index (IPC).

Issuer with the best performance on the Mexican Stock Exchange (BMV) in 2019

The issuer raised 18 positions in the marketability index, from 46th place at the beginning of the year to 28th place at the end of December; the share is considered a high liquidity share.

The average daily volume was 707,539 shares, with a 14.4% growth in relation to 2018; they represented 2.3 billion dollars, 59.8% more than the previous year.

At the end of 2019, Quálitas Controladora had 425 million outstanding shares. Through the share buyback program, we have set a two-year target of 400 million, in accordance with the mandate of the Shareholders' Meeting and the amounts approved for this purpose. On the other hand, it should be noted that since 2019 **Quálitas Controladora is part of the Sustainable Mexbol Index of the Mexican Stock Exchange (S&P/BMV IPC Sustentable)**, which recognizes our progress in sustainability among the listed companies in the country.

Besides, Quálitas Controladora is evaluated by SAM in its ESG performance and the results are part of the variable compensation of the Finance Director.

Quálitas Controladora is also listed on the Institutional Stock Exchange (Bolsa Institucional de Valores - BIVA), forming part of its main index, the FTSE BIVA.

#1

Issuer

Best market performance on the Mexican Stock Exchange (BMV)

Distribution of Economic Value

GRI 102-7, 102-48, 103-2, 103-3, 201-1, 201-4

At Quálitas Controladora we are committed to the generation of integral value for our different stakeholders, through the operation of the different insurance and non-insurance subsidiaries, and the performance derived from the management of the investment portfolio.

The income is distributed among the different stakeholders and we reserve a part of the resources as Economic Value Retained (EVR) to continue growing.

It is worth mentioning that Quálitas does not receive any sort of financial support from the governments.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (FIGURES IN MILLION PESOS) ¹

		2019	2018	Δ 19-18	2017
Total Revenues (GEV)		36,196	34,495	4.9%	33,820
Expenses (DEV)		33,095	31,432	5.3%	28,652
Acquisition	Agents, automotive financial institutions, suppliers, employees	7,780	7,464	4.2%	7,851
Loss	Suppliers, employees	20,687	21,048	[1.7%]	19,184
Operation	Service offices, suppliers, employees	2,029	1,568	29.4%	855
Employees profit sharing (known in Spanish as PTU)	Employees	665	329	102.1%	218
Taxes	Government and authorities	1,934	1,023	89.0%	544
Retained (GEV-DEV)		3,101	3,063	1.24%	5,168

¹ There is a restatement regarding the information provided in previous reports due to an adjustment in the internal calculation methodology.

Corporate governance, ethics and risk management

Structure

GRI 102-18, 102-19, 102-20, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-31, 102-33, 102-35, 405-1

At Quálitas Controladora we have a corporate governance system in compliance with best reference practices and current regulations, where its members work in an ethical and transparent manner, responsible for their fiduciary duty.

The **General Shareholders' Meeting** appoints the members of the Board of Directors, previously proposed by the Audit and Corporate Practices Committee. In addition, it approves the main decisions of the Board of Directors and the profit and loss statement submitted by it.

The **Board of Directors** defines the strategy of Quálitas Controladora. Its members must comply with the Assessment Policy on the Suitability of Members and have the necessary responsibilities and skills to carry out their functions, free from conflicts of interest. They also receive training on the most current issues and those that have the greatest impact on the operation. The board members conduct a self-assessment of their performance. The Board has the power to appoint the company's senior management, including the Executive President.

It is integrated by 10 proprietary members, 7 of them are independent, which represents 70% of independent members. Additionally, there are 2 alternate members.

Details of the members of the Board of Directors are available at:
<http://qinversionistas.qualitas.com.mx/portal/board-of-directors-committees/?lang=en>

The terms of office are annual, and seniority is currently 8.7 years on average for proprietary members. The average attendance at the meetings during the year was 92.36%; for this they receive remuneration proposed by the Audit and Corporate Practices Committee and approved by the General Shareholders' Meeting.

The detail of the remuneration paid to the board members in 2019 can be found in the resolutions approved by the General Shareholders' Meeting. <http://qinversionistas.qualitas.com.mx/portal/wp-content/uploads/Puntos-aprobados-en-la-Asamblea-Ordinaria-y-Extraordinaria-de-Accionistas-22-abril.pdf>

The chairmanship of the Board is carried out by Joaquín Brockman Lozano, founding shareholder of the company, who is also the Executive President of Quálitas Controladora.

QUÁLITAS CONTROLADORA					
Board of Directors		Committees			
		Audit and Corporate Practices	Social Responsibility	Investments, Finance and Planning	Operations
Joaquín Brockman Lozano	R President		R	R	R President
Wilfrido Javier Castillo Sánchez Mejorada	R Vice President		R	R	R
María del Pilar Moreno Alanís	R				R
Madeleine Brémond Santacruz	I				
Mauricio Domenge Gaudry	I	I			
Juan Marco Gutiérrez Wanless	I			I	
Juan Enrique Murguía Pozzi	I	I			I
Juan Orozco y Gómez Portugal	I		I President		I
Alfonso Tomás Lebrija Guiot	I	I President			
Christian Alejandro Pedemonte del Castillo	I			I	
Wilfrido Javier Castillo Miranda Olea	A			R	
José Antonio Correa Etchegaray	A		R	R President	R

As of December 31st, 2019

R Proprietary Related

I Proprietary Independent

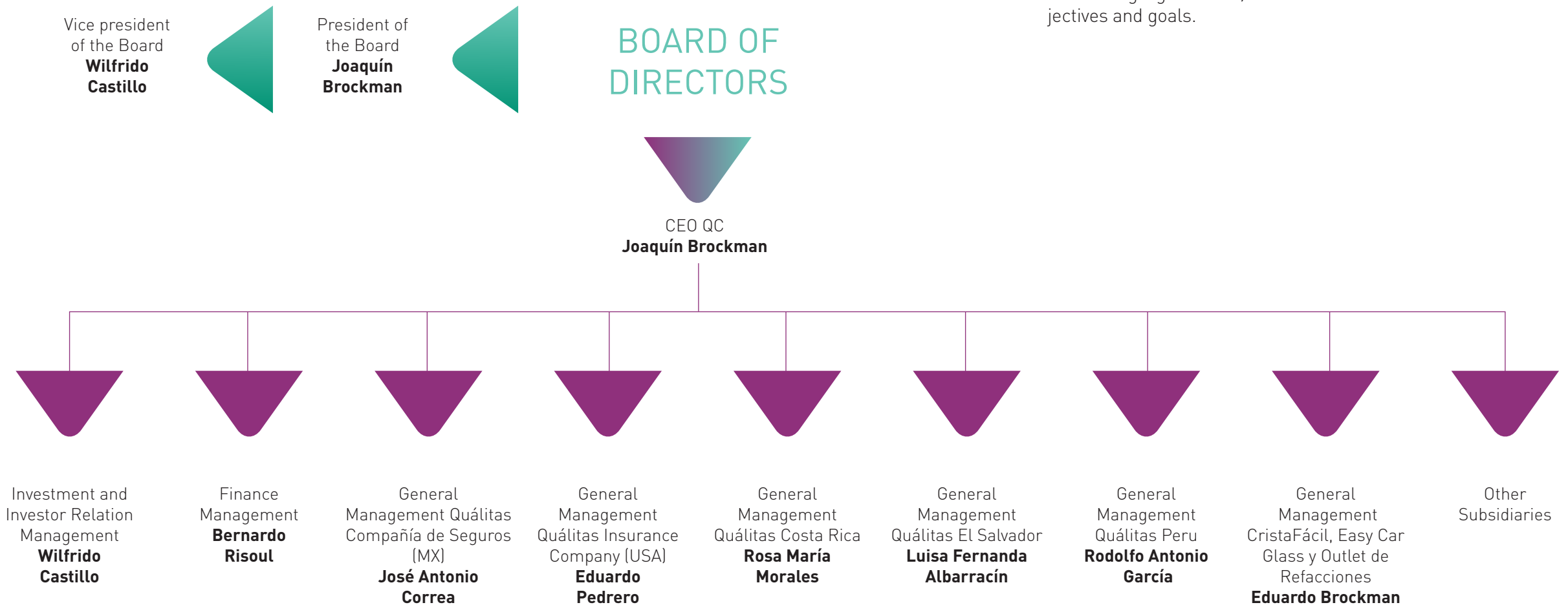
A Alternate Related



The Board's performance is supported by various **committees**, with specific duties and whose participants include board members. We have the following committees: The Audit and Corporate Practices Committee; the Investment, Finance and Planning Committee; the Operating Committee and the Social Responsibility Committee.

More information on the formation and functions of the committees is available at: <http://qinversionistas.qualitas.com.mx/portal/consejo-de-administracion-comites/>

It is worth noting the extensive experience of our **executive team**, both in the structure of Quálitas Controladora and in the management of the different subsidiaries. There is fluent coordination between areas, including weekly meetings of the main executives and their teams. In this manner, we follow up the operation, address the circumstances arising from the context and from our operations, and discuss the issues that are becoming increasingly relevant. This allows us to move forward according to our strategic guidelines, in order to achieve our objectives and goals.



Ethics and integrity


GRI 102-16, 102-17, 102-25, 103-2, 103-3, 205-1, 205-2, 205-3, 412-1, 412-2

Our insurance subsidiaries have the **Code of Ethics and Conduct**, which includes the values and guidelines that are promoted for a proper performance. It applies to employees and service office staff; we also promote it among our agents and suppliers, encouraging them to perform their activities according to it. It is reviewed annually by the Audit and Corporate Practices Committee and approved by the Board of Directors of Quálitas Controladora; and is complemented by other documents such as the **Anti-Corruption Principles and Mechanisms policy** and the **Conflicts of Interest Policy**.

Additionally, at Quálitas Compañía de Seguros we define the **Ethical Principles for Business** that govern our insurance offerings in the market and the relationship that our employees, agents and service office staff have with the policyholders. We also require our suppliers to comply with the Operating Rules, guidelines that govern our business practice and that we include as part of our agreements with them.

Across the company, we promote the **culture of compliance**, according with legislation and internal regulations, relying on technology to follow up on our responsibilities.

We also have **Q-Transparency**, our channel for reporting breaches of the Code of Ethics and Conduct and other company policies. It guarantees access to the general public, through a web portal, e-mail or phone line where they can anonymously make their reports, and the platform is managed by an external third party. As of this year, it is available to all our insurance subsidiaries, regardless of country, and we are working to extend it to the rest of the non-insurance subsidiaries, whose operational control we assumed during 2019.



¿Cómo funciona el canal de denuncias?

Q-TRANSPARENCIA es el Canal de Denuncias en el que puedes reportar las anomalías o ilícitos que observes en la compañía.

PROVEEDOR EXTERNO

» Las denuncias se hacen directamente en la página de Resguarda, un proveedor externo experto en gestión de denuncias corporativas.

100% CONFIDENCIAL

Al hacerlo a través de un proveedor externo, tu denuncia llegará al proveedor directamente, con lo cual, se garantiza la total confidencialidad. «

ANÓNIMO

» La denuncia puede ser anónima si así lo deseas, lo que te da total libertad y confianza para hacer tu reporte.

SEGUIMIENTO

Una vez que has puesto tu denuncia, se le dará seguimiento y podrás consultar el estatus de tu caso directamente en la página. «

¿Dónde puedo hacer mi denuncia?

Haz click aquí.

Ingresa a la página www.resguarda.com

Tu denuncia es 100% confidencial y puede ser anónima, si así lo deseas.



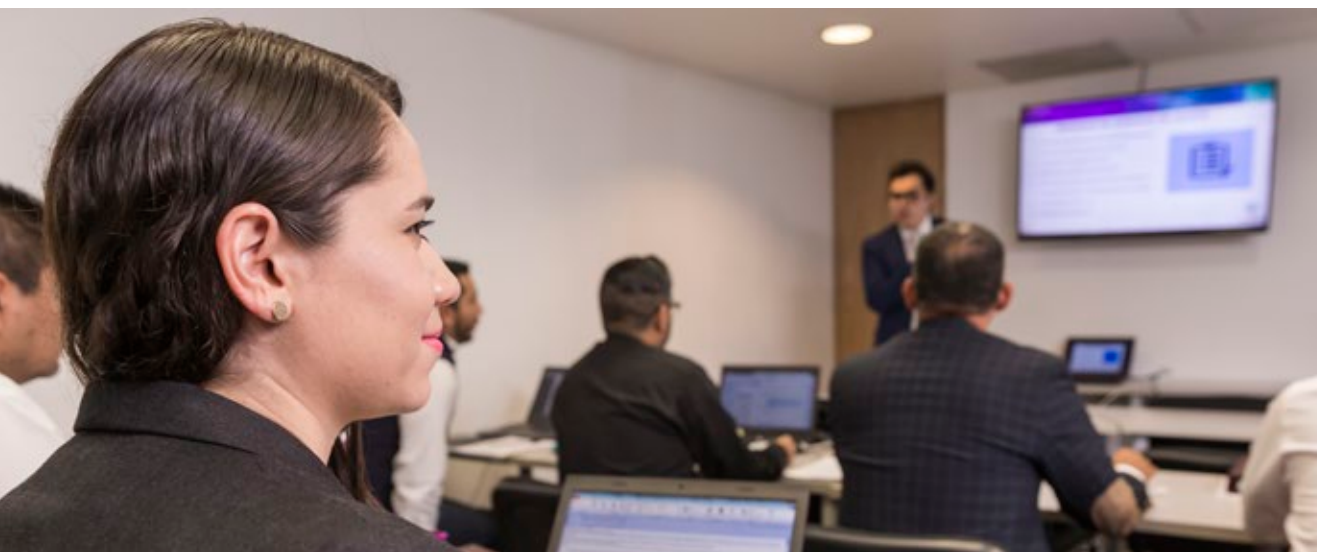
We make sure that complaints are handled with guarantees for all parties. The third-party service provider forwards the complaints to a Complaint Line Monitoring Committee in the company; this Committee sends the cases to the appropriate areas within the company for resolution. The Ethics and Conduct Committee analyzes the most significant cases and follows up on the entire process described above, reporting quarterly to the Audit and Corporate Practices Committee. There are no particularly recurrent and significant issues in the complaints filed, and all are handled with due guarantees.

In addition to the above, there are those cases that we identified through the audit, internal control and fraud prevention areas. During the year, we detected 8 cases of corrupt practices among our employees, of which 6 were resolved by termination of our employees and 2 are in process. Addition-

ally, we have a case that is being legally followed, and no resolution has yet been made. We at the company are concerned that they continue to be isolated cases, given the culture of ethics and integrity in our teams.

On the other hand, it should be noted that from Quálitas Controladora we did not make contributions to political and/or representatives groups.

At Quálitas, we train our employees to enhance their ethical performance and their compliance with internal and external regulations, including those of the Quálitas University. All employees must annually complete and pass the **Q Certification**, which outlines the main courses, relating to: Code of Ethics and Conduct, Money Laundering Prevention (MLP), Conflicts of Interest Policy and Personal Data Protection. We also train agents and service office staff in these subjects.



Q CERTIFICATION - TRAINING			
	N° of employees in Quálitas		N° of employees in Service Offices (Mexico) ¹
	Quálitas Compañía de Seguros	Quálitas Costa Rica and El Salvador	
Money Laundering Prevention (Q-Transparency)	5,226	11	1,064
Code of Ethics and Conduct	4,945	39	1,067
Conflicts of Interest Policy	4,685	50	995
Personal Data Protection	5,045	39	1,070

ANTI-CORRUPTION TRAINING Quálitas Compañía de Seguros 2019 ²		
	Number of trained employees	Number of training hours
Director	24	160
Assistant Director	44	241
Manager	154	885
Coordinator	712	4,294
Analyst	3,661	20,264
Assistant	667	4,108
Total	5,262	29,952

¹ The number of people is higher than the total number of staff in the service offices at the end of 2019, due to the rotation.

² It includes the Q Certification programs: training in Money Laundering Prevention, Code of Ethics and Conduct, Conflicts of Interest Policy and Personal Data Protection.



RESPONSIBILITY

Everything we do or fail to do, has consequences that fall on ourselves or others.

A Quálitas Citizen drive responsibility, follow road rules, and respect other drivers, pedestrians and cyclist.

CIUDADANO QUÁLITAS

WEAR THE COLORS
TEAM UP WITH QUÁLITAS!

In order to continue to make our employees aware of the company's values, as well as the other guidelines that we have consolidated in our Code of Ethics and Conduct, we have developed the campaign **Quálitas Citizen** to implement the values. The employees of Quálitas Compañía de Seguros and the teams from Costa Rica and El Salvador participated. Furthermore, we made a special effort in our operations in Peru, after its incorporation to the company and as part of the process of knowledge and experience of the organizational culture.



Risk Management

GRI 102-11, 102-15, 102-29, 102-30, 103-2, 103-3, 201-2, 206-1, 307-1, 416-2, 417-2, 417-3, 419-1

At Quálitas, we believe that in order to achieve our strategy and the objectives and goals set, it is essential to identify and respond to the risks and opportunities of the operation, related to both the company's activities and the context. The Board of Directors of Quálitas Controladora delegates to the Risk Management Area of Quálitas Compañía de Seguros the operational management and risk performance coordination of all subsidiaries.

We regularly monitor the most significant risks, proposing the necessary prevention and response actions .

More information on this issue can be found in the 2018 Integrated Annual Report, p. 99.

The main categories of our risks can be grouped into:

Financial	Technical	Operational	Counterparty
Market Risk	Technical Risk	Operational Risk	Credit Risk
Liquidity Risk		Technological Risk	
Credit Risk		Legal Risk	
Concentration Risk		Reputational Risk	
		Strategic Risk	

Our insurance subsidiaries operate in a highly regulated industry context, including solvency requirements in response to financial risks. At Quálitas we inform the Investment, Finance and Planning Committee on a monthly basis about the status of the subsidiary and we issue every year the Risk and Institutional Solvency Self-Assessment (ARSI); we also train our collaborators under Solvency II regulation, through the Quálitas University. In the other countries we also operate in accordance with the authorities' requirements.

Technology is a great ally of our operation. In 2018 we achieved PCI DSS (Payment Card Industry, Data Security Standard) certification by meeting the requirements of the PCI Council's standards on security in handling of sensitive data in card payments by policyholders on our collection lines. We thus strengthen the safekeeping of information and prepare for possible cybersecurity claims. The certification has different levels depending on the maturity level, above the minimum values required, and in 2019 we established the basis to go up a level in the next evaluation.

Being aware that the risks extend to all our operations, we continue to provide content on security standards at Quálitas University. In addition, we perform an external third-party assessment of the exposure our technology has to cyber risks in order to take the necessary actions.

The total investment in the acquisition of technology, support and analysis services, was \$ 12.3 million Mexican pesos.

The impact of climate change also represents a risk to our operation, since the condition of the vehicles and the safety of the drivers can be jeopardized by the occurrence of rain, hurricanes and hailstorms of greater intensity. On the other hand, the governments of the main cities are promoting that their vehicle fleet be less polluting, which encourages the population to buy new hybrid or electric vehicles. In Quálitas Compañía de Seguros, we have a fleet of hybrid vehicles named "Qualicoches" for our claim officers and attorneys that represent 14% of the 1,762 vehicles that make up the total fleet.

Our prevention and mitigation efforts, including internal audits and the promotion of a culture of compliance, reinforce our observance of internal and external regulations. We do not have significant monetary sanctions corresponding to our operations in 2019; there are 11 appeal sanctions before CONDUSEF in Mexico and 2 before INDECOPI in Peru, but of less than 50,000 Mexican pesos.

National Commission for the Protection of Users of Financial Services (Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros - CONDUSEF); National Institute for the Defense of Free Competition and the Protection of Intellectual Property (Instituto Nacional de Defensa de la Competencia y de la Protección de la Propiedad Intelectual - INDECOPI).

ABOUT OUR REPORT

General Criteria

GRI 102-32, 102-48, 102-50, 102-51, 102-52, 102-54, 102-56

We submit our fourth annual comprehensive report, which includes the 2019 performance, providing continuity to the transparency commitment with our stakeholders. The description of the corporate government and the financial information corresponds to the set of Quálitas Controladora; we add the information of the operations of our different subsidiaries. This time, we describe for the first time the activity of CristaFácil, Easy Car Glass and Outlet de Refacciones, after taking over the management of their operation.

It is beyond the scope of the report, as to the description of the activities and operation data, Autos y Salvamentos, since our partner in ownership manages this subsidiary.

This report has been prepared in accordance with the GRI standards: Comprehensive option. We also consider the GRI supplement for the financial services sector, including those contained established for our material subjects.

As a sample of the commitment with the most outstanding international initiatives in sustainability, this report serves as our Progress Reporting (*Comunicación del Progreso, COP*) on the implementation of the 10 Principles of the United Nations Global Compact. We also report our contribution to the Sustainable Development Goals (SDG).

The Social Responsibility Committee validates the contents of this report in the first instance and then the Executive President does so. We have also submitted the report to external verification by an independent expert; the scope is referred in the verification letter.

Definition of contents and coverage

GRI 102-46, 102-47, 102-49, 103-1

The contents of the report reflect our performance regarding material subjects, which we established in a participatory process with stakeholders.

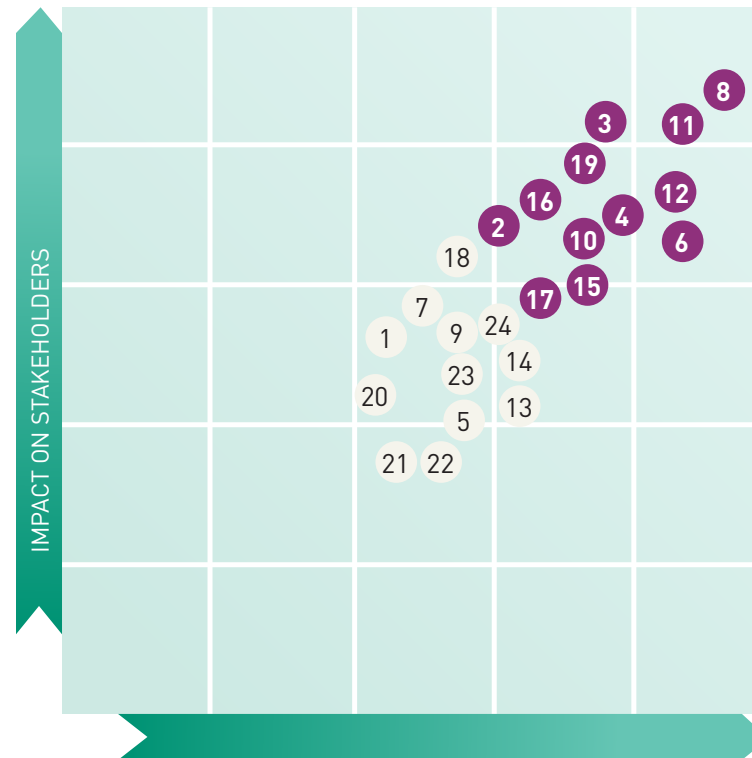
We define potentially relevant subjects jointly with specialists, considering the results of different consultations to stakeholders performed by our teams for their ordinary activity and from the analysis of sectoral trends. These issues were prioritized in direct consultation to selected stakeholders, integrating the scores they delivered with those established from the company based on the purposes and goals of the business. As a result of the process, we obtained the material subjects, that is, those of the greatest relevance from the double perspective, pursuant to the following matrix.

The detail on the process for the determination of the material subjects and the limits (coverage) per each subject may be consulted in the Integrated Reports 2016 (page 53) and 2017 (pages 99 to 102).

Due to the incorporation of the management of non-insurance subsidiaries and the growth of our international scope with the entry in Peru, next year we will update the material subjects determination exercise, in order to adapt it to the new scenario.

Besides of the update of the material subjects, it shall include the redefinition of the internal and external limits per each subject (coverage).

MATERIAL SUBJECTS TABLE



- 1 Support and education regarding traffic/road behavior
- 2 Financial education and insurance culture**
- 3 Operational innovation and efficiency**
- 4 Relationship with suppliers**
- 5 Insurance availability for all
- 6 Relationship with agents**
- 7 Data Protection of the policyholder
- 8 Customer service**
- 9 Accurate and relevant information about insurance conditions
- 10 Legal compliance**
- 11 Ethics, transparency and anticorruption**
- 12 Risk management** (financial, operational)
- 13 Corporate Governance (management bodies of the company)
- 14 Involvement in the preparation of the public policies
- 15 Economic results**
- 16 Market and Brand positioning**
- 17 Attracting and retaining employees**
- 18 Labor atmosphere and employee satisfaction
- 19 Career training and Development** (employees)
- 20 Diversity and equal opportunities (employees)
- 21 Wages and benefits (employees)
- 22 Labor Security
- 23 Community support and donations
- 24 Environmental management (energy, wastes, emissions, ect.)



VERIFICATION Letter

GRI 102-56

Verification Letter of 2019 Consolidated Annual Report

“Together, moving forward safely”

To Quálitas Controladora, S.A.B. de C.V. Board of Directors:

Redes Sociales en Línea Timberlan, carried out a limited verification of certain information presented in the Consolidated Annual Report “Together, moving forward safely” corresponding to Quálitas Controladora, S.A.B. de C.V. 2019 financial year based on Global Reporting Initiative (GRI) Standards in accordance with the Comprehensive option and G4 Financial Services Sector Disclosures.

An independent and objective verification of a sample of GRI content related to the list of relevant topics of Quálitas Controladora, S.A.B. de C.V, which are indicated in the following table:

102-1	102-15	102-25	102-50	412-2
102-2	102-16	102-26	401-2	302-1
102-3	102-17	102-27	405-1	305-1
102-4	102-18	102-28	404-1	305-2
102-5	102-19	102-33	404-2	305-3
102-6	102-20	102-40	419-1	416-1
102-8	102-21	102-42	FS13	FS6
102-9	102-22	102-43	FS14	204-1
102-12	102-23	102-46	FS16	201-1
102-13	102-24	102-47	205-2	FS15

In regard to: water consumption, solid waste, absenteeism rate, Quálitas wellbeing program and adherence to internal processes to ISO 39001, a deep revision was carried out of the control and quality of presented information.

Our verification process covered the following activities:

- Knowledge of information management systems.
- Verification of qualitative and quantitative information through visual, documentary and public evidence of the GRI content sample.
- Validation of the methodological compliance of selected content (listed above) based on the GRI Standards.
- Analysis of information presented in previous reports.

Our commitment is to issue impartial opinions about the presentation and quality of the information contained in the 2019 Consolidated Annual Report prepared by Quálitas Controladora, S.A.B. de C.V., who is responsible for the selection of relevant topics and reported GRI contents. Our work took as reference International Norms and Standards,

such as: ISAE 3000 Ethical Principles of Independence and the GRI publication The external assurance of sustainability reporting.

Conclusions

The report verification process did not present any factor that leads us to consider that:

- The published data contains significant errors.
- The Consolidated Annual Report does not meet the requirements requested by the GRI Standards in accordance with the Comprehensive option and G4 Financial Services Sector Disclosures.

An internal report of recommendations is delivered separately exclusively for the client, which contains the areas of opportunity detected for a future report.

Alma Paulina Garduño Arellano

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April 15th, 2020

Declaration of independence and competence of Redes Sociales LT

Redes Sociales en Línea Timberlan employees have the level of competence necessary to verify the compliance with standards used in the preparation of Sustainability Reports, so they can issue a professional opinion of non-financial information reports, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. In no case our declaration of verification can be understood as an audit report and therefore no responsibility is assumed for the systems and processes of management and internal control from which the information is obtained. This Letter of Verification is issued on April, 15th two thousand twenty and is valid as long as there are no subsequent and substantial modifications to the 2019 Consolidated Annual Report of Quálitas Controladora, S.A.B. de C.V.

GRI content index

GRI 102-55

GRI 102: CONTENIDOS GENERALES 2016 ¹							
GRI Subject	Content	Standard	Page	Omission	UN Global Compact	SDG 's / Goals	
Organization profile	GRI 102 General Contents 2016	102-1	14				
		102-2	14			3.6, 9.3	
		102-3	74				
		102-4	14			3.6, 3.13, 9.3	
		102-5	14				
		102-6	14,16				
		102-7	7,53,58				
		102-8	40			Principle 6	8.2, 8.5, 10.3
		102-9	30				8.2
		102-10	30				8.10
		102-11	64				
		102-12	11,24				
		102-13	24				
Strategy	GRI 102 General Contents 2016	102-14	4				
		102-15	4,19,64			8.10	
Ethics and integrity	GRI 102 General Contents 2016	102-16	13,22,61			Principle 10	16.3
		102-17	61			Principle 10	16.3

¹ The correlation of GRI contents with the ODS and the goals has been established by integrating the reference framework Business Reporting on the SDGs: An Analysis of the Goals and Targets, and a strategic analysis of contribution to the SDGs by Quálitás.

GRI Subject	Content	Standard	Page	Omission	UN Global Compact	SDG's / Goals	
<i>Governance</i>	GRI 102 General Contents 2016	102-18	59				
		102-19	59				
		102-20	22,59				
		102-21	23			16.7	
		102-22	22,59			5.5, 16.7	
		102-23	59			16.6	
		102-24	59			5.5, 16.7	
		102-25	59,61			16.6	
		102-26	13,59				
		102-27	59				
		102-28	59				
		102-29	64			16.7	
		102-30	64				
		102-31	59				
		102-32	65				
		102-33	59				
		102-34		Confidential, due to internal guidelines of the company.			
		102-35	44, 59				
		102-36	44				
		102-37	44				16.7
102-38		Confidential, due to internal guidelines of the company.					
102-39		Confidential, due to internal guidelines of the company.					

GRI Subject	Content	Standard	Page	Omission	UN Global Compact	SDG's / Goals
<i>Stakeholder engagement</i>	GRI 102 General Contents 2016	102-40	23			
		102-41	40		Principle 3	8.8
		102-42	23			
		102-43	23			
		102-44	23			
<i>Reporting practice</i>	GRI 102 General Contents 2016	102-45	14			
		102-46	65			
		102-47	65			
		102-48	30,37,40,53,58,65			
		102-49	65			
		102-50	65			
		102-51	65			
		102-52	65			
		102-53	74			
		102-54	65			
		102-55	67			
		102-56	65, 66			

CONTENT BY MATERIAL SUBJECT						
Material Subject Quálitás	Content	Standard	Page	Omission	UN Global Compact	SDG 's / Goals
<i>Hiring and retention of employees</i>	GRI 103 Management approach 2016	103-1	65		Principle 6	
		103-2	40			
		103-3	40			
	GRI 401 Employment 2016	401-1	40		Principle 6	5.1, 8.5, 8.6, 10.3
		401-2	47,52			3.2, 5.4
		401-3	47			Principle 6
	GRI 405 Diversity and equal opportunity 2016	405-1	40,59		Principle 6	5.1, 5.5, 8.5
405-2		44		Principle 6		5.1, 8.5, 10.3
<i>Employees training and career development</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	44			
		103-3	44			
	GRI 404 Training and education 2016	404-1	44		Principle 6	4.3, 4.4, 4.5, 5.1, 8.2, 8.5, 10.3
		404-2	44,47			
		404-3	44			Principle 6
<i>Legal compliance</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	64			
		103-3	64			
	GRI 206 Anticompetitive behavior 2016	206-1	64			16.3
	GRI 307 Environmental compliance 2016	307-1	64		Principle 8	16.3
	GRI 417 Marketing and labeling 2016	417-1	26,30			12.8, 16.3
		417-2	64			16.3
		417-3	64			16.3
	GRI 419 Socioeconomic compliance 2016	419-1	64			16.3

Material Subject Qualitas	Content	Standard	Page	Omission	UN Global Compact	SDG´s / Goals
<i>Financial education and insurance culture</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	52			
		103-3	52			
	Sector Supplement Financial Services 2013	FS13	15,19			
		FS14	19			
		FS16	52			4.4
<i>Ethics, transparency, and anticorruption</i>	GRI 103 Management approach 2016	103-1	65		Principles: 1, 2, 3, 4, 5, 6, 10	
		103-2	61			
		103-3	61			
	GRI 205 Anticorruption 2016	205-1	61		Principle 10	16.5
		205-2	61		Principle 10	16.5
		205-3	61		Principle 10	16.5
<i>Risk management</i>	GRI 103 Management approach 2016	103-1	65		Principles 1, 2, 4, 5, 6, 10	
		103-2	64			
		103-3	64			
	GRI 412 Human Rights assessment 2016	412-1	61		Principle 1	
		412-2	61		Principle 1	
		412-3	53		Principle 2	

Material Subject Quálitás	Título de Estándar GRI	Standard	Page	Omission	UN Global Compact	SDG´s / Goals	
<i>Innovation and operational efficiency</i>	GRI 103 Management approach 2016	103-1	65		Principles 7, 8, 9		
		103-2	26,34,37				
		103-3	26,34,37				
	GRI 302 Energy 2016	302-1	37			Principles 7, 8	7.2, 7.3, 8.4, 12.2, 13.1
		302-2			Not applicable, Quálitas activity of insurance provision is not related to GHG emissions in the use of vehicles by customers.	Principle 8	7.2, 7.3, 8.4, 12.2, 13.1
		302-3	37			Principle 8	7.3, 8.4, 12.2, 13.1
		302-4	37			Principles 8, 9	8.4, 12.2, 13.1
		302-5			Not available. Quálitas is working to present the information in the next exercise.	Principles 8, 9	8.4, 12.2, 13.1
	GRI 305 Emissions 2016	305-1	37			Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-2	37			Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-3	37			Principles 7, 8	3.9, 12.4, 13.1, 14.3, 15.2
		305-4	37			Principle 8	13.1, 14.3, 15.2
		305-5	37			Principles 8, 9	13.1, 14.3, 15.2
		305-6			Not applicable, Quálitas activity of insurance provision is not related to GHG emissions in the use of vehicles by customers. Also, Quálitas operations do not require the use of refrigerant gases.	Principles 7, 8	3.9, 12.4
		305-7			Not available. Quálitas is working to present the information in the next exercise.	Principles 7, 8	3.9, 12.4, 14.3, 15.2
	GRI 416 Customer health and safety 2016	416-1	26,34				3.6
		416-2	64				16.3

Material Subject Qualitas	Content	Standard	Page	Omission	UN Global Compact	SDG's / Goals
<i>Brand and market positioning</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	19,53			
		103-3	19,53			
	Sector Supplement Financial Services 2013	FS6	53			
<i>Relationship with agents</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	30			
		103-3	30			
<i>Relationship with suppliers</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	30			
		103-3	30			
	GRI 204 Procurement practices 2016	204-1	30			
<i>Economic results</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	53,58			
		103-3	53,58			
	GRI 201 Economic performance 2016	201-1	58			8.1, 8.2, 8.10, 9.1, 9.4, 9.5
		201-2	64		Principle 7	13.1
		201-3	40			
		201-4	58			
<i>Client service</i>	GRI 103 Management approach 2016	103-1	65			
		103-2	26			
		103-3	26			
	GRI 418 Customer Privacy 2016	418-1	26			
	Sector Supplement Financial Services 2013	FS15	26			

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