

ALWAYS CLOSE

INTEGRATED
ANNUAL
REPORT
2022

Yes, I'll see you tomorrow for the Qualitas reforestation

Let me know when you arrive 📍

Comment

3

Incoming video call

Follow trip

2,123 likes

Following Qualitas

I have news! The position at Qualitas is mine

The insurance guys have arrived, I'll call you in a moment.

trace route



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At Quálitas, we know that the journey is important to reach the goal. Our business model, personalized service, and excellent customer service have allowed us to be close to our clients and agents, build strong relationships, and grow sustainably.

There will always be challenges to be solved, but our experience, leadership, and great human talent allow us to move forward with strength, insuring cars and taking care of people's integral health.





→ Main figures

DIMENSIONS

551 attention centers

224 service offices

327 ODGs

+5.5%

6,013 employees¹
+7.4%

+19,800 agents **+7.0%**

5 operating countries: Mexico, Costa Rica, El Salvador, United States and Peru

OPERATIONAL AND FINANCIAL RESULTS

\$42,036

million MXN of written premiums,

+10%

4.8 million insured units, **+7%**

\$39,969

million MXN of earned premiums,

+11%

\$2,209

million MXN of net income²

\$34,368

million MXN in market capitalization

11.1% ROE³ (12 months)

70.5% of loss ratio

96.4% of combined ratio,

¹ Total of employees from the holding company, including insurance and non-insurance subsidiaries

² Represents a decrease compared to 2021 due to the complexity of the operational side of the business, and the volatility of financial markets. Nevertheless, the company generated profits and we continue implementing actions aiming to mitigate external impacts by quickly adapting our strategy.

³ The decrease of our ROE reflects the high level of capital of the company and the positive performance during the year, where the operational ROE was 4.7% and the financial ROE at 6.4%.



PERFORMANCE

ROAD SAFETY AND PREVENTION CULTURE

1,684

Participants in the diploma course of risk prevention for middle managers in transportation companies.

+138,600

visits at the Qualitas Road Conduct web page

ETHICS AND CORPORATE TRANSPARENCY

5,545

employees with Q certification⁴

EMPLOYEE DEVELOPMENT

42.7% women

9,610

people educated through Qualitas University⁵

91

out of 100 points in the working environment⁶

+877thousand

training hours

DEVELOPMENT OF THE MEMBERS OF THE VALUE CHAIN

1,200

employees in the service offices participating in the Q Certification courses (in Mexico)

1,376

agents educated through Qualitas University

INNOVATION AND OPERATIONAL EFFICIENCY

\$60

million MXN in written premiums for vehicles with telemetry and/tracking

24%

of claims assisted in Mexico through the remote use of our Express Adjustment tool

+1,100

participants in the Financial Education Program

\$268

million MXN in insurance premiums of hybrid and electric vehicles

0.08

seconds of average response time in national call center (Mexico)

22

minutes of average arrival time of our claim officers (Mexico)

4.25

intensity in energy consumption in KJ/MXN of written premium

0.35

intensity in GHG emissions (scopes 1 and 2) in tCO₂e/MXN of written premium

⁴ It integrates the education in Money laundering prevention, Code of ethics and conduct, Policies in conflicts of interest and Data and people protection. It was carried out in Qualitas Compañía de Seguros, Costa Rica and El Salvador. Average number of participants in the 4 mentioned courses.

⁵ Employees, agents, service offices employees, policyholders and subsidiaries of Cristafácil.

EXCELLENCE IN SERVICE

87%

average satisfaction in the service survey (clients)

⁶ In the "Pasión" variable, which is the main indicator within the climate survey framework and it illustrates the commitment and identification of the employees with the company.



NOTABLE MILESTONES



Our ODQ's model, providing access to insurance in remote locations, already has a CAGR of 13.5% considering the operation from the last 5 years.



Beginning of operations of QSalud, which aims to provide access to private medical and health insurance for the unserved population in Mexico and diversify our value proposition.



Valuation process certificate in pursuance for ISO 9001 quality standard.



Strengthen the potential of WhatsApp channel with artificial intelligence. Notable growth in telemetry access for our clients.



Strengthening of the circular model in Flekk, which already integrates 35% of scrap removal in repairment centers, shops and agencies that collaborate with Qualitas Compañía de Seguros.



Public commitment to establish goals to reduce Greenhouse Gas (GHG) Emissions through the "Science Based Targets" initiative, aiming for net zero emissions by the year 2050.



We became part of the Bloomberg Gender Equality index (GEI 2023) for second consecutive year.



We continue belonging to the S&P Total Mexico ESG Index⁷.

⁵ Before and after 2022 rebalancing.



HOW TO READ THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5, 2-14

We are working on our seventh annual integrated report, under the commitment to transparency and accountability that characterize us, showing the main financial results, as well as our environmental, social and corporate governance (ESG) performance during 2022.

The information corresponds to Qualitas Controladora, except in those cases where a more specific scope is specified. Thus, we report the operation of our different subsidiaries.

We remain aligned to the main reporting indicators with global relevance and continue to respond to the issues that results as materials in our latest materiality analysis.

The Social Responsibility Committee and the Executive Chairman internally validate the contents of this report. Externally, we have submitted the report to verification by an independent third party; the scope is referenced in the verification letter.

 [VERIFICATION LETTER](#)

THE REPORT:



Has been developed applying the **Global Reporting Initiative (GRI) Standards**.

Additionally, we apply the GRI Sector Supplement for financial services.

The GRI Standards address impact materiality and are intended to a broad audience.



It also includes **Sustainability Accounting Standards Board (SASB) Standards** for the insurance industry.

SASB Standards address financial materiality and respond to information requirements especially to investors.



Addresses the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, on risk management and opportunities related to climate change.



Reports of our contribution to Sustainable Development Goals (SDGs), a roadmap proposed by the United Nations (UN) to address major societal challenges



It serves as our Communication on Progress (CoP) for Global Compact, and we inform on the progress of the implementation of its 10 Principles.



Specifically, for Qualitas Compañía de Seguros, the report includes its progress implementing the Principles for Sustainability Insurance (PSI) a UNEP-FI initiative subscribed by our insurance subsidiary in Mexico.



How to identify the contents:



The front page of each chapter includes a reference to the SDGs and lines of action of the Sustainability Strategy.



The start of each section includes a reference to the contents of the GRI Standards, the SASB Standards and TCFD Recommendations.



At the end of the report, we detail our progress with respect to the SDGs and the Global Compact Principles; and, specifically, for Qualitas Compañía de Seguros in the PSI.



The specific indexes of the standards and report frameworks are also included at the end: GRI, SASB and TCFD.

SUSTAINABILITY STRATEGY

Priorities and lines of action



- Innovation and operational efficiency
- Culture of prevention and road safety
- Employee development
- Ethics and corporate transparency
- Development of the members of the value chain
- Service excellence

SDGS TO WHICH WE CONTRIBUTE STRATEGICALLY

- 3 Health and well-being
- 4 Quality education
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 11 Sustainable cities and communities
- 16 Peace, justice and solid institutions

TCFD RECOMMENDATIONS: CORE ELEMENTS



Governance: The organization's governance on the risks and opportunities related to climate.



Strategy: The actual and potential impacts of the risks related to climate and opportunities on the organization's business, strategy and financial planning.



Risk Management: The processes used by the organization to identify, assess and manage climate-related risks.



Metrics and targets: The metrics and targets used to assess and manage relevant climate-related risks and opportunities.



LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

GRI 2-22

JOSÉ ANTONIO CORREA ETCHEGARAY
Chairman of the Board of Directors of
Quálitas Controladora S.A.B de C.V.

DEAR SHAREHOLDERS,

2022 year was characterized by significant global challenges within an uncertain and changing environment, with factors such as inflation at historical highs, continued restrictions in supply chains, geopolitical tensions, corrections in global financial markets, and significant increases in interest rates. Additionally, after two years of the pandemic, we are already experiencing a new normal in terms of mobility and its effects on accident rates.

We closed 2022 year reporting a net income of \$2,209 with a net margin of 5.3% and a combined ratio of 96.4%. Despite the complex environment, our discipline and strategy have resulted in a profitable operating performance, making us the only one of the top 5 auto insurers in Mexico, our main market, with a combined ratio below 100%



We reached a record of 4.8 million insured units, more than 330,000 units than the previous year, and \$42,036 million pesos in written premiums, representing a 10% growth exceeding our expectations and initial estimates of the year.



We have around 20,000 agents collaborating with us, 7% than in 2021; we promote their development and the efficiency in our relationship through close service and technological solutions. Additionally, we opened 29 new offices during the year, reaching a total of 551 offices throughout all of our geographic subsidiaries. Written premiums from our international subsidiaries grew 7.2% during the year, representing 8.1% of the total written premiums from Qualitas Controladora. Our subsidiaries in Latin America have shown double-digit growth in its written premiums, highlighting their strong performance. Our goal is to increase their total contribution to the holding company long-term return on equity (ROE).

As for our subsidiary in the United States, we carried out an adjustment process for its reserves' constitution and losses, which impacted the profitability of the business. We implemented necessary actions to reverse the situation and have a healthy operation that we will continue to drive during 2023.

On the other hand, our subsidiary Flekk has shown significant and sustainable growth in all its business lines, including offering services to both our insurance company in Mexico and other insurance companies in the market. Flekk has achieved a CAGR of 56% in the last 3 years, with its business model taking advantage of technology in trade and distribution, having a positive impact on the environment through the collection and use of scrap from repairments.



Regarding our financial comprehensive income, it generated \$1,423 million pesos with a return on investment of 3.1%. At year-end, 89% of the portfolio was invested in fixed income; and considering expected increases in rates, we reduced the duration of our portfolio' assets to take advantage of high interest rates in 2023.

Loss ratio closed at 70.5%, due to high levels of inflation, an increase in accident frequency, as well as the adjustments made on our US subsidiary. We continue working on efficiencies within our operation through the use of technology and strengthening our vertical integration, to gradually return to our target range of 62% to 65%.



Additionally, we formally started operations of our new subsidiary Quálitas Salud, which presents the opportunity to continue diversifying and, above all, capitalize on our strengths and business model for the long term.

Regarding our team of collaborators, we closed the year with 6,014 employees, that is, 7.4% more than in 2021. We reinforced our claims attention team and the information technology team. Around 43% of our team is made up of women and we continue to make progress in ensuring spaces of respect and non-discrimination, promoting their professional development, especially through training and career plans.

For our clients, we combine the use of technology and the efficiencies it provides in terms of response times, along with personalized attention through our collaborators, agents, and teams in service offices and ODQs, allowing us to continue growing in capacity and value proposition without losing focus on service.

We remain committed to contributing to the United Nations' Sustainable Development Goals (SDGs), and to implement the 10 Principles United Nations Global Compact, always including business profitability under a responsible investment approach. This year we have placed special emphasis on the climate change agenda, based on previously identified risks and opportunities. We have committed to establishing targets for reducing our greenhouse gas emissions, aiming for net zero emissions by 2050. Our sustainable strategy has allowed us to continue being part of both national and international reference indexes, such as the S&P/BMV Total Mexico ESG Index and the Bloomberg Gender Equality Index (GEI).

For 2023, our strategy, defined in 3 pillars, will seek to strengthen our business by: 1) strengthening our leadership in Mexico, 2) accelerating profitable growth of our subsidiaries, and 3) implementing our corporate development plan by targeting business' opportunities within the insurance ecosystem.



I thank the entire organization for their valuable contribution throughout the year, the trust and commitment of our agents, business partners, and customers, and the support of our shareholders.

Sincerely,

JOSÉ ANTONIO CORREA ETCHEGARAY
Chairman of the Board of Directors of Quálitas Controladora S.A.B de C.V.





ALWAYS CLOSE

INSURING CARS, **CARING FOR PEOPLE**

We are characterized by a service culture that allows us to safeguard our policyholders' assets with a proposal of quality and operational efficiency.



Hi dad!
Yes, the insurance has arrived,
I'm already home. 🥰

Hello, have you arrived well?





ORGANIZATIONAL IDENTITY

Introduction

GRI 2-1, 2-2

We provide specialized insurance in the automotive field, our extensive experience of more than 25 years supports us, operating in Mexico, the United States, El Salvador, Costa Rica and Peru.

We are distinguished by a culture of excellence in service, protecting our clients' assets and providing assistance to both vehicles and passengers. Assistance is provided from start to end, from the issuance of policies to addressing claims and follow-up thereof.

For years, we have been integrating complementary services such as the supply of spare parts and crystals and glasses, and the repairment of glasses, through a vertical integration with our subsidiary Flekk. We incorporate our knowledge and experience in the sector, maintaining our value proposition of excellence in service, efficiency and cost control.



MISSION

VISION

VALUES

- ✓ We have been leaders in the automobile insurance industry in Mexico for over more than 15 years.
- ✓ We combine a leading value proposition with complementary service subsidiaries.
- ✓ We extend our expertise to the health insurance.



28 years in the Industry
15 years as leaders of the sector in Mexico



Our exclusive Business Model
Based on service and cost control discipline



Global presence
Operating in 5 countries: Mexico, United States, Peru, Costa Rica y El Salvador.
Vertically Integrated in Mexico



Broadest Network Coverage
551 attention centers
+19,800 agents
+6,000 employees



Technology Innovation
To prevent risks, accidents and fraud, as well as identify operational efficiencies



Leaders in incorporating an ESG criteria



SUBSIDIARIES DIAGRAM



During August 2022, we obtained authorization from the National Insurance and Bonding Commission (Comisión Nacional de Seguros y Fianzas, CNSF) to begin operations in the health and medical expenses insurance segment through our new subsidiary Qualitas Salud (QSalud).

QSalud emerges from Qualitas' intention to continue evolving as a company and, being aware of the strengths of our operation and distribution channels. We offer a product that aims to serve about 92% of the population in Mexico that lacks private health insurance. Our new subsidiary has only operated with certain agents and policyholders in Mexico City during 2022 due to the intentional strategy of having a gradual and organic entry into the market.



QSalud

We uphold our Qualitas DNA with focus on excellence in service and prevention culture, through a subsidiary with an independent team and management.

Our **distinction in terms of prevention** will seek to promote the wellbeing and support for the best possible health of our policyholders. For example, through vaccination campaigns, virtual interaction with health specialists on diverse topics to promote health care, telemedicine, etc.

Our product is initially focused on individual policies, since the only collective policy is the one in force for our employees.



Business Model

PILLARS



Our business model is based on service excellence and cost control, developed on 4 pillars that ensure financial success, the delivery of value to our stakeholders and our sustainability.

The different areas have performance KPI's, which are monthly monitored, first by the Strategic Planning Department and then by the General Management. They integrate metrics associated with ESG aspects (environmental, social and governance), since the initiatives of these areas are part of the Company's Sustainable Strategy.

1 EXCELLENCE IN SERVICE

- ✓ **Through** our agents and network of offices, we provide personalized attention.
- ✓ **We have** a dynamic structure and teams that seek incorporation of state-of-the-art technology.
- ✓ **We are committed** to maintaining high standards for our suppliers.
- ✓ **We are driving** the development of shops and direct management of spare parts, including our own model of glass repairment service.
- ✓ **We know** our clients, understand their needs and therefore offer adequate products and conditions.

2 COST CONTROL

- ✓ **Efficient** in the use of resources.
- ✓ **Strict monitor process** of operational and expense indicators.
- ✓ **Competitive advantage** through our vertically integrated model in the supply of spare parts and glass repairments.

3 SPECIALIZATION

- ✓ **Extensive trajectory** and experience in the automotive insurance sector.
- ✓ **Flexibility** to adapt our model to the different countries in which we operate.
- ✓ **Innovative** according to the needs of policyholders.

4 DECENTRALIZATION

- ✓ **Focused** on having a presence wherever the policyholders needs us.
- ✓ **Alliances** with agents who share our vision and commitment.
- ✓ **Open** to new forms of collaboration.





INSURANCE BUSINESS

GRI 2-6

As a company specialized in automobile insurance, our offer is organized in the following **three segments**:

- 1 **Individual:** Automobiles and motorcycles, purchased by unit.
- 2 **Fleets:** Automobiles, trucks, and heavy equipment, purchased by volume.
- 3 **Special business:** Insurance offered in conjunction with automotive financial institutions at the time of purchase of a vehicle through a loan.

Insurance commercialization and assistance service is provided through different contact channels:



AGENTS

Who form an extensive and specialized network; they may market insurance from other companies, but are characterized by a work history and trust in Qualitas.



SERVICE OFFICES

Established by local entrepreneurs specialized in the industry. They commercialize directly, serve the policyholder, and also advise the agents in the area regarding products, rates, processes, and other.



QUALITAS DEVELOPMENT OFFICES (ODQS)

The company's own offices in locations far from large cities, where the insurance culture has not yet permeated. Their responsibilities are similar to those of a service office, with an additional focus on supporting the penetration of insurance in the area.



QUALITAS OPERATIONAL CENTER

Supports the service offices and agents, providing them with different specialized teams for the operation.



QUALITAS OTHER DIRECT CHANNELS

Web and mobile applications, for different services and subsidiaries.



Our insurance in the individual and fleet segments is distributed through agents, service offices and offices under development (ODQs by its acronym in Spanish), as well as online through different digital media. For special business segments, commercialization is performed by Qualitas through intermediation of automobile financial institutions.

The development of new products is carried out considering the constant feedback and conversations we have with both our policyholders and agents, identifying new needs and business opportunities, respectively. Qualitas Compañía de Seguros, due to its operation dimensions, has a New Products Committee, which generally meets monthly and participate the technical, claims and further teams, getting a diverse and interdisciplinary perspective.

The Culture of Prevention is a priority in our agenda, so we have developed road safety and responsible driving education programs. Prevention is also key to the health insurance model we have launched.

More information in chapter:

 [CONTRIBUTION TO ROAD SAFETY](#)

NON-INSURANCE BUSINESS

GRI 2-6

As a result of our broad experience and specialization in automobile insurance industry, we have developed an integrated value proposition. Our subsidiary Flekk has the following business lines:

- ✓ Special projects
- ✓ Glass distribution
- ✓ Glass installation
- ✓ Spareparts distribution and commercialization
- ✓ Heavy equipment spare parts
- ✓ Scrap metal removal

Competitive advantages of Flekk:

Service attitude

Effectiveness in logistics

Wide range of products

Vision

flekk
en el punto y tiempo exacto



Flekk is a technology-based company, serving needs related to spare parts and other complementary aspects. It is based on the pillars of clients service and operational efficiency.



Dimensions

QUALITAS COMPAÑÍA DE SEGUROS

GRI 2-4

	22-21	2022	2021	2020
Insured units	+6.9%	4,606,731	4,310,848	4,037,181
Written premium (MM MXN)	+10%	38,710	35,056	33,360
Market participation (%)	-0.6 %	32%	32.2	31.5
Employees	+7.4%	5,287	5,014	4,881
Service Offices	+28	224	196	191
ODQs	+23	327	304	284

Notes:

Information includes only data from Mexican operation
Market share in Mexico 2022, AMIS

ODQs

FS13, FS14

The model of Qualitas Development Offices (ODQs) allows the offer automobile insurance to locations far from large cities and underserved of financial services, but which at the same time are under significant economic development. Therefore, enabling access to insurance and promotion of risk prevention culture. It also contributes to avoid the displacement of the population for this purpose.

At the end of 2022, we had 327 ODQs, accounted for a total of 596 employees, 73% of whom are women. They already contributed 3.4% of the total premium written by Qualitas Controladora.

BUSINESS HIGHLIGHTS

- ✓ Qualitas maintains its leadership in Mexico, with a market participation of over 32% according to 2022 figures from the Mexican Association of Insurance Institutions (Asociación Mexicana de Instituciones de Seguros, AMIS).

During 2022, Qualitas posted double-digit growth in written premiums compared to the previous year, especially driven by the agents commercialization (coordinated from the service offices) and the ODQs network. In addition, during the second half of the year there were early signs of a recovery in underwriting through financial institutions due to the gradual recovery of inventories at auto distributors.

ESG COMMITMENT

- ✓ Progress in the incorporation of hybrid fleet for claim officers and counsels.
- ✓ Contribution to the environment through our product offering, ensuring natural gas fleets, hybrid and electric cars; social impact with the insurance of collective vehicles and motorcycles, which are also used as work tools.
- ✓ Telemetry devices are of great relevance, and we continue to expand them in our fleets, assisting prevention of accidents by providing information on the driver's driving practices and encouraging more reasonable fuel consumption.
- ✓ Qualitas Compañía de Seguros continues to advance in the implementation of the Principles for Sustainable Insurance (PSI), launched by the United Nations Environment Program Finance Initiative (UNEP FI). We signed them in 2020 and also applied the commitment in our insurance subsidiaries in the remaining countries.



INTERNATIONAL INSURANCE SUBSIDIARIES

	USA		COSTA RICA		EL SALVADOR		PERU	
	22-21	2022	22-21	2022	22-21	2022	22-21	2022
Insured units	+13	17,894	+24,174	99,802	+6,058	27,428	+6,949	58,314
Written premium (MM MXN)	-2.4%	2,088	+24.3%	671	+34.8%	251	10.2%	412
Employees	+3	56	+25	115	+20	91	+15	97
Offices (all categories)	-1	5	+3	9	=	4	=	4
Agents	-1	6	=	529	+87	1,046	580	+55
Market share (%)	NA	NA	+240 pp	12.1%	+80 pp	7.2%	+40pp	4.9%



BUSINESS HIGHLIGHTS

- ✓ International insurance subsidiaries (geographical) accounted for 8.1% from the total holding company written premiums.
- ✓ During the year, written premium growth was 7.4% (US subsidiary). QIC is experiencing a deliberate containment, given the effort to prioritize its profitability and risk balance. We have reinforced the focus on our cross-border product. In addition, during the year we had the opening of the new service office in El Paso.
- ✓ In Costa Rica, the customer base has remained loyal due to the closeness and flexibility we had with them during the pandemic. The development of innovative products such as short term and stay insurance has allowed Qualitas Costa Rica to consolidate a successful year. It also open a
- ✓ new office in Limón and the improvement in credit rating from A- to A with stable outlook by the rating agency.
- ✓ In El Salvador, Qualitas recovered the client portfolio with quality and capacity. Growth has come together with solid profits and a further expansion of our agents' network.
- ✓ In Peru, the greatest opportunities appeared in second-hand cars, due to the difficulties in the supply of new cars. Of particular note, was the success of our agent-based placement model, where we seek to continue promoting a migration from bank-based placement to agent-based placement.

ESG COMMITMENT

- ✓ Development of the road assistance model for fleets in Qualitas Peru and Qualitas Costa Rica, contributing to reduce the accident rate and increase our value offer to policyholders.
- ✓ Qualitas Costa Rica has also implemented the internal diploma course on road safety offered by Qualitas to its clients, and we
- ✓ have also subscribed to the Sectorial Protocol of Responsible Business Conduct.
- ✓ Qualitas El Salvador has made progress in the management of the labor environment, including the formalized implementation of the performance evaluation.



FLEKK

BUSINESS HIGHLIGHTS

- ✓ Ended 2022 with a total of 367 employees, 28.2% more than the previous year.
- ✓ The business model advances to zero in-house inventories, with delivery from manufacturer to end user; reduced part movement yields operational efficiencies and environmental benefits.
- ✓ Reduced impact on Flekk of shortages due to supply chains, their purchasing volume and relationship with importers.
- ✓ Expansion of the CristaFácil franchise model for glass repairment shops.
- ✓ Increase in the number of products available in our own e-commerce and third-party marketplaces.

ESG COMMITMENT

- ✓ Progress in the scrap metal removal business, providing the insurance companies that operate with the shops with statistical information on what has been collected.
- ✓ Repairment continues to be promoted over glass replacement, benefiting the policyholder and improving the use of time and resources.
- ✓ It is worth highlighting the Flekk employee leadership change project, which includes the adoption of ERP, training in agile methodologies and customer-focused processes, and the reinforcement of the organizational culture.
- ✓ Launch of internal innovation contest, with proposals submitted by employees for changes in processes or other aspects. Those selected by the committee will be implemented.



Risks

GRI 2-12, 2-13, 201-2

SASB FN-IN-550a.3

TCFD GOB-B, GDR-C

In recent years, we have demonstrated our resilience as a company through our business model and the way we operate. Our strong risk management has been key, including flexibility, nonetheless the discipline of our structure and processes.

Our risk management is articulated independently at the level of each subsidiary, for a better understanding of the businesses and operating context. We have specialized teams that annually identify and/or update risks, propose prevention and mitigation measures in case of response, and monitor their implementation. There is an internal audit of how the proposed measures are being implemented and the success they are achieving.

The risk management teams report to the Investment Committee in the case of financial risks, to the Audit Committee in the case of technical and operational risks, and to the Risk Committee in operations where the regulations establish it, all at the level of each subsidiary. These committees then report to the Board of Directors.

The integrated risk management team of Quálitas Compañía de Seguros also supports the other subsidiaries with their expertise and carries out integrated management for Quálitas Controladora.

ESG RISKS

During the year, the identification and integration of climate change risks within the integral risk process for Quálitas Compañía de Seguros stands out. After a first external exercise, our team updated the climate risk map and response measures were included in the integrated plans. An example of these risks is the possible increase in claims as weather phenomena such as storms or fires increase, among others.

We also continued with the measures proposed to address the main human rights risks, as part of the roadmaps of the human capital and procurement teams, among others

[ANALYSIS OF CLIMATE CHANGE RISKS AND OPPORTUNITIES](#)

[HUMAN RIGHTS DUE DILIGENCE](#)

Regarding governance risks, it should be noted that our structure of bodies, functions and performance is aligned with international best practices and complies with local mechanisms. Our corporate governance, both at Quálitas Controladora and its different subsidiaries, is periodically evaluated. At Quálitas Controladora level, there is a review of the practices and feedback regarding the self-evaluation of Directors through an external legal firm.

[CORPORATE GOVERNANCE MODEL AND STRENGTHS](#)





MAIN RISKS

CATEGORY	RISK	DESCRIPTION	MANAGEMENT
Financial	Market	<ul style="list-style-type: none"> Requirement for more capital or debt to address growth. Noncompliance in the payment of obligations with financing suppliers and/or renegotiation thereof. Loss of insurance agents and/or significant clients for the written premium. Significant decrease in new car sales Negative results in the treasury or investments management. Stock prices volatility. Interest rate volatility. 	<u>ECONOMIC PERFORMANCE</u>
	Liquidity		
	Credit		
	Concentration		
Technical	Technical	<ul style="list-style-type: none"> Loss derived from underwriting as a result of both the claims covered and the operating processes related to their attention. It also considers premium and reserve risks, administrative expenses, as well as extreme events in property and casualty insurance. 	<u>PERFORMANCE OF TECHNICAL INDICATORS</u>
Operative	Operative	<ul style="list-style-type: none"> Loss of key executives Dependency of a single insurer branch 	<u>TEAM EFFORT</u>
	Technological	<ul style="list-style-type: none"> Failure in the systems that can cause discontinuity in processes. Information leakage and/or theft (cybersecurity). 	<u>SYSTEM SECURITY</u>
	Legal	<ul style="list-style-type: none"> Changes in applicable regulations. Penalties for non-compliance with legislation. Revocation of operating authorizations. 	<u>ETHICS AND COMPLIANCE</u>
	Reputational	<ul style="list-style-type: none"> Non-compliance with self-regulation in environmental, social and governance (ESG) aspects. Operating practices contrary to our ethical guidelines. Incidents in the performance of our suppliers in the attention of claims. 	<u>(TRANSVERSAL)</u>
	Strategic	<ul style="list-style-type: none"> Increase in the accident levels of the policyholders Disturbances in the socio-economic and political context of the countries Rising inflation and possible recession in the US Concentration of suppliers in certain services Increased competition 	<u>CUSTOMER EXPERIENCE</u>
	Associated with climate change	<ul style="list-style-type: none"> Occurrence of more intense meteorological phenomena. Restrictions on vehicle mobility. 	<u>CLIMATE CHANGE RISKS AND OPPORTUNITIES</u>

EMERGING RISKS

Considering the future trends in the medium and long term (over 5 years) around mobility, below are the main emerging risks that we identified for the automotive underwriting business:

- 1 Change in the automotive fleet, by energy source.** Issue of legislative projects striving to ban sales of fossil vehicles, e.g., applicable in California as of 2035. This together with a greater generalization of hybrid and electric cars due to a reduction in costs, and legal and tax measures to support it. Qualitas will be focused on developing an offer of products and services within the insurance ecosystem that responds to this.
- 2 Development of autonomous automobiles,** which will be associated with a still incipient insurance scheme, also in terms of liability coverage.
- 3 Business models via data analysis as added value,** as Qualitas already applies in fleets with the road safety assistance service. Accompanied by the proliferation and evolution of telemetry devices, in which Qualitas has also been making significant progress.
- 4 Integration of weather costs on the loss ratio into premium values and conditions;** this is already partly implemented at Qualitas Compañía de Seguros with pricing by zip code but will be further refined using weather statistics.



Climate change risks and opportunities

TCFD EST-A, GDR-A

Climate change is an ever-increasing priority risk; Qualitas could be affected differently depending on the business we consider:

- ✓ For the insurance activity, it could create incidence regarding loss ratios. Towards our investment portfolio, it could affect the valuation of assets.
- ✓ For the non-insurance business, mainly the distribution and commercialization of auto parts, the affectation could be due to the effect over the distribution chains.
- ✓ At the business management level, it can mainly affect the energy management and the effect of the GHG emissions.

IDENTIFICATION AND PRIORITIZATION OF RISKS

We began our first **identification and prioritization of climate change risks exercise** for Qualitas Compañía de Seguros, with the support of external specialists. This was updated between 2021 and 2022 under the leadership of the subsidiary's risk team and has been used as a reference at the Controladora level. The analysis has included the direct operations of Qualitas Compañía de Seguros and those of our value chain: agents, service offices, suppliers and customers.

In that analysis update we expanded the processes considered and, therefore, its context in regulatory and legal aspects, related groups of interest and its expectations and guidelines. Afterwards, we began

establishing financial indicators that allow us to measure the impact of these risks (also associated opportunities related to climate change).

The exercise will keep strengthening progressively, including the integration of the non-insurance business.

During the following exercises, we will work on identifying the mitigating actions for the mapped risks, as well as their evidence and/or control actions. It is important to mention that for 2023 and derived from the diversification strategy from Qualitas Controladora it will have a prioritized approach in the geographical subsidiaries and QSalud.





PREVENTION AND MITIGATION

Starting from the identified and prioritized risks and opportunities, the risk management team will evaluate the possible prevention and mitigation measures and initiatives. For the mitigation initiatives, we will work with an external specialist to determine the residual value.

The risk management team will be the one to carry out a central monitoring and coordinate the advancement of plans, reporting to the Risk Committee.

The Risk Committee, in turn, reports to the Board of Directors of Quálitas Compañía de Seguros, in such a way that it nourishes the strategic guide that it indicates for the company. Progressively, this operation will also be extended to the rest of our subsidiaries

RISK DETAILS

GRI 201-2

SASB FN-IN-450a.1, FN-IN-450a.2, FN-IN-450a.3

TCFD EST-A, EST-B

The risks and opportunities detailed below will consider the changes that are occurring or could occur in our business because of climate change: due to the impact of meteorological events, legislation, demand for new products and commercial actions, capital market requirements, among others.

We refer to the nomenclature established by the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).



Transition risks: those that arise because of the transition to a low carbon economy, e.g. regulatory compliance resulting from new legislation related to climate change adaptation and mitigation.



Physical risks: those associated with acute events and/or changes to long-term meteorological patterns. These types of risks can cause damage to our infrastructure and disrupt our operational continuity.

RISK TYPE	RISK SUBTYPE	INHERENT RISK ASSESSMENT	DESCRIPTION	TRANSITION TIME
Transition	Technological, Reputational	Medium	The use of unsustainable technology and/or obsolete in utility vehicles and "Qualichoques" that discredit the company's image.	Long-Term
	Political and regulatory	Medium	The development of regulations that restrict the circulation of utility vehicles and "Qualichoques" that use fossil fuels.	Long-Term
	Political and regulatory	Medium	The increase in fossil fuel costs for use in the infrastructure for service care of claims adjustment and legal assistance.	Long-Term
	Political and regulatory	Medium	High electricity tariff costs through taxes, surcharges, or penalties that affect our operations.	Long-Term
	Reputational	Medium	Lack of incentives for products, rates and/or benefits related to the adoption of electric and hybrid vehicles.	Long-Term
Physical	Acute	Medium	Climate change related weather events (storms, hurricanes and/or floods) that interrupt the issuance and claims processes for policyholders.	Short-Term
	Acute	Medium	Increase in insurance policy costs for those areas whose postal code represents a high risk and/or loss ratio due to events related to climate change (storms, floods and/or hurricanes).	Long-Term

Note: Short-term < 3 years-term 3-6 years; Long-term > 6 years.

We are currently working on the following risks that show financial impact.

CATEGORY	RISK	INDICATOR	MONETARY VALUE (MXN)
Physical - Acute	Increase in the cost of policies associated with a higher probability of claims because of extreme weather events.	Loss rate costs associated with extreme weather events (México - Qualitas Insurance Company).	\$342,699,490 MXN
Transition	Increase in the cost of fuel used for legal services, adjustment, and other services for the insured on the road (directly through Qualitas).	Cost of fuel used by Qualitas for the attending of policyholders.	\$85,595,929 MXN (cost for insurances operation in Mexico in 2022)

Note: figures correspond to the operation of Qualitas Compañía de Seguros.



OPPORTUNITY DETAILS

GRI 2-4, FS8

SASB FN-IN-410b.1, FN-IN-410b.2

TCFD EST-A, GDR-B, MYO-A

The opportunities stand out especially for developing insurance products that contribute to reducing greenhouse gas emissions (GHG) from our clients, as well as for establishing operational efficiencies in our processes and those of claims assistance.



ENVIRONMENTALLY FRIENDLY PRODUCTS - MEXICO

	2022			2021			2020		
	Written premium (MM MXN)	Written premium as a % of Qualitas Controladora	Written premium as a % of Qualitas Compañía de Seguros	Written premium (MM MXN)	Written premium as a % of Qualitas Controladora	Written premium as a % of Qualitas Compañía de Seguros	Written premium (MM MXN)	Written premium as a % of Qualitas Controladora	Written premium as a % of Qualitas Compañía de Seguros
Securing fleets with telemetry devices	171.9	0.41	0.45	148.7	0.39	0.43	101.5	0.27	0.30
Insurance coverage for natural gas fleets	19.1	0.05%	0.05%	5.8	0.02	0.02	1.3	0.00	0.00
Insurance coverage for hybrid vehicles	198.1	0.47	0.52	188.8	0.49	0.54	156.0	0.41	0.47
Insurance coverage for electric vehicles	69.9	0.16	0.18	46.2	0.12	0.13	24.5	0.06	0.07



ALWAYS CLOSE

WORKING
FOR A MORE
SUSTAINABLE
FUTURE

We operate and work towards achieving sustainable development, where we seek to generate shared value with our stakeholders through our sustainability strategy and business model, integrating ESG aspects in decision-making.





SUSTAINABILITY APPROACH

GRI 2-23, 2-24, 2-28

TCFD GOB-A, GOB-B

With the implementation of our **Sustainability Strategy**, we promote the performance in environmental, social and governance (ESG) issues, which are already part of decision-making at different levels of the company.

Such Strategy remains aligned with the last materiality analysis we conducted in 2020-2021, which allows us to determine critical ESG issues for the company, considering our business evolution, as well as the context of the countries where we operate.

We seek within the Sustainability Strategy a holistic model for the set of subsidiaries, which allows us all to operate under the same umbrella and objectives.

Through our business model we aim to generate value for all our stakeholders with the provision of automobile insurance, claims handling, the integrated supply of auto parts, the promotion of a culture of prevention and road safety education.

[DETAIL OF DOUBLE MATERIALITY](#)



We operate with responsible business conduct, supported by our policies and management systems at the level of Qualitas Controladora and our subsidiaries.





Pillars of the sustainability strategy

The **Pillars of the Sustainability Strategy** connect our understanding of the operation with the expectations of stakeholders, always under the maxim of excellence in care of the policyholder. Each has its own line of work and initiatives with action plan.



INNOVATION AND OPERATIONAL EFFICIENCY



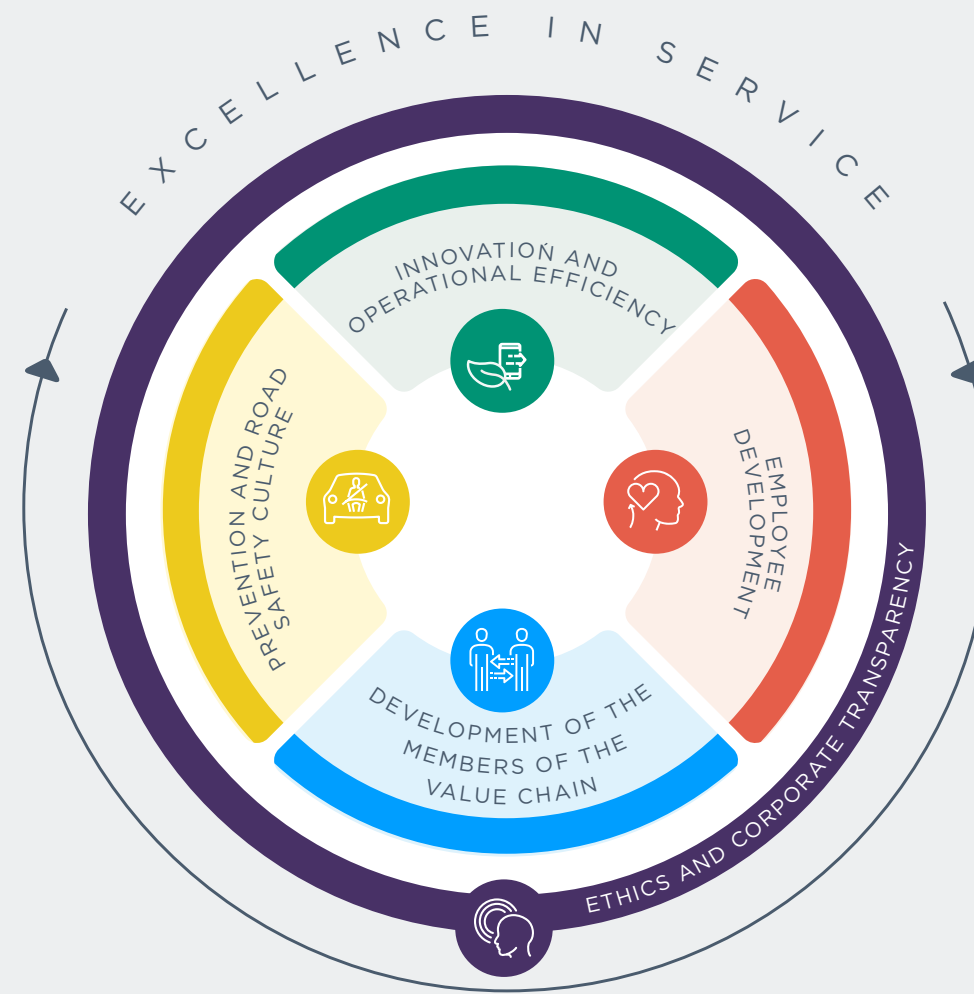
✓ **Offer** value-added products and services for the policyholder, jointly with an efficient operation both in the use of the resources and in addressing the impacts (for example, environmental). Take advantage of the potential of the technology for the operation.



PREVENTION AND ROAD SAFETY CULTURE




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





EMPLOYEE DEVELOPMENT




✓ **Empowering** the talent of our employees and their development, from the value of diversity, as well as their well-being. Promote constructive leaderships and a solid culture supported by internal communication.



DEVELOPMENT OF THE MEMBERS OF THE VALUE CHAIN




✓ **Work** closely with agents, team of service offices and suppliers, supporting their training and operation, to offer outstanding products and services to our policyholders.



ÉTICA Y TRANSPARENCIA CORPORATIVA



✓ **Operate** in accordance with the values of the company, under ethical and behavior guidelines, raised from a solid corporate governance. Integrate sustainability criteria in decision-making.



Our sustainability initiatives are mainly focused on the insurance business, which is the one that generates the most revenue. Progress is being made at Flekk to establish ESG priorities.

We have a Social Responsibility Committee which is responsible for monitoring on a quarterly basis the implementation of the Strategy, with the participation of the different areas involved¹.

The conclusions of the meetings and the activities carried out are presented by the chairman of the Social Responsibility Committee on a quarterly basis to the Board of Directors, facilitating their knowledge of the company's progress in the different ESG factors.

As part of the governance of our Sustainability Strategy, we have integrated climate change risks and opportunities, together with the Integrated Risk Management, to evaluate them under the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

[DETAIL OF RISKS AND OPPORTUNITIES ON CLIMATE CHANGE.](#)

Qualitas Controladora is a member of the United Nations Global Compact. At our subsidiaries, Qualitas Costa Rica participates in the Sustainability Committee of the Association of Private Insurance Companies. On the other hand, Qualitas Compañía de Seguros has subscribed at the Principles for Sustainability Insurance, developed by the United Nations Environment Program Finance Initiative (UNEP FI).

[DETAIL OF ALLIANCES AND MEMBERSHIPS](#)

From our responsibility as corporate citizens we aim to generate positive impacts in the society. Thus, within the scope of our operations, we identify and address the needs around. In this way, our **social investment** is focused on working jointly with different civil society organizations as strategic partners to address social and/or environmental problems and to improve people's living conditions.

[DETAIL OF THE SOCIAL INVESTMENT](#)

Finally, the success of our Sustainability Strategy is related to the involvement and participation of all our stakeholders, as well as the participation of the different areas of the company, and the commitment of the management team.



¹ Participants include Finance Management, Commercial Management, Integrated Risk Management, Corporate Legal, Treasury, Investor Relations, Claims Service, Underwriting and Operational Assistance, Claims Operations, Sales Customer Service Manager, Social Responsibility, Human Resources, Corporate Communication, Service Office Attention and Special Projects.



ALWAYS CLOSE

GENERATING VALUE WITH EXPERIENCE

Dear, see you in a moment for our Board meeting ✓✓

Of course! Ready to address the topics on the agenda.

Decision-making ensures the continuity of the company and adheres to best practices, including transparency in management.

✓ SDG

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✓ STRATEGY





CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-17, 2-18, 2-19, 2-20, 3-3, 405-1

At Qualitas Controladora, we follow best international reference practices in our corporate governance and, in the same way, we comply with the different regulations applicable to the countries where we operate.

Our Corporate Governance has the amendment to ensure the continuity of the company over time, through collegiate bodies in the strategic decision-making process and creating value for all of our stakeholders.

[CORPORATE GOVERNANCE MANUAL](#)

[BYLAWS](#)

[COMMITMENT WITH DIVERSITY IN THE BOARD OF DIRECTORS](#)



We present below the main bodies and their functions:

The **General Shareholders' Meeting** meets once a year and it is the supreme figure of the public company, responsible for:

- ✓ Approve and/or ratify members of the Board and Committees, proposed by the Corporate Practices Committee. Likewise, for their remuneration.
- ✓ Appointment of the member who shall act as Chairman of each of the following Committees: Audit, Corporate Practices, Investments, Finance and Planning, and Social Responsibility.
- ✓ Approve the reports submitted by the Chairman of the Board, of the Audit Committee and of the Corporate Practices Committee, respectively.
- ✓ Approve the report on compliance with tax obligations of each fiscal year.
- ✓ Approve to the dividend payment amount for shareholders, the amount for the share buyback fund and, when applicable, approve the cancellation of shares through an Extraordinary Meeting.
- ✓ Approval of people related to the company to whom several powers of attorney are granted for the operation of the company.



The **Board of Directors** is responsible for defining Qualitas' strategy; they also have the power to appoint the senior management of the company, including the CEO position.

In 2022, our Shareholders' Meeting approved the following composition of the Board of Directors:



12 regular members, 8 of them independent, meaning 67%



2 female directors

The average period of service at our BoD of Directors was of 4.3 years*

Only one of our Directors is part of the board of another public company; therefore, the Board is completely focused on Qualitas' strategy.



The average attendance of each director at ordinary meetings was 91%.

During 2022, we held an extraordinary meeting to assess share capital decrease through the cancellation of 6,000,000 repurchased shares from the company's treasury.

*At the end of 2022, unfortunately Board of Directors' member Juan Enrique Murguía Pozzi deceased; therefore, his seniority in the Board is not accounted for.

DIRECTORS:

- ✓ They are selected based on the guidelines established in the Bylaws and in the Corporate Governance Manual, including the active promotion of a diverse composition which enriches decision-making.
- ✓ They are accurately informed and updated for decision-making, and they receive annual training with respect to major topics within the context of the industry and incidence in the operation
- ✓ They are appointed on an annual basis, with the possibility of renewal.
- ✓ During 2022, our Board of Directors was trained in subjects related to cybersecurity and crisis management at senior level, an update regarding local tax amendments and training on digital tools of corporate governance management, to strengthen and streamline decision-making.
- ✓ They must have the competences and skills necessary to perform their functions, free from conflicts of interest.
- ✓ They conduct a self-assessment on an annual basis with respect to their performance, according to the Corporate Governance manual and, likewise, an outside firm validates and analyzes the results.
- ✓ The Corporate Practices Committee assesses every year its technical and financial experience and liquidity capacity, with the support from the internal legal department. We seek a representation that considers diversity and inclusion, integrating different experiences, knowledge, besides of origin, age and gender. According to the composition of the Board of Directors approved during the 2022 Shareholders' Meeting, women's participation on the Board was 17%.



The **Board of Directors** is supported by the following committees:



Audit: Composed by 3 independent members with broad accounting and financial experience. It meets monthly or quarterly depending on the projects and needs of the company. By regulation, it has to meet at least on a quarterly basis.



Corporate Practices: Composed by 3 independent members. During 2022, it met 6 times, by regulations there is no specific periodicity required for such committee. At Qualitas, meetings are scheduled depending on the company's projects and needs.



Investments, Finance and Planning: Composed by 7 members, most of them members of the Board, out of which 3 are independent; it meets on a monthly basis.



Operations: Composed by 10 members, out of which 2 are Independent and 1 is a senior management member of FLEKK subsidiary, with an independent nature. It meets at least bimonthly.



Social Responsibility: Composed by 3 related directors. It meets quarterly.

NOTE: Composition of committees according to the items approved in April 2022 Shareholders' Meeting.

DETAIL OF COMPOSITION AND DUTIES OF THE COMMITTEES

BOARD OF DIRECTORS			PARTICIPATION IN COMMITTEES (BOARD MEMBERS)				
			AUDIT	CORPORATE PRACTICES	SOCIAL RESPONSIBILITY	INVESTMENT, FINANCE AND PLANNING	OPERATIONS
Chairman Investment, Finance and Planning Committee	→ José Antonio Correa Etchegaray	Related proprietary			●	●	●
	Bernardo Eugenio Risoul Salas	Related proprietary			●	●	●
	Joaquín Brockmann Domínguez	Related proprietary				●	●
	María del Pilar Moreno Alanís	Related proprietary					●
	Wilfrido Javier Castillo Miranda Olea	Independent proprietary				●	
	Juan Marco Gutiérrez Wanless	Independent proprietary				●	
	Mauricio Domenge Gaudry	Independent proprietary	●	●			
Chairman Audit Committee	→ Alfonso Tomás Lebrija Guiot	Independent proprietary	●	●			
	José Francisco Torres Olmos	Independent proprietary					
	Luis Celhay López	Independent proprietary	●	●			
	Juan Enrique Murguía Pozzi (†)	Independent proprietary					●

NOTES:

Juan Orozco and Gómez Portugal was not part of the Board of Directors of Qualitas Controladora in accordance with the items approved at the April 2022 Shareholders' Meeting; however, he continued to be part of the Social Responsibility Committee as independent Chairman.

[DETAIL OF THE CAREER OF DIRECTORS](#)

[DETAIL OF REMUNERATIONS PAID TO DIRECTORS](#)

In 2022 we regret the passing of Juan Enrique Murguía Pozzi, who was an essential element during the years in which he was present in our Board.



Corporate governance of our subsidiaries

For our geographic subsidiaries, our vertical subsidiary FLEKK and new QSalud subsidiary, we have our own corporate governance scheme, under the supervision of a Board of Directors specific to each of them.



All subsidiaries in our corporate structure must operate in accordance with the guidelines followed by Qualitas Controladora, jointly with the applicable local regulations.

In the case of Qualitas Compañía de Seguros, our main subsidiary given its contribution of 91.5% to total written premiums in 2022, José Antonio Correa Etchegaray served as CEO and Chairman of the Board. The structure of the committees and the diverse composition of the Board supplement the company's vision, perspective and strategy.

Management team

Each subsidiary also has its own management team, to apply the business strategy corresponding to each model and context of operation, although always aligned to the corporate guidelines of the issuer.

There are also instances of senior management coordination. Qualitas Compañía de Seguros weekly meetings are noteworthy, including the monitoring of indicators of operational, financial and customer experience dashboards.





Compensation

The Corporate Practices Committee sets out the compensation of the CEO and other relevant executives. We also have different variable compensation' policies and procedures, which are adjusted depending on the area where the management team performs their duties.

The CEO has a fraction of its variable compensation related to a bonus associated to the company's operational result, as well as measurable results through weekly, monthly, quarterly and/or annual indicators regarding to two of the cornerstones of the company: **cost control and quality of service.**

Aligning incentives from the remuneration of our CEO to each area Directors and subsequently, employees who are part of their teams.

The rest of our directors, have a variable annual bonus related to achieve certain targets aligned to the general objectives for their respective areas. We have a specific policy to establish and distribute variable compensation, following two main pillars as well: efficiencies' projects and service improvement projects.

The Chief Executive Officer and certain executives of Qualitas Controladora own shares of the company, as stated in the communications to the stock exchange. For these executives, except for the CEO, the average ratio of the value of the shares held to the total amount of their annual remuneration was 0.88 times.



* For reasons of security and confidentiality in Mexico, the individual ratio per Director is not disclosed.



ALWAYS CLOSE

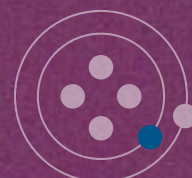
MAKING DECISIONS THAT TRASCEND

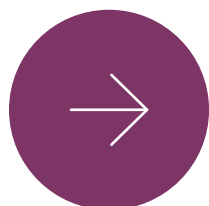
The culture of ethics and compliance dictates the way we conduct our actions; under the principle of zero tolerance for any unethical situation, we convey a sense of commitment and ethical responsibility towards our employees, suppliers, and other stakeholders related to our operations.

✓ SDG

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✓ STRATEGY





ETHICS AND COMPLIANCE

GRI 2-15, 2-16, 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 3-3, 415-1, 416-2, 417-2, 417-3, FS15

SASB FN-IN-270a.1

At Qualitas, we operate according to the highest ethical standards, beware of the confidence placed in us by our stakeholders. We extend our guidelines to all employees and directors without exception. We require compliance of all applicable regulations, as well as our Code of Ethics and Conduct, which is annually reviewed by the Corporate Practices Committee and approved by Qualitas Controladora Board of Directors.

During the year, we updated our Code of Ethics and Conduct, particularly reinforcing the content related to social and environmental impact. With this, we establish across all Qualitas the duty of human rights' respect, equality and inclusion, we firmly reject any practices that involve discriminatory acts; likewise, we promote the protection of the environment and the contribution to the social and economic development of our surroundings, all under our sustainability culture.

Each subsidiary has different requirements and guidelines aligned with their own regulations and context, which are complementary to the Code of Ethics and Conduct of Qualitas Controladora.

In the same way, Flekk, our non-insurance subsidiary, has its own version of the Code of Ethics, adapted to its non-insurance nature and business operations.

For the specific case of Qualitas Compañía de Seguros, it has its own policy on Principles and Anticorruption Mechanisms, Conflicts of Interest Policy and Donations Policy. It also has the Commercial Ethics Principles that serve as a guide for the commercialization of insurance and relationships with employees, office personnel, agents, and policyholders.

[📄 MAIN POLICIES OF QUALITAS CONTROLADORA AND QUALITAS COMPAÑÍA DE SEGUROS](#)





Agents, service office teams and suppliers must align with the compliance of the Code of Ethics and Conduct, as well as share principles and values of the company. Regarding suppliers, they are required to meet the Operational Norms that are included in the contracts established with them.

We have the Whistleblowing hotline **“Q-Transparencia”** which is managed by a third party as part of our best practices, seeking to guarantee transparency and eradicate any type of conflict of interest. This hotline has the objective to collect cases of non-compliance with the Code of Ethics and Conduct and the rest of our policies.



Complaints are made directly on the website and have the option to stay anonymous; in its treatment, guarantees are offered to all parties involved. Each subsidiary has their committee to monitor the Whistleblowing Hotline, which is responsible for sending the case to the corresponding operational area for resolution.

Also cases identified directly in the audit, internal control, and fraud prevention areas are added. Significant cases are reviewed within the Ethics Committee, who is responsible for applying the system of consequences to any situation that requires it.

Throughout 2022, 68 reports were received regarding dishonest acts and inappropriate work behavior¹. Of these, 59% were related to employee relations (HR), 31% were related to compliance with processes and policies (internal audit), and the remaining 10% was related to fraud cases².

The Ethics Committee of each of our subsidiaries is responsible for constantly monitoring the degree of compliance with the Code and the associated culture, as well as for resolving cases of non-compliance. Progress and relevant events are reported quarterly to the Audit Committee and the Corporate Practices Committee.

To reduce risks in terms of sanctions, it is necessary to adhere to internal and external regulations, as well as the diligence of control institutions.



During 2022, we provided a total of 27,770 hours of ethics training to our employees through “Q Certification”, with an average of 5,545 participants per course (the certificate consists of 4 courses).

¹ This figure includes complaints under investigation and those closed with partially or fully substantial irregularities.

² It includes 21 closed complaints with substantial discriminatory practices and 6 cases of fraud (corruption). Action plans were established for all of them, including sanctions in most of the cases.



The sensibilization and training of our employees, agents, and personnel in service offices is part of our mission as company and as value generators. We actively train them through programs such as the Compliance Month campaign and the continuity of “Certificación Q”, which includes courses related to the Code of Ethics and Conduct, Anti-Money Laundering Prevention, Conflict of Interest Policy, and Personal Data Protection³.

On the other hand, we also offer other trainings such as the PCI DSS certification guidelines course for the security of personal and banking information of our customers.

It is important to highlight that Qualitas’ employees receive information regarding the Code of Ethics and Conduct since their induction.

[📄 MORE INFORMATION IN THE ESG ANNEX](#)

In terms of consumer protection, during 2022, we were subject to 37 processes before CONDUSEF in Mexico, of which 18 have already been resolved in our favor and the remaining 19 are still in process.

It is important to highlight that there were no sanctions for unfair competition practices and that Qualitas Holding Company did not contribute to political parties and/or representatives.

We provided economical support to industry associations that contribute to the development of regulations and risk management and opportunities within Mexican insurance industry and other countries. The contribution to industry associations by insurance subsidiaries was \$17,995,871 MXN.

³ Training on data security was also provided to three employees in Flekk.



ALWAYS CLOSE

RESPONDING WITH THE BEST SERVICE

Excellence in service is one of our strategic pillars, supported by our culture, processes, and a value proposition that integrates agents, service office teams, and suppliers. It is also reinforced by our specialization, with a deep understanding of the automotive sector.

 **Sofía Quintana**  recommends **Quálitas Compañía de Seguros** 


Quálitas is always at the forefront and providing the best service. Today, thanks to QMóvil's roadside assistance, I was able to receive help and continue my trip to the beach.

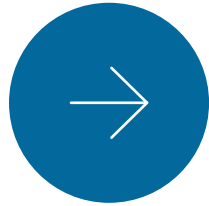
 like  Comment  Share

✓ SDG

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✓ STRATEGY





CUSTOMER EXPERIENCE

GRI 3-3, 416-1, 417-1

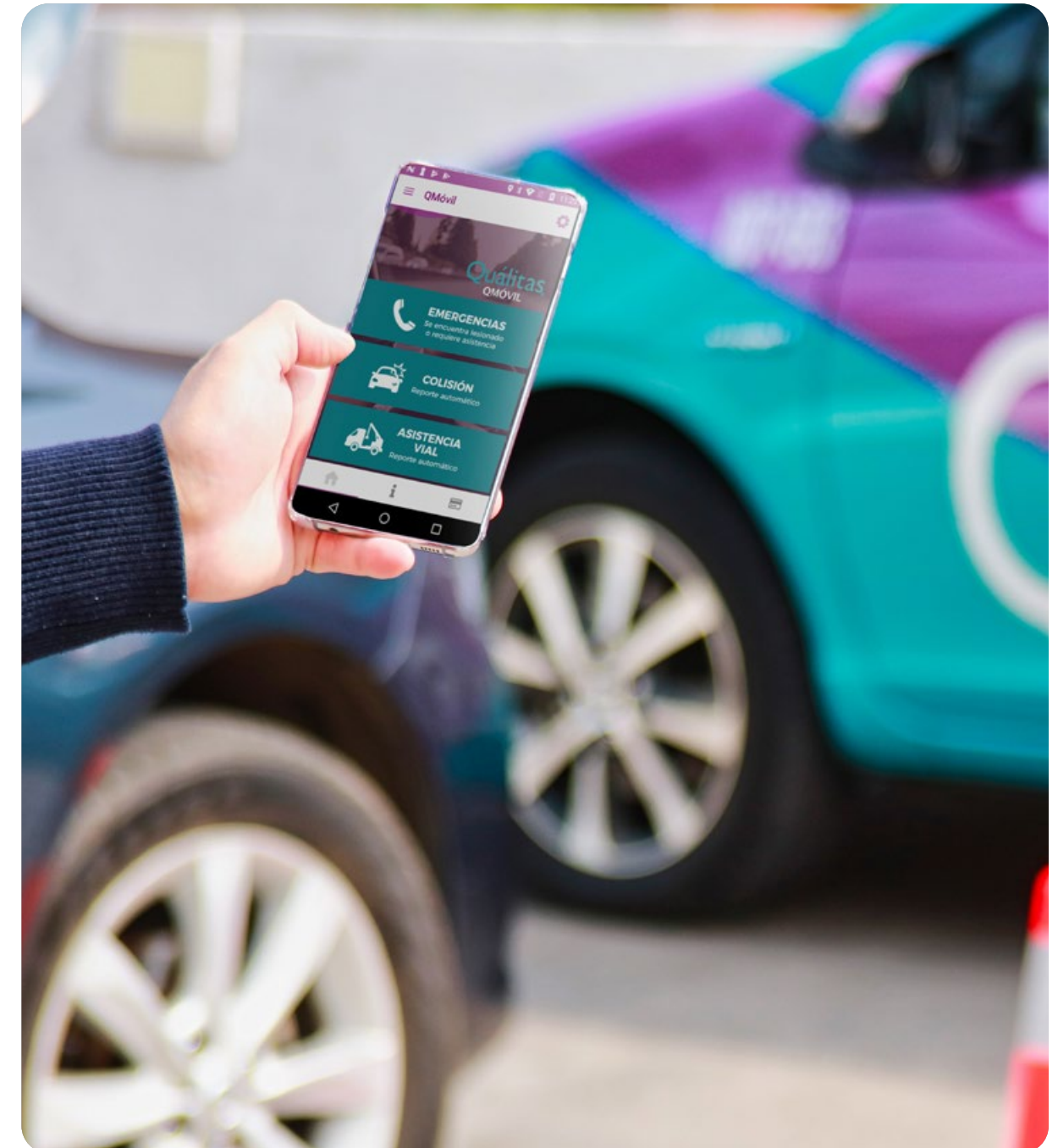
We closely monitor the needs of our policyholders, innovating in products and services with the support of our partners to identify opportunities and, through the knowledge of our technical team, for the sustainable and profitable execution of such innovation.

We show our policyholders' experience through the following scheme (figure); which has been prepared considering the operation of Qualitas Compañía de Seguros, our main insurance subsidiary.¹

Our business model was born within the automobile insurance industry; our solid network and management efficiency have motivated us to developed other complementary businesses to have a more extensive value proposition. We refer to Flekk's operations, related to the commercialization of spare parts and glass repairments and replacement, and to the health and medical insurance business.

One of our 2022 milestones was that since September our health and medical expenses subsidiary "QSalud" subsidiary began operations. Its purpose is to address the current need of Mexican population that do not have any private health insurance policy, according to the National Institute of Statistics and Geography (Instituto Nacional de Estadística y Geografía, INEGI) only around 8% of Mexican population has some kind of policy subscribed in this matter. We seek to provide access to insurance in a close and timely manner and at competitive prices.

At all time, we pursue that our customers are well-informed about the conditions of their policies, since the sales and underwriting moment until the subscription of the policy and the post-sale' follow-up. This is part of our responsibilities with our policyholders, so that they can make the most convenient decisions. We extend our approach with respect to agents who work with us as well as to our service offices' teams. This is according to the guidelines of our Commercialization Policy, our Code of Ethics and Conduct and our Business' Ethical Principles.



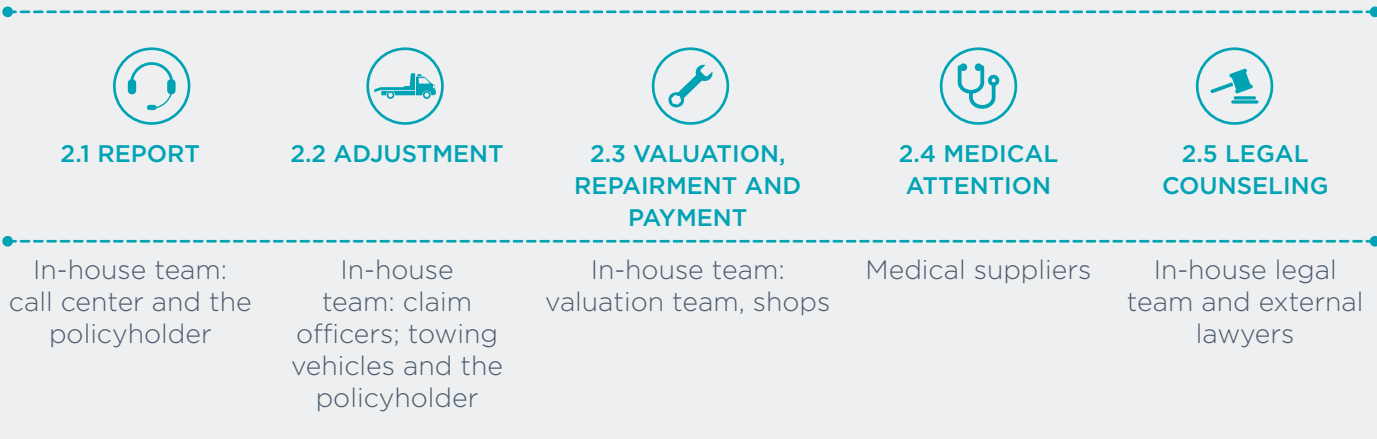
¹ Except where a broader scope of countries is pointed out.



JOURNEY THAT SHAPES OUR POLICYHOLDER'S EXPERIENCE

PART 1
ADVISORY AND CONTRACTS

PART 2
ASSISTANCE IN CASE OF A CLAIM



PART 1
ADVISORY AND CONTRACTS

DETAIL	MILESTONES OF THE YEAR
<p>1.1 CONTACTO In-house team: agents, service offices, automotive financial institutions and ODQs.</p> <ul style="list-style-type: none"> • Availability of information for policyholders and potential customers through different channels: network of service offices, ODQs, website and direct contact with agents. • Agents and our employees and service office teams work jointly under the guidelines of our Commercialization Policy, the Code of Ethics and Conduct and the Business' Ethical Principles. • The automobile financial institutions are responsible for the commercialization and marketing of insurance related to the purchase of vehicles by credit (special business segment). • The information delivered to policyholders corresponds to the conditions of policies, parties' rights and a glossary of terms to facilitate interpretation. 	<ul style="list-style-type: none"> • Continuity in the increase of our network composed by service offices and ODQs and, therefore, of our geographic coverage. There are already ODQs placed in cities with less than 100 thousand people. • Reinforcement of agents' training available at Qualitas University. • Work with universities to attract new talent to work as agents. • Continuity in the support for new agents regarding their professional certificates and financial counseling. • For service offices, continuity in the leadership program for their directors. Also support in operational aspects related to labor environment.





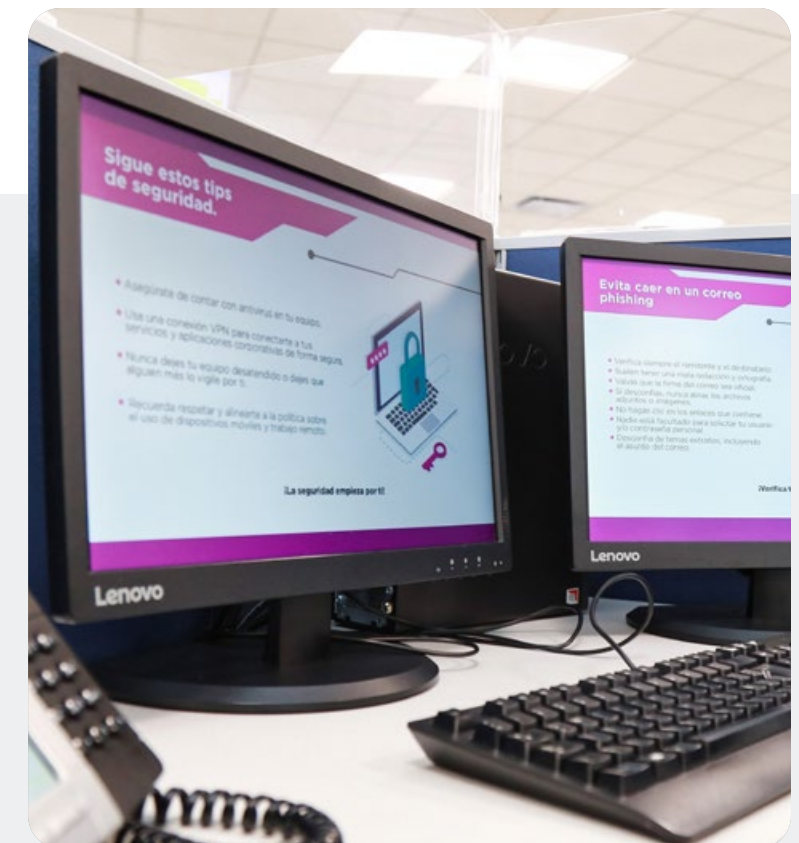
PART 1

ADVISORY AND CONTRACTS

DETAIL	MILESTONES OF THE YEAR		
	1.2 PRICING In-house team	<ul style="list-style-type: none"> The design of new products and services is led by our technical team, who considers the requests from internal and external commercial managers including service offices, agents and ODQs. Proposals are presented at the New Products Committee, which meets on a monthly basis with the participation of the technical, claims and other teams. Multiple variables are considered within Qualitas' rate setting process, among others: zip code (in Mexico), statistics in terms of accident rate, type of unit, among other factors. We offer rates based on the risk and always promoting drivers' responsibility. As an example, we have a double deductible scheme for heavy vehicles if they drive at night during certain hours and routes of higher risk. 	<ul style="list-style-type: none"> Closely monitoring the potential of technology and data analysis for product development and conditions' setting, for example those that can be obtained from telemetry. Moving forward in future products. It goes in hand with the extension of fleets using telemetry devices, as Qualitas' value proposition.
	1.3 VEHICLE INSPECTION In-house team: agents and the policyholder	<ul style="list-style-type: none"> Prior to the subscription, a vehicle inspection is carried out to the applicant through a disposable link or through the analysis of an on-site claim officer. 	<ul style="list-style-type: none"> Increase of the remote vehicle inspection.
	1.4 ROAD SAFETY SUPPORT In-house team	<ul style="list-style-type: none"> Advisory and training, support with technology and data analysis delivered to insured fleets as Part of our value proposition. Specialized training for operators and managers of companies with fleets, contributing to our value proposition. Support in the development of a road safety management system and in the attainment of ISO 19001 certificate; new service. Raise awareness of road safety issues among the public through "Conducta Vial Qualitas" (road behavior) program. 	<ul style="list-style-type: none"> 4th and 5th generation of Road Safety Diploma, which is designed and implemented by Qualitas for middle and top management customers. Qualitas offers to give advisory to prepare companies in their ISO 39001 certificate by an external third party. Update of contents in Qualitas' educational platforms: Road Behavior and Road Heroes.

More information in chapter:

[CONTRIBUTION TO ROAD SAFETY](#)





PART 2
ASSISTANCE IN CASE OF A CLAIM

DETAIL

MILESTONES OF THE YEAR



2.1 REPORT

In-house team: call center and the policyholder.

- In case of an accident or a loss, policyholders can report it by phone (to our call center) through the QMobile app or scanning the QR code of the documentation of his/her policy. The last two channels allow immediate geolocation and automatic assignment of the closest claim officer; the policyholder can also be updated in real time regarding the shift of his/her claim officer to the location of the claim.
- An alternate call center is available in case of applying the Business Continuity Plan (BCP).

- Continuity in the reinforcement of WhatsApp use for the report of claims, in cases of higher severity it is immediately transferred to the National Call Center (for example, involvement with third parties).
- Update of the 2.0 version of QMobile, to be launched in 2023.

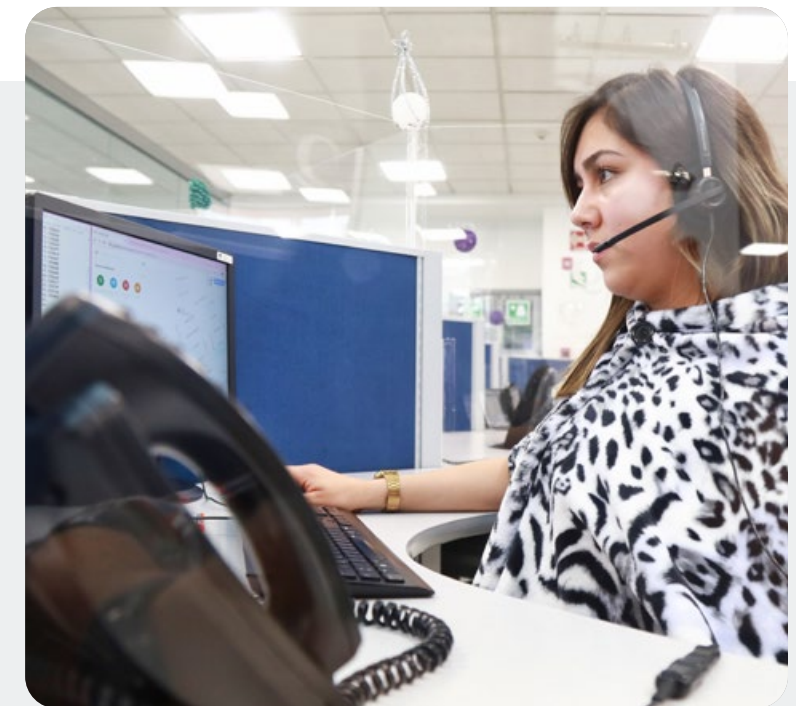


2.2 ADJUSTMENT

In-house team: claim officers; towing vehicles and the policyholder.

- With the support from our National call center team and/or technology, we register the claim and the policyholder is attended in person with his/her assigned claim officer.
- We offer the possibility for the policyholder to notify and manage himself/herself the incident through a disposable electronic link. These cases correspond to our “Express Adjustment” tool (if applicable), for example in cases with absence of a third party involved or damage of public roads.
- Specialized claim officers are available in cases of heavy equipment.
- An Electronic Unified Digital File is opened.
- If necessary, the vehicle is moved by towing services associated with the company.

- Extension of telemetry devices to all Qualicoches, including those used by claim officers, lawyers, among others. It promotes responsible driving.
- Training within the Road Safety Management Program (Sistema de Gestión de Seguridad Vial, SGSV): 211 claim officers and 236 employees of the national call center.
- The average response time during 2022 in the national call center was 0.08 seconds.
- The claim officer’s assignment and arrival to the claim place took an average of 22 minutes; and in more than 90% of the times our claim officers arrived to the place before competition.
- The use of our “Express Adjustment” tool continues to grow, which was used in 24.5% of the total claims in Mexico.





PART 2
ASSISTANCE IN CASE OF A CLAIM

DETAIL	MILESTONES OF THE YEAR	
	2.3 VALUATION, REPAIRMENT AND PAYMENT In-house team: valuation team, shops.	
<ul style="list-style-type: none"> The policyholder choose the shop that will repair his/her vehicle. Qualitas' specialized staff performs the valuation at the shop. There is a possibility of statistical valuation, being remote with fixed prices. In the case of minor claims, the policyholder has the option of using express lane as a result of our network of certified shops, which allows to shorten the time of attention. During the repairment of the vehicle, the policyholder has an additional coverage available. In certified shops, customers have a system that allows them to check the status of their repairment online. We provide the necessary parts for the repairment of the vehicle. In case of a total loss, we will proceed with the corresponding compensation according to each policy conditions. The policyholder is updated throughout the process by our team and agents. With the help of technology, we have achieved a better monitor process of each case in real time, and it is now also more accessible as it is available in the Q Indemnity Portal for agents and clients. 	<ul style="list-style-type: none"> Valuation process certified in accordance with ISO 9001 standard. Training for valuation staff with the support of CESVI and official validity; we already have 92 certified experts, meaning 87% of our total valuation staff. The number of certified shops increased to 34 for vehicles and 9 for heavy equipment (third party certification, Qualitas does not certify). 73 shops with express lane, having 9,192 units entered, with a delivery time of 2.5 days due to shortage of auto parts and global supply chains' constraints. 9.8% of the valuation is statistical (remote) (in cases where it applies); opportunity to advance in its application for heavy equipment segment. Clients' satisfaction at 93% according to Qualitas' survey at supported certified shops. 83% of clients indicate that their vehicle was delivered on time. 	
	2.4 MEDICAL ATTENTION Medical suppliers.	
<ul style="list-style-type: none"> It corresponds to a selection of medical suppliers for outpatient care or hospitalization in case of physical damage of the policyholder in the event of claim. We ensure the quality of our medical suppliers through the results of the comprehensive service survey and by monitoring other indicators. 	<ul style="list-style-type: none"> Continuous improvement of quality and efficiency, specific assessments from Qualitas (jointly with the policyholder service survey). 	
	2.5 LEGAL COUNSELING In-house legal team and external lawyers.	
<ul style="list-style-type: none"> We support the policyholder at legal procedures and processes arising as a result of the claim for legal representation at administrative and judicial institutions.. 	<ul style="list-style-type: none"> Follow-up of files and support to policyholders. 	

The satisfaction of our policyholders is monitored throughout all the stages presented above through the Comprehensive Service Survey.

In the case of suppliers, we assess their performance by high ethical, social and environmental standards seeking to ensure their commitment through our Code of Ethics and Conduct, promoting the application of our ESG policies.

We highlight that during the year we did not receive any sanctions regarding the information of our products and services, as well as marketing campaigns and communications.



In 2022, the average satisfaction rate of our clients was 87%. The service provided by adjusters, as well as attention to cabin and glass, stood out with an average satisfaction above 90%.



ALWAYS CLOSE

BOOSTING PERFORMANCE WITH **INNOVATION**

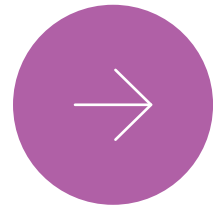
We believe that our customer experience should connect the opportunities and efficiencies that technology offers with personalized attention and a human approach.



✓ SDG

3	4	8
9	11	16

✓ STRATEGY



TECHNOLOGY FOR CUSTOMERS

GRI 3-3



We believe that our customer's experience has to connect the opportunities and efficiencies provided by technology, with personalized attention and human focus.

TO THIS END:

- ✓ We strengthen the capabilities of our employees, especially of our specialized IT team.
- ✓ We join and go along with our agents in the evolution of their relationship and closeness with clients and/or potential clients

WE DEVELOP NEW OPERATIONAL TOOLS AND/OR UPDATE EXISTING ONES. SUCH IS THE CASE OF OUR DISPOSABLE APPS, WHICH WE CONSTANTLY UPDATE AND ADJUST TO BE MORE USER-FRIENDLY. THE FOLLOWING MILESTONES STAND OUT IN THE YEAR:

- ✓ Reengineering of the process and technology used by claim officers for assistance in situ (place of the accident) and information gathering.
- ✓ Internal reengineering of the express adjustment tool for a better agility in the operation.
- ✓ Improvement of web sites used by agents such as "QSeguimiento" and "QIndemnización"
- ✓ Development of the use of WhatsApp with artificial intelligence technology to provide service to our policyholders.
- ✓ Updated version of QMobile (2.0) app, in order to attend more stages within the customer service process and contact needs, without neglecting personalized attention to our clients.
- ✓ Extension of the scope of telemetry devices to a higher number of insured units, see detail in this chapter



Disposable Apps

	VEHICLE INSPECTION	CLAIM REPORT	EXPRESS ADJUSTMENT	EXPRESS GLASS	FOLLOW YOUR TOW TRUCK	EXPRESS TOTAL THEFT
Users	Policyholders, offices and agents	Claim Officers	Policyholders	Policyholders	Policyholders	Qualitas Insurance Company and policyholders
Description	Sending photos and completing information	Activation of the process through the QR code of the policy holder Attention to claim Administrative process management and location submission activities	Reporting of incidents that comply with the corresponding criteria Sending of supporting photos	Same mechanism as express adjustment, but for glass damage cases	Real time tracking of assigned service location	Report of the cases and triggering of Qualitas internal process

WhatsApp - to report a claim and request road assistance, this year it is also possible to manage the payment of total losses



Fleet devices

GRI FS7, FS8

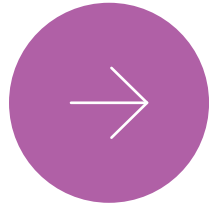
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We offer our policyholders with fleets the use of telemetry devices that generate information with main purpose of detecting and activate accident prevention measures. Likewise, we have the option of geolocation devices for the vehicle in case of theft.

At the end of 2022, we were able to install 5,820 telemetry and tracking devices in insured units; written premiums of fleets with devices represented \$60 million pesos (MXN), 0.14% of total written premiums from the holding company.

In Mexico, out of the vehicles stolen from our policyholders, 71% of those with tracking devices were recovered and 45% of the total; this last figure is aligned with the industry average, according to data from the Insured Risks Coordinating Office (Oficina Coordinadora de Riesgos Asegurados, OCRA).

FLEET DEVICES - QCS 2022		
	WRITTEN PREMIUM	% TOTAL WRITTEN PREMIUM QUALITAS CONTROLADORA
Tracking (for recovery in case of theft)	2,131,102,294	5.07
Telemetry (for driving monitoring)	80,689,391	0.19
Integrated (both uses)	91,215,510	0.22



SYSTEMS' SECURITY

GRI 3-3, 418-1

Our operation has increasingly digital support and data analysis, to continuously improve our customer's experience. Therefore, risk management as to cybersecurity becomes more relevant for Qualitas and the global industry.

Thus, we permanently reinforce our security of information systems, working on:

- 1 Internal guidelines
- 2 Control and monitoring of systems
- 3 Awareness and training of employees, clients, suppliers and partners such as agents and the service offices team.

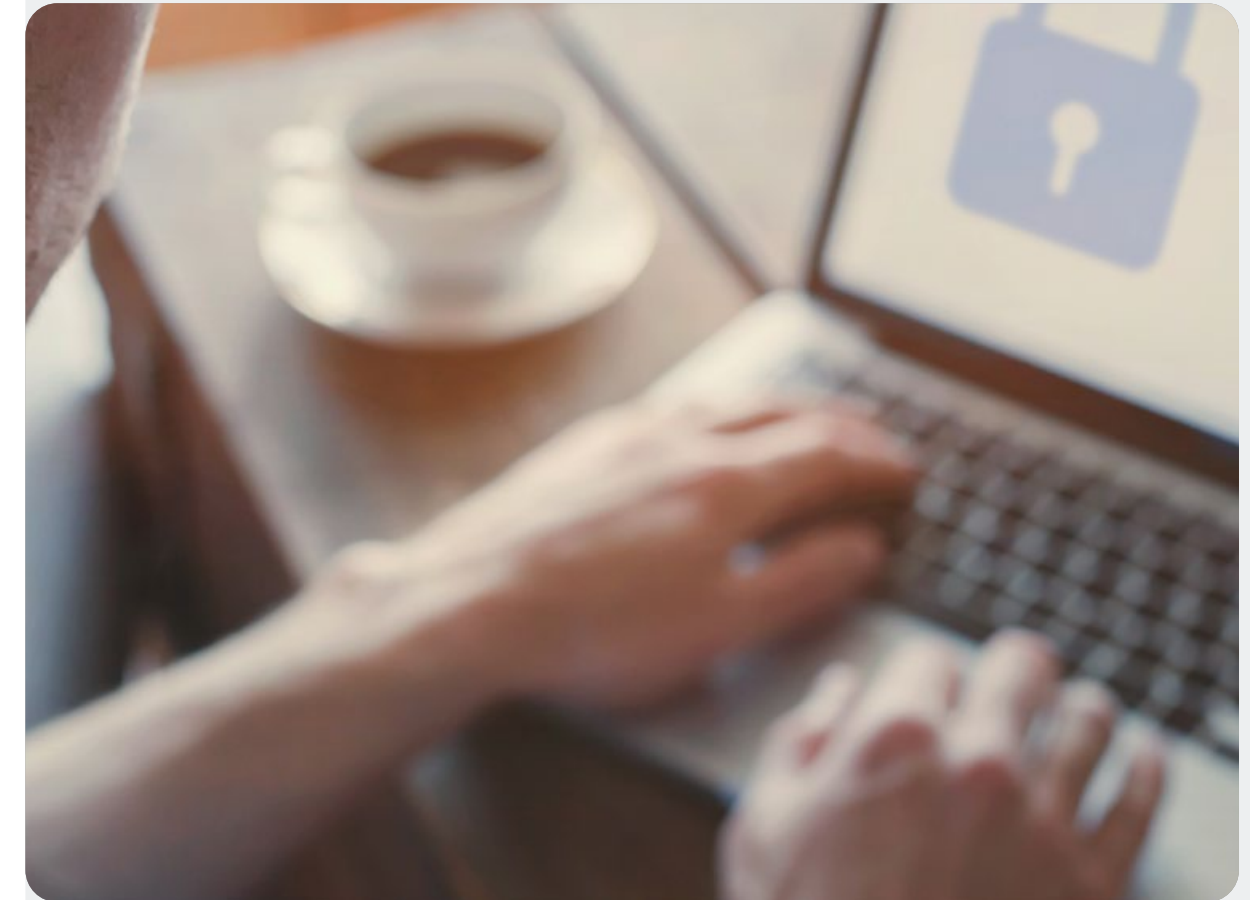


We have the PCI certification, an international standard that promotes the establishment of good practices and security standards.

We require our employees to use data responsibly and respect privacy. Undoubtedly, having data allows us to identify clients needs in a more agile and robust manner, as well as to work on improvements.

We have policies, processes and guidelines, applicable to all our employees. Likewise, we ask them to inform us on the risks they identify in their respective processes, thus reinforcing the control and monitoring of all our activities.

Thanks to timely data management and the initiatives mentioned above, during 2022 we had no incidents related to the leakage and/or theft of client data, nor complaints for misuse. Aligned to the preventive focus, we have a policy against cybersecurity attacks for USD\$1 million.



We trained
5,654

employees of insurance companies in Mexico (including QSalud), Costa Rica and El Salvador in Personal Data Protection. Also 1,210 employees of the service offices (Mexico).



We detail below the management of Qualitas Compañía de Seguros, a subsidiary of reference due to its operating size.

MAIN LINE OF ACTION	PERFORMANCE
<p>✓ Self-regulation</p>	<p>We have several policies to regulate our employees' performance and mitigate risks derived from the misuse of systems and/or information. Each subsidiary sets forth its policies, taking as an example the Information Security Policy of Qualitas Compañía de Seguros.</p> <p>The Business Continuity Plan (BCP) is led by the IT area and requires the participation of the different areas and employees.</p>
<p>✓ Monitoring and control</p>	<p>INFORMATION SECURITY CERTIFICATION</p> <p>We are certified in accordance with the Payment Card Industry, Data Security Standard (PCI DSS) ensuring online payment of our customers in our systems, for the operations of Qualitas Compañía de Seguros.</p> <p>We have an officer in charge of monitoring the compliance and application of the guidelines of the standard.</p> <p>The certificate has allowed us the advanced in the encryption of card data and development of secure code applications.</p>
	<p>SYSTEMS EVALUATION</p> <p>An external specialist in IT issues assesses for Qualitas Compañía de Seguros throughout the year.</p> <p>The annual test of operational processes at an alternate site was carried out with favorable results.</p> <p>To reinforce our controls, we also conducted an external hacking test to the QMobile app, with successful results. .</p>
	<p>OTHER MEASURES</p> <p>Investment in technology to reinforce access controls for employees to our systems, including recognition options.</p>
<p>✓ Culture</p>	<p>Training on PCI certificate requirements integrated in the mandatory annual Certificación Q.</p> <p>Sending of "Security tips" to our employee network to raise awareness of information security.</p> <p>Testing with internal phishing simulations to our employees (social engineering)</p>

Home office safety guide


1 Do not send information with personal data. If you do, send them in a protected document with password.

2 Check the extension of a file before downloading it.

3 Use an antispam filter in your email.


4 Be especially cautious when opening emails from unknown senders or with suspicious content. Do not trust the name, as it may be phishing, check the sender's email.

5 Do not click on links that request bank details, or that come from unknown emails, look for the address on the internet to verify that it is legitimate.

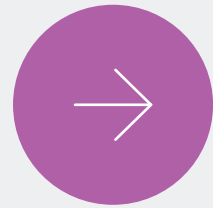


Protect your information!

INFORMATION SECURITY DEPARTMENT



Qualitas



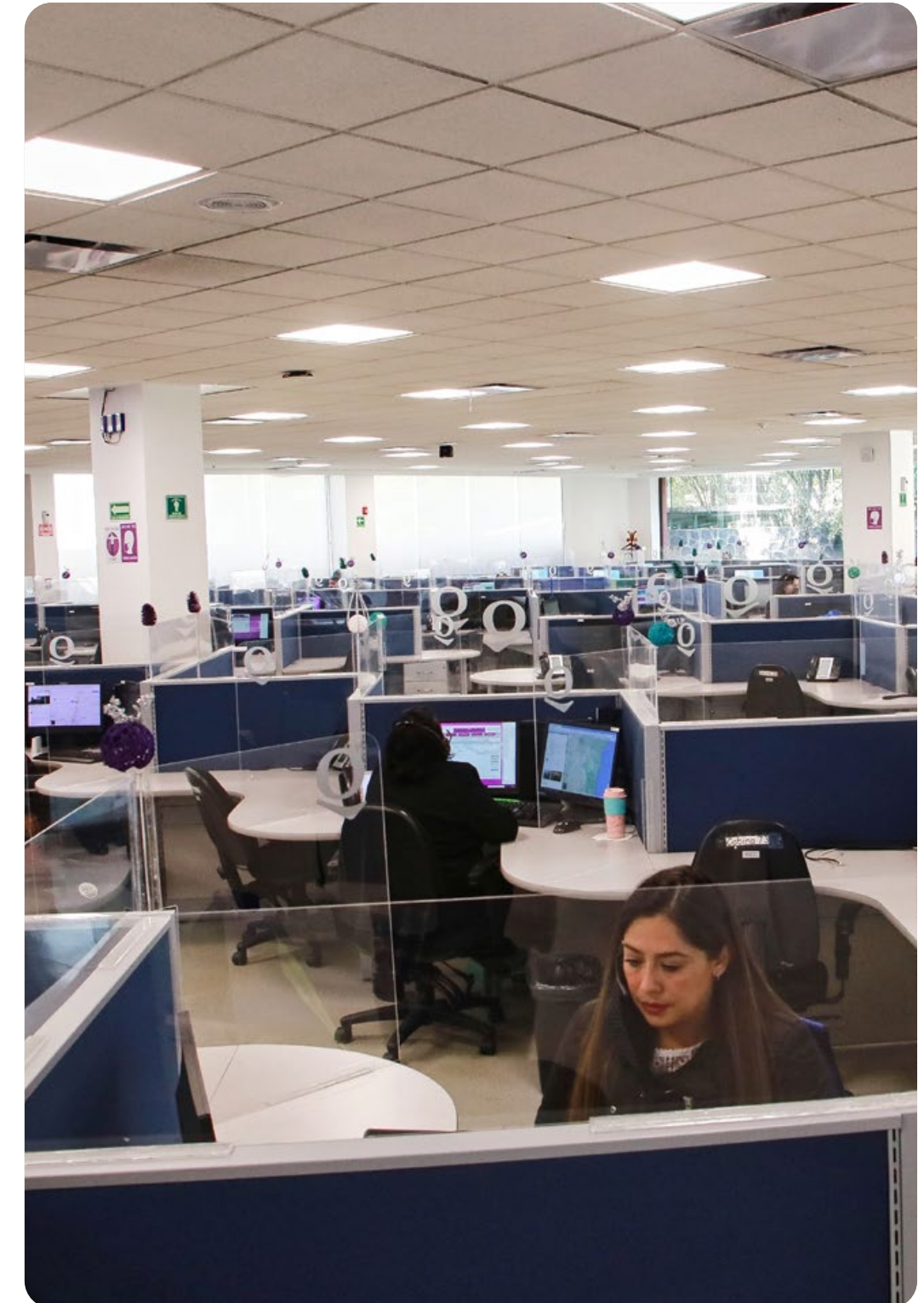
OPERATIONAL CONTINUITY



In all of our operations we seek continuity in processes and infrastructure, jointly with our employees.

At Qualitas Compañía de Seguros, we are binded to adhere at the guidelines established in the Business Continuity Policy, applicable to the entire staff.

The IT team is responsible for the design and execution of the Business Continuity Plan that operates under the command of the Chief Executive Officer to be applied in case of any event that may require it.



SIEMPRE CERCA

SHARING RESPONSABILITY

In order to decrease accidents, both for our clients and for society, we have a solid road culture program to raise awareness on the responsibility in the prevention of accidents and to promote a better use of the road.

✓ SDG

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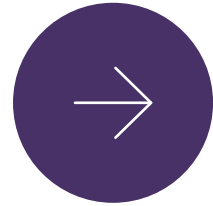
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11

16

✓ STRATEGY





CONTRIBUTION TO ROAD SAFETY

GRI 3-3



Road safety is a priority issue in Qualitas; therefore, we promote the best international and local practices.

Mobilizing the Policyholder

As part of our added value for clients, we have an integral accident prevention program. Insured fleets with premium over \$5 million pesos may participate. In accordance with our purpose of greater prevention, we continue to strengthen and communicate the measures for safe driving.

The program which began in Mexico, is already available in the USA, Costa Rica and Peru.

TYPE OF SERVICE	DETAIL	INDICATORS
Advisory	Analysis of public accidents data and of the information obtained from monitoring and alert devices. Joint causality analysis sessions to design action plans to reduce accidents.	More than 335 fleets receive monthly road safety advice.
Sensibilization	Preparation of informative bulletins with the main risks that we identify together with our clients. Also, a road safety microsite for heavy equipment with training and sensibilization material.	Road safety bulletins: 111 publications.
Training	Defensive driving training program for drivers recognized by the Ministry of Labor and Social Security (Secretaría de Trabajo y Previsión Social, STPS). Diploma course led by Qualitas experts, aimed at middle and top management of our client's companies, also for agents specialized in heavy equipment and Qualitas claims executives. Online course for fleets, with a premium of over \$3 million pesos. These last two programs are developed remotely through Qualitas University. We are also releasing a new e-learning module with the main subjects of defensive driving, which is already available on a specific portal for cliets.	4 th and 5 th generation of the Diploma course; 1,684 participants in total.
Management support	Accompanying companies with fleets to set up their Road Safety Committee, facilitating the process and planning. Additional participation in data analysis sessions.	Manual for the constitution and operation of Road Safety Committees.
Technology	Delivery of telemetry devices on loan, which allow companies to monitor driver management.	5,820 telemetry devices installed; fleets representing \$60 million pesos (MXN) of insured premium.
Certification	Support in preparing companies for the certification of their ISO 39001 road safety management system. By 2023, we will strengthen this support for the internal equipment of Qualitas and our clients through external specialists.	Specialized training for Qualitas team and clients.

QC initiatives



Setting an example from our equipment

GRI 3-3, 403-1, 403-2, 403-5

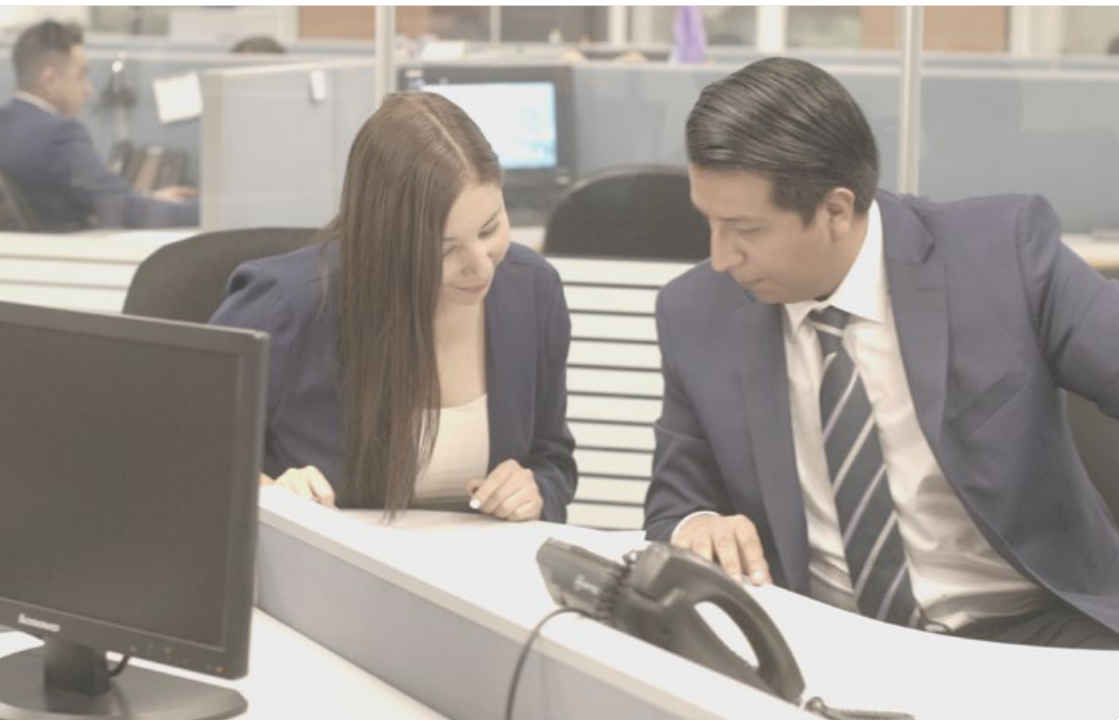
Claim officers are exposed to more risks than other employees in their travels to the place of the accident and during the attention in situ to the policyholder.

At Qualitas Compañía de Seguros we have implemented a Road Safety Management System (SGSV), based on the ISO 39001:2012 Standard, which covers the adjustment process and attention in the call center. Training includes courses on risk factors, defensive driving and risk minimization in the adjustment.

In 2022, we trained 211 claim officers and 236 employees of the national call center in two road safety courses as part of the Road Safety Management System (SGSV).

In order to reinforce the safety of our employees during their activities in situ, they have a road safety kit (which consists of a vest with reflective elements, cones and a turret), we have 211 devices installed in Mexico City and we continue to make progress in the integration of telemetry devices in our vehicle fleet (Qualicoches).

The devices provide statistical driving information, drivers representing a risk are observed and directed to prevention-raising sessions.





Contribution to society

GRI 3-3

As part of our corporate responsibility, we are aware that promoting road awareness in society is the best mechanism for loss of lives prevention. We take advantage and share our experience in the subject for anyone who owns a vehicle.

Our insurance company in Mexico has the Qualitas Road Behavior program (Conducta Vial Quálitas), which offers monthly articles, downloadable bulletins, statistics and safety tips, among many other materials. They are useful for vehicle drivers, but also for other road users such as cyclists and pedestrians. It has a webpage conductavialqualitas.com.mx that offers extensive information of public access complemented with e-mail campaigns to clients, agents and employees.

At Qualitas Compañía de Seguros we also continued with the Road Heroes initiative, for preventing traffic accidents in heavy equipment units, through different materials and focused campaigns. Likewise, the Good Driver Test and a specific version for cargo transport operators (fleets), which allows self-assessment to identify behaviors and habits to prevent accidents.

During 2022, we also entered into an alliance with Knives & Bikes, a group of chefs and food lovers which carry out motorcycle tours, to be part of its "Rodada Mayor". The premise was to reflect on the need to reduce traffic accidents that may occur while riding these vehicles.

+138,600 visits to the Qualitas Road Behavior website

+4,670 subscribers to our monthly newsletter

+3,500 applications of the Good Driver test

+1,500 applications of the Good Operator test

+397,000 messages and road sensibilization campaigns to our Qualitas Agents

+80,000 operators reached through videos "If the Road Could Talk" of the Road Heroes Campaign

+167,000 monthly road sensibilization messages to the Qualitas database

+45,600 views to Qualitas Road Behavior YouTube videos



ALWAYS CLOSE

DEVELOPING OUR TALENT

We form a strong team, **providing development and growth opportunities for our employees.** In the face of the pandemic's impact, we maintained our operations and prioritized the safety and health of our entire team.



Sweetheart! I couldn't wait until arrived home to tell you that I got the promotion at Quálitas. We need to celebrate!

✓ ODS

3	4	8
9	11	16

✓ ESTRATEGIA



TEAM EFFORT

Demographics and diversity

DEMOGRAPHICS

GRI 2-7, 2-30, 405-1

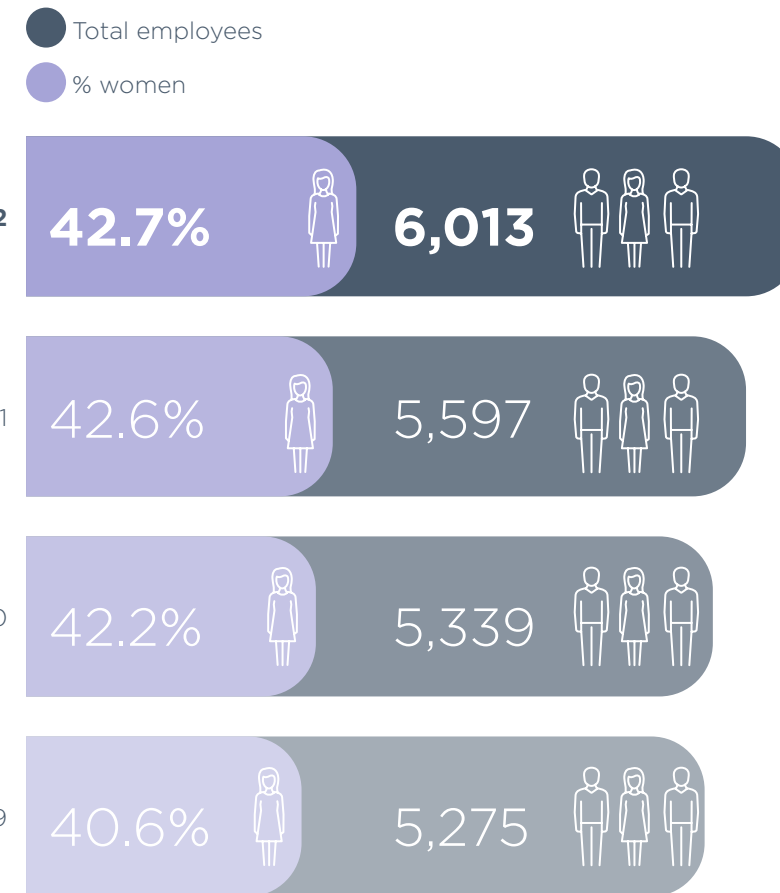
We have a solid workforce, which makes up a team of excellence in the different subsidiaries that conform Quálitas Controladora.

We ensure that there is a culture of respect for human rights and non-discrimination, valuing diversity and commitment of our employees.

Work teams in
5
countries

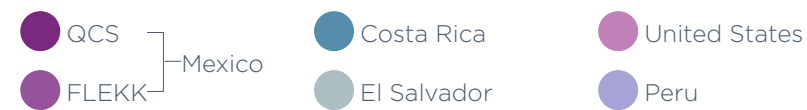
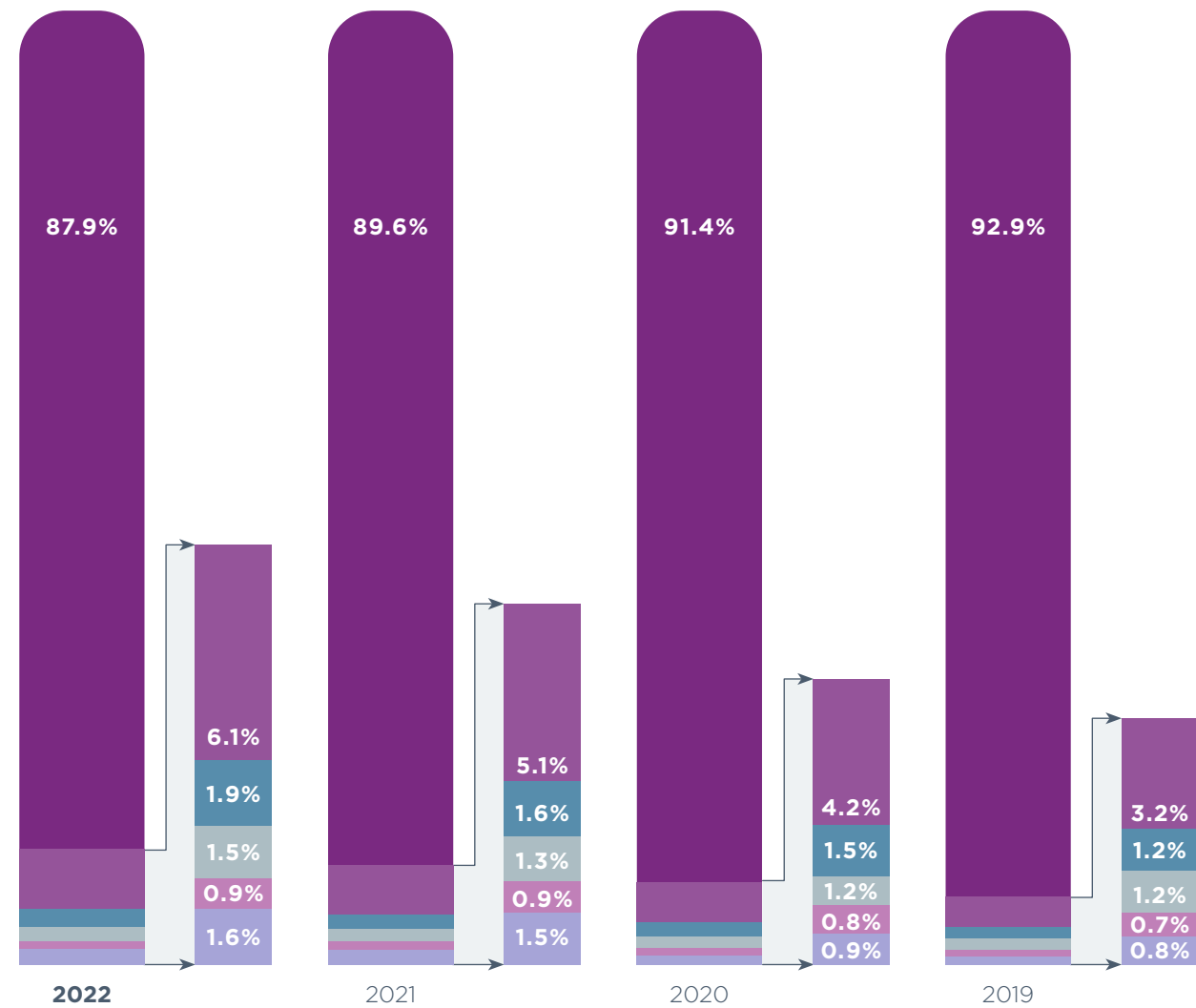
6,013
employees
+7.4%

Total employees | % Women 2019-2022 | Quálitas Controladora

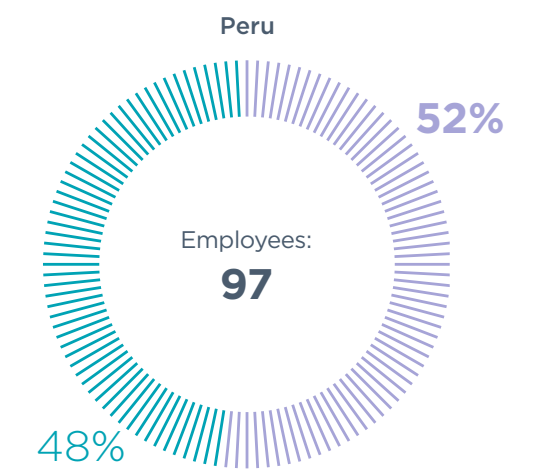
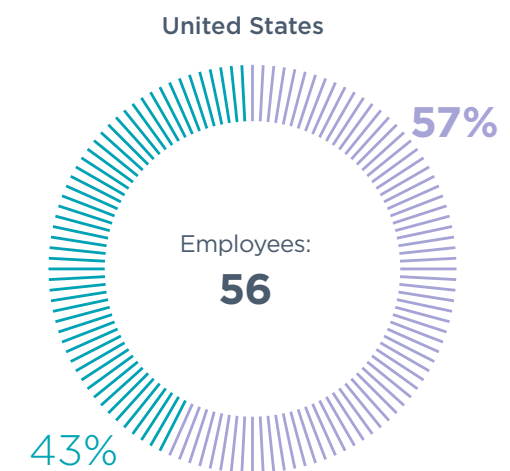
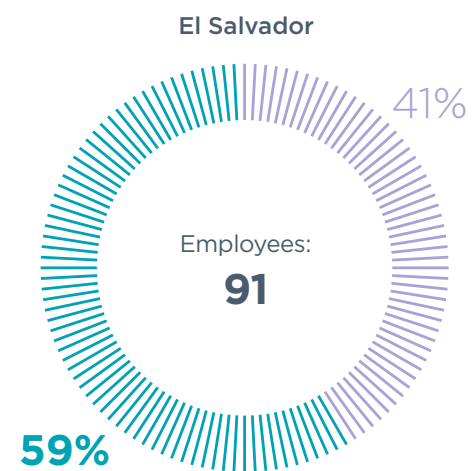
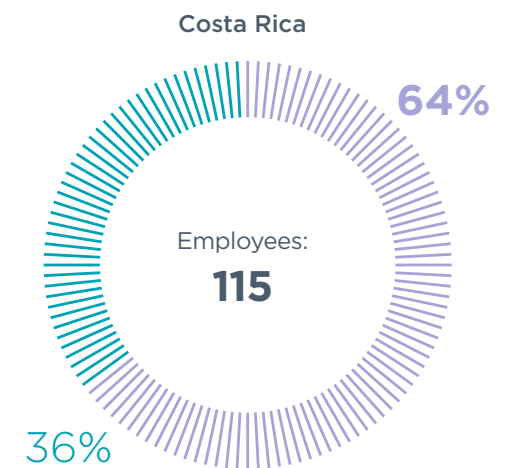
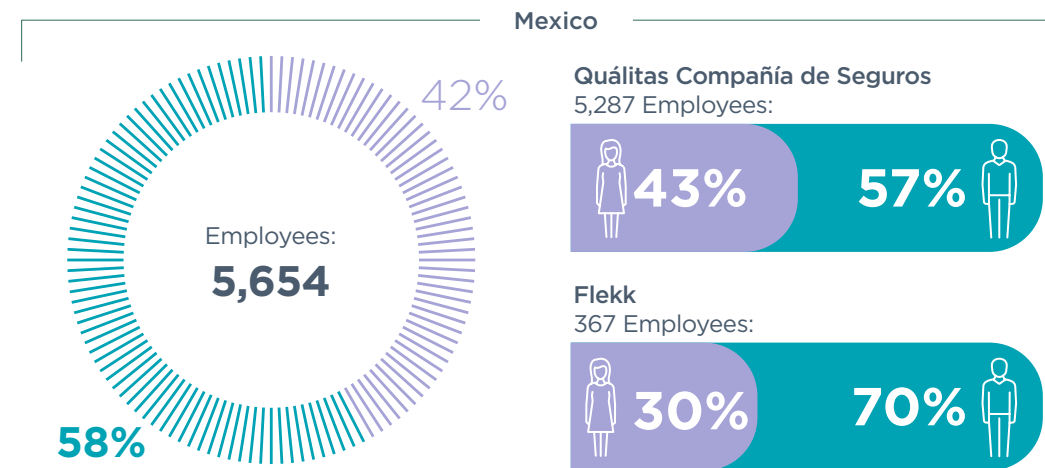




Quálitas Controladora
Percentage of labor demographics by country



2022



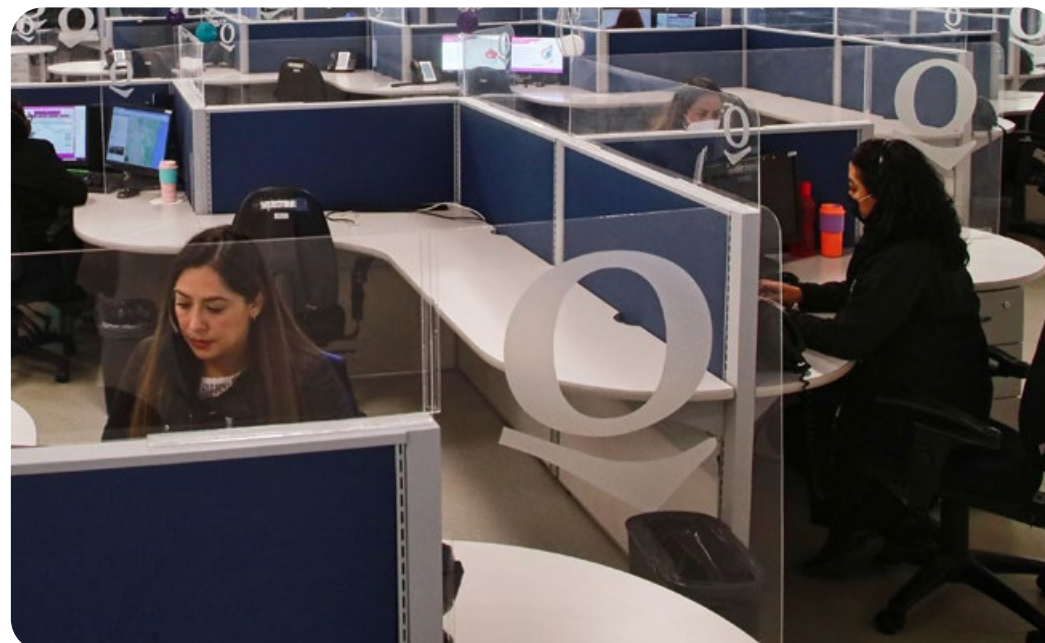


Quálitas Controladora 2022 Labor Demographics - detail

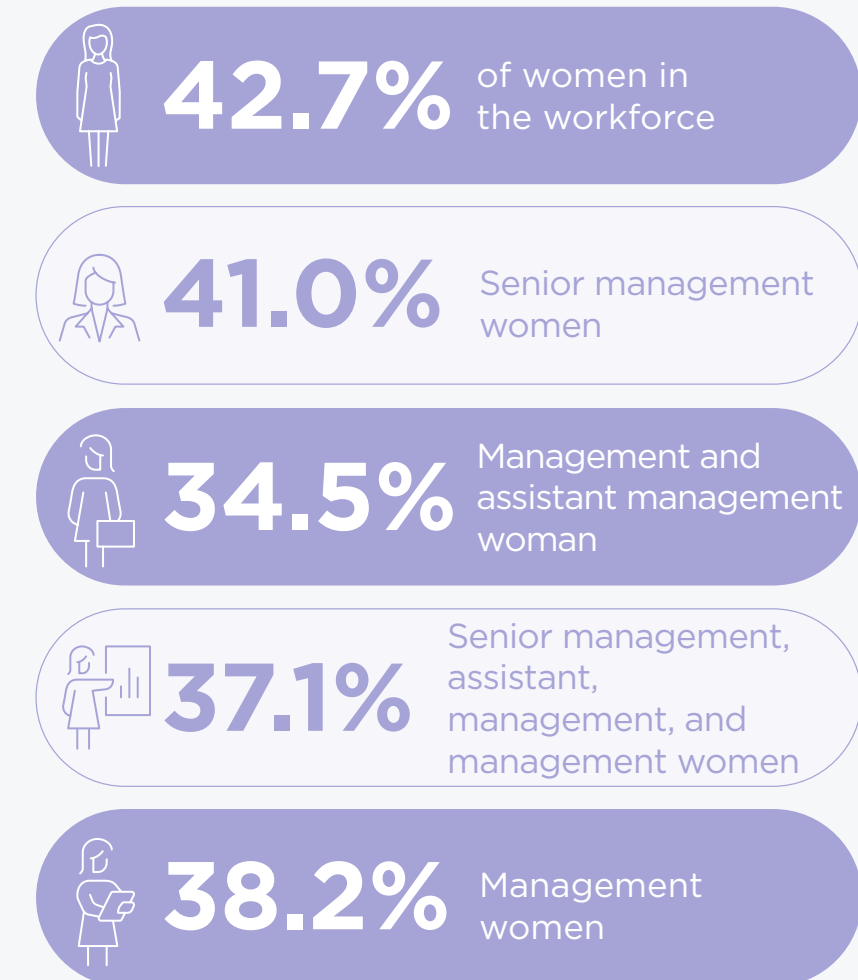
WORKFORCE 2022 - QUÁLITAS CONTROLADORA								
	LESS THAN 30 YEARS		BETWEEN 30 AND 50 YEARS		OVER 50 YEARS OLD		TOTAL	
	Women	Men	Women	Men	Women	Men	Women	Men
Director	0	1	7	7	9	15	16	23
Subdirector	1	0	15	32	6	17	22	49
Manager/Submanager	2	1	87	121	5	30	94	152
Coordinator/Supervisor	54	68	278	446	18	46	350	560
Analyst/Assistant	474	509	1,098	1,735	68	144	1,640	2,388
Auxiliary	251	123	188	132	8	17	447	272
TOTAL	782	702	1,673	2,473	114	269	2,569	3,444

The year-on-year breakdown by professional category, age and gender is presented in [EXHIBIT I: DETAIL OF ESG RESULTS](#).

We guarantee our employees freedom of association, so that they can have union representation, while complying with our labor responsibilities.



DIVERSITY



We have a strong commitment to non-discrimination reflected in several codes and relevant documents, such as the Code of Ethics and Conduct, the Human Rights Policy and the Commitment to Diversity.



Qualitas Compañía de Seguros has been voluntarily certified in the Mexican Standard NMX-R-025-SCFI-2015 on Labor Equality and Non-Discrimination and as a result of the process, we have been implementing the following measures:

- ✓ **We implemented** inclusive language in all company policies.
- ✓ **We have** action plans and corrective measures aligned to the standard.
- ✓ **We have** an Equality and Non-Discrimination Committee to supervise the implementation of good practices.
- ✓ **We strengthen** the recruitment and selection process by implementing non-discrimination and equality measures.
- ✓ **We appointed** an ombudsperson whose role is to supervise the compliance with the standard and deal with cases of discrimination.

In the Mexican insurance company, we have a specific policy of Respect for People and their Diversity.



As a result of these efforts, for the second consecutive year we are part of the Bloomberg Gender Equity Index.





Talent attraction and retention

GRI 401-1

We guarantee employment stability to our workforce and at the end of 2022, 99.2% of our employees had an indefinite agreement (Qualitas Controladora).¹

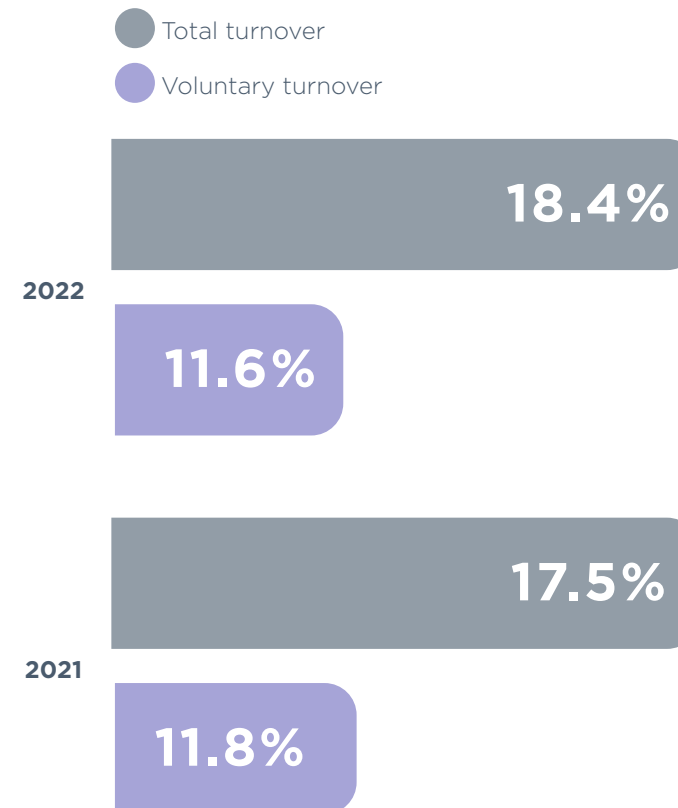
To meet the company's growth opportunities, with new positions and development of subsidiaries, we continue to generate new hires, having incorporated 1,713 employees. Particularly in Mexico there is an initial temporary contracting model; at Qualitas Compañía de Seguros we hired 1,360 employees in the year in this way and then 51.8% joined with an indefinite agreement (at the end of the year there were still employees with an initial temporary agreement period).

We also generated internal growth opportunities. At Qualitas Compañía de Seguros, we covered 22.8% vacancies² with internal staff promotions.

We generate an attractive place for the development of employees, and we care about their well-being, as detailed throughout this chapter. At the end of 2022, we had a total turnover rate of 18.4% at Qualitas Controladora. The relocation of Flekk with a change of office had an impact on the turnover rate.

As part of our appreciation for our employees, at the time of separation, those who are over 60 years old and have 10 years of seniority are entitled to a one-time contribution to support their retirement.

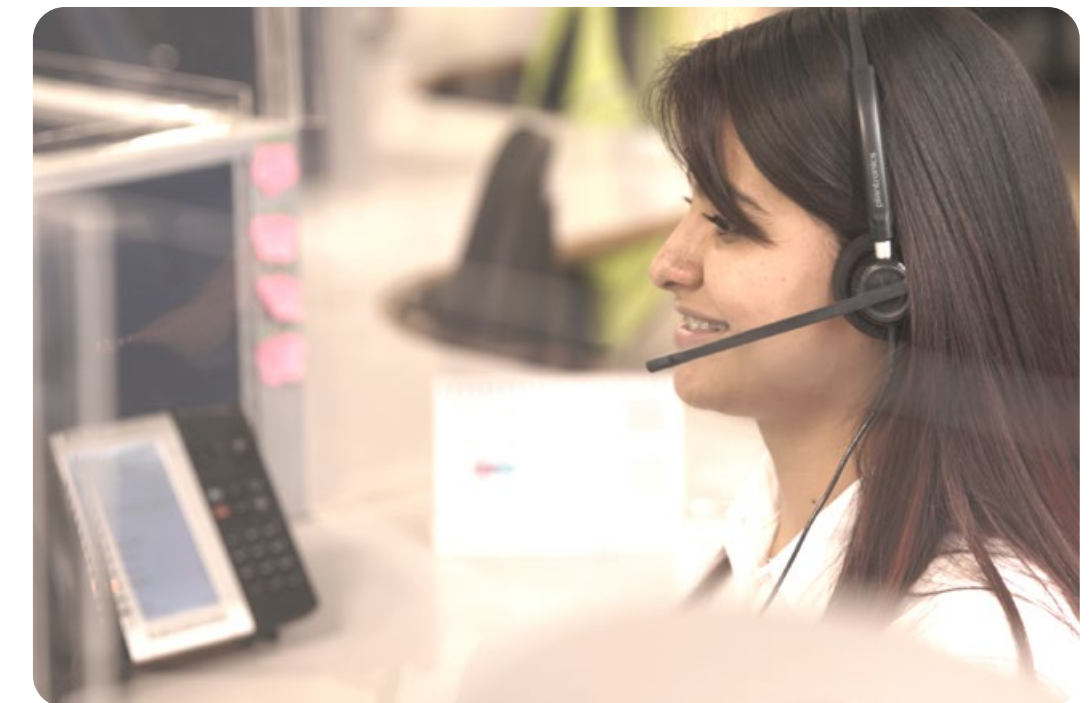
Turnover - Employees with an indefinite agreement



Notes: The total turnover was calculated as Voluntary and Involuntary terminations with indefinite contracts / Active employees as of December 31st with indefinite contracts.

At Qualitas Compañía de Seguros, we continue to attract employees through our Talent Seedbeds. These aim to accelerate the technical training of demanded profiles and new hires within the company. Those with the best performance in the seedbeds eventually join our staff.

During the year, seedbeds were held for personnel from ODQs, call centers, and adjusters, with 1,360 participants. A total of 326,703 hours of training were provided, and 100% of the participants were incorporated into our staff.



¹ The difference is due to the initial three-month contract model in Mexico, pursuant to the labor practice in the country.

² The total number of vacancies includes the positions that were vacant more than once during 2022.



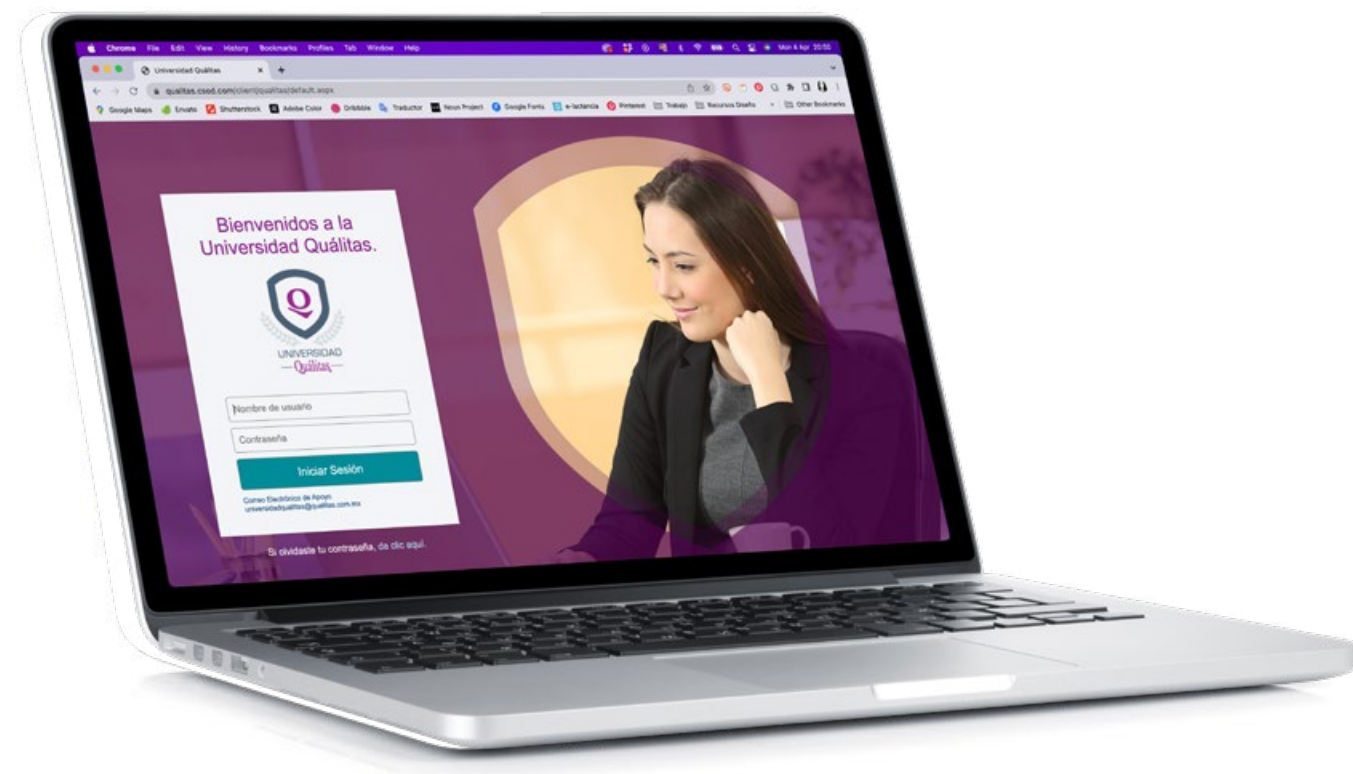
Training and career development

GRI 2-19, 2-20, 3-3, 401-2, 404-1, 404-2, 404-3, 405-2

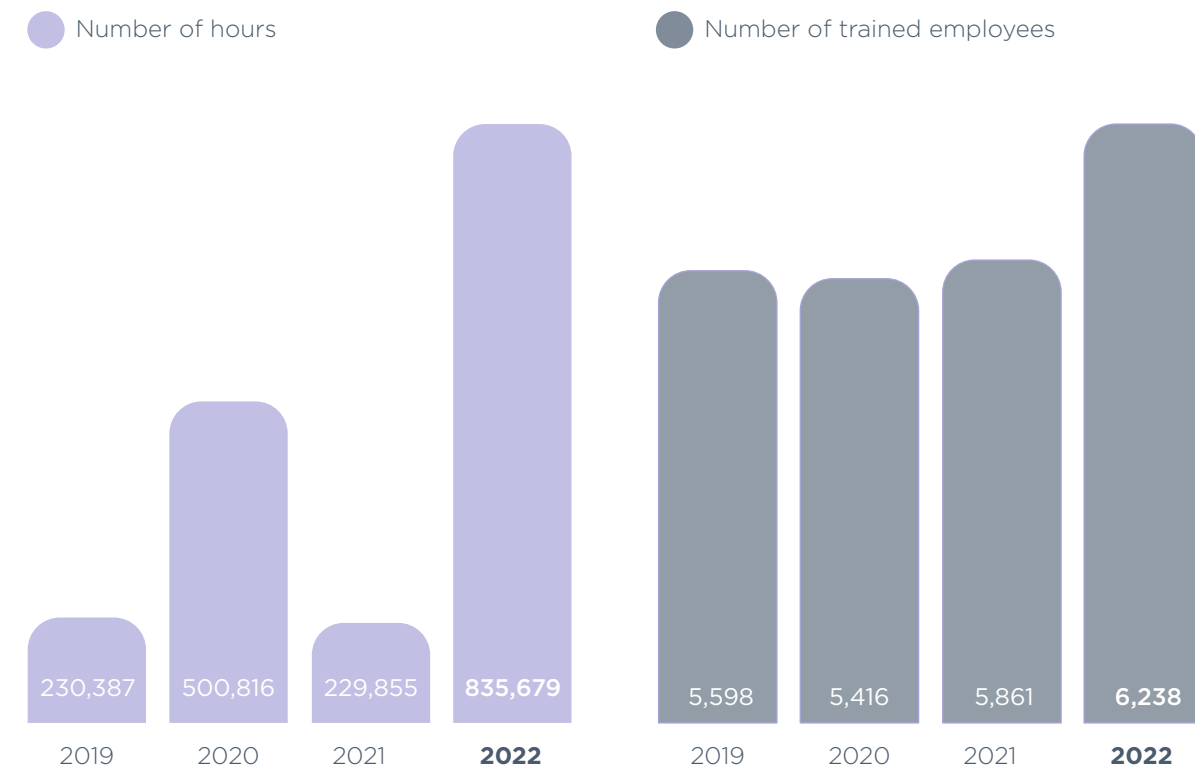
We value the skills and knowledge of our teams, and we seek their continuous development through different training strategies.

Qualitas University is our reference platform, which concentrates most of the training offer and includes specific programs in the different subsidiaries. The University is also open to external stakeholders, such as agents, suppliers and customers.

Training hours for employees 2022:



Evolution Qualitas University 2019-2022





As part of our training, we have **specialized programs for employee leadership**. The following stand out:

Diploma in strategic leadership competencies (CEL):

- ✓ carried out in collaboration with Anahuac University. This program seeks to develop leadership competencies for direct positions so that they can form teams with commitment, competence and efficiency. In 2022, 116 managers from the different subsidiaries participated in this program.

Qualitas Leadership Diploma:

- ✓ Created in 2020 and continuing; it promotes the internal collaboration of teams and the company's culture of values. In 2022, 791 employees in middle and upper management participated.

Other outstanding programs

Qualitas Compañía de Seguros

- ✓ **Certificación Q:** course package on Code of Ethics and Conduct, Money Laundering Prevention (MLP), Policy of Conflicts of Interest and Personal Data Protection.
- ✓ PCI Information Security **training program**.
- ✓ **Training** of health and safety brigades.
- ✓ **Training** of civil protection brigades.
- ✓ Más información en:
 - 🔗 [HEALTH AND SAFETY SECTION](#)
 - 🔗 [ETHICS AND COMPLIANCE CHAPTER](#)

FLEKK

- ✓ The workshop on team strengthening stands out, with a focus on constructive leadership, and the Leader Development Program, which helps reinforce employees' career paths.

Other insurance subsidiaries

- ✓ **Costa Rica: Second** generation of the technical insurance course, with 25 participants.

Reinforcing the relationship with clients, we provided a total of 5278 training hours to clients, out of which the most outstanding programs were: Sales Technician delivered through the Spanish Insurance Institute (Instituto Español del Seguro, IES), Economic Perspectives Talks, Insurance Congress, and Qualitas' own subjects (Products, Affinities, Portals, etc.).
- ✓ **El Salvador** has reinforced its training agenda, highlighting the integration of work teams and the operational application of the instructions for the prevention, detection and control of money laundering.

It also has a series of training and workshops to strengthen employees' soft skills such as speaking and presenting to an audience, in addition to leadership skills.
- ✓ **In Peru** stands out the training program on financial health which had 90 participants. There were also meetings on mental health, healthy eating and other subjects related to employee's wellbeing with more than 200 participants.
- ✓ In the **United States** the focus continued to be related to the operation, processes and products. There was also training on how to deal with complaints and fraud prevention, as well as on the prevention of harassment in the workplace.



As a complement of the referred courses, Qualitas Compañía de Seguros also held in the year a series of webinars to enhance soft skills. 2,994 people participated, including agents, customers, service office staff and employees.

In addition to our courses and training, we have the Financial Education program, which seeks to promote personal financial health, both for our employees and agents.

FINANCIAL EDUCATION WORKSHOPS	PARTICIPANTS
Quálitas Compañía de Seguros	
Employees	767
Office directors	272
Agents	135
Costa Rica	7
El Salvador	6
Flekk	1
Total	1,188

✓ During 2022, we had a total of 1,188 participations in the different financial education courses and workshops that were taught.

We continue with the formal development of performance evaluation processes, to contribute to our employees' professional growth. This process is already ongoing in all subsidiaries.

In accordance with our Salary Administration Policy, remunerations consider the results of the performance evaluation, guaranteeing equal salaries for equivalent positions with the same seniority.

Breakdown of indicators at: [EXHIBIT I ESG RESULTS DETAIL](#)





Health and Safety

GRI 3-3, 401-2, 401-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

We are committed to safeguarding our employees' health and security, as well as their comprehensive wellbeing, with different initiatives.

In a context of openness of the measures adopted during the pandemic, we have maintained the care and application of protocols, and adopted the provisions of the various authorities throughout our operations.



Wellness programs and initiatives - Qualitas Compañía de Seguros

CORNERSTONE	PROGRAM/INITIATIVES HIGHLIGHTED		HIGHLIGHTED INDICATORS
Physical	<ul style="list-style-type: none"> Health days through the Mexican Social Security Institute (Instituto Mexicano del Seguro Social, IMSS). Medical evaluations. Prevention campaigns. Medical insurance for children and/or spouse. Physical and sports activation. COVID-19 tests and consultation services. Influenza vaccination campaign. 	Adjust your emotions - Cross-cutting program (hotline)	<ul style="list-style-type: none"> 567 employees participated in the Health Days 6,124 medical consultations 62 wellness communications sent 1,583 dependents with medical insurance 132 participants in physical activation (Yoga) 1,676 medical consultations related to COVID-19 799 employees + 41 relatives vaccinated against influenza
Financial	<ul style="list-style-type: none"> Training sessions on financial education. Funeral expense plan agreement. School packages. Savings bank. Financing facilities (housing and automobile) and other support. Life insurance. Discount on vehicle policy. Elaboration of wills.. 		<ul style="list-style-type: none"> 1,188 participants in financial education sessions in financial education sessions 69 grants for funeral expenses 39 employees made their will 693 school packages 2,407 participants in the savings account 537 car loans in force as of December 2022 All employees have life insurance
Social and labor	<ul style="list-style-type: none"> Scholarships for our employees' studies. Social and recreational activities for families. Voluntary work. Discount agreements with universities for our employees' relatives . Breastfeeding rooms. 		<ul style="list-style-type: none"> We invested MXN\$1,875,720 in scholarships benefiting 85 employees, 62% of whom are women. 500 employees' children participated in the scholarship program and summer course. 845 participants in reforestations in Mexico City and Monterrey (employees and relatives). 11 employees used breastfeeding rooms.
Mental-emotional	<ul style="list-style-type: none"> Adjust your emotions program hotline. Webinar series available on topics such as mental health, emotional intelligence and inclusion, etc. 		<ul style="list-style-type: none"> 689 cases attended through Adjust your emotions. 10 webinars.

Note: Health insurance, awareness-raising activities, training and hotline apply to all employees.



We seek that employees find their well-being through a balance between professional and personal life, including maternity and paternity.

At Qualitas Compañía de Seguros, we decided to extend the days of leave over the legal minimum established. During the year, 137 employees exercised this leave, out of which 71% were women.

It was recorded that 100% rejoined the workforce after ending their maternity/paternity leave.

75.6% of employees who completed one year in 2022 after their reinstatement following maternity/paternity leave, remain in the company (Qualitas Compañía de Seguros).

As to **occupational health**, we report below the management at Qualitas Compañía de Seguros, representing most work centers and 87.9% of employees.



Risks are identified with the support of Security and Hygiene Commissions at each work center, which carry out four rounds per year. We have 217 security and hygiene brigade members.



Improvements identified from the results of the psychosocial risks, applied in accordance with the Mexican Official Standard NOM-035-STPS-2018. For specific cases where the position represents greater risks, we perform more specific evaluations.



Policies and codes are updated based on the risks,. An example of this is the Road Safety Policy, aimed at the activity of the claim officers in dealing with accidents on the road.



We contribute to the promotion of a culture of prevention, self-care and adherence to health and safety standards, through awareness-raising and training actions. This is the case of training for our claim officers in the framework of Road Safety Management System, as well as different periodic messages throughout the year for the entire workforce.



In response we have an Adjust your emotions program in all insurance subsidiaries. Through a helpline managed by third-parties specialists with access via telephone, mail and mobile application, we provide legal, financial, psychological advice and even dietary counseling. In the US we have a similar tool called Trinet.



In cases of emergency (fire, earthquake, others) we have protocols established in conjunction with Civil Protection brigades. Response groups in these cases are composed of our voluntary employees, who at the end of 2022 totaled 1,039 employees with 9,645 hours of training.

We consider it relevant to specify health and safety measures in two of the highest risk job profiles who are claim officers in the insurance business and the cargo staff at Flekk.



Claim officers: We implemented the Road Safety Management System in accordance with ISO 39001, including the review of processes, strengthening of guidelines and monitoring of driving and training.

For further information, see the chapter:

[CONTRIBUTION TO ROAD SAFETY.](#)



Cargo staff: We have training in the guidelines of the Mexican Standard NOM-036-STPS-2018 on ergonomic risk factors at work. We also have driving courses for forklift operators.



Work environment

GRI 3-3, 406-1

We are proud to know that employees are committed to their responsibilities, maintaining a focus on excellence in customer service.

We guarantee employment stability and appropriate working conditions, complemented with opportunities for growth and professional training. We promote a culture of teamwork, fostering leaders who set an example within the company.

In this regard, this year we began to measure two new indicators in the team: Employee Net Promoter Score (eNPS) and the diversity and inclusion subfactor, which measure employee loyalty and commitment to the company and the level of agreement or disagreement.

We continued implementing the organizational climate survey, at Quálitas Controladora level. This year, we added specific dimension to the 7 dimensions we were evaluating on diversity and inclusion. During 2022, 88% of the workforce participated. For the Passion variable, which illustrates the commitment and identification of employees with the company, we obtained 91 points out of 100, 1 point above the previous year.

The survey is important because:

- ✓ Results are presented to the directors and their respective work teams to know about the labor situation and, thus, make the best decisions and implement the required adjustments.
- ✓ Directors make an improvement plan which is monitored and presented at the Corporate Practices Committee.
- ✓ Monitoring employee conditions allows us to identify our areas of opportunity and improve accordingly, guaranteeing the best experience for employees, improve internal communication and avoid abusive practices.

We also facilitate the application an organizational climate survey at service offices to people responsible in order to have the pulse of teams and establish specific action plans.

We are also responsible for responding to complaints made to the Q-Transparency line. In this year, 109 reports were notified, out of which 40 correspond to cases of harassment and/or discrimination, and which we attended.



The 7 P's of Organizational Environment

The survey assesses the 7 P's that make up Organizational Environment:

- Participation
- Passion
- Peace

- Plurality
- Progress
- Property

- Purpose



 Answer the Organizational Environment Survey from November 28 to December 9.

The survey is: Anonymous | Confidential | Provided by a supplier

Contact: mesadeserviciorh@qualitas.com.mx



INSURANCE COMPANY

It is everybody's responsibility to build a good labor environment.

Pursuant to NOM-035

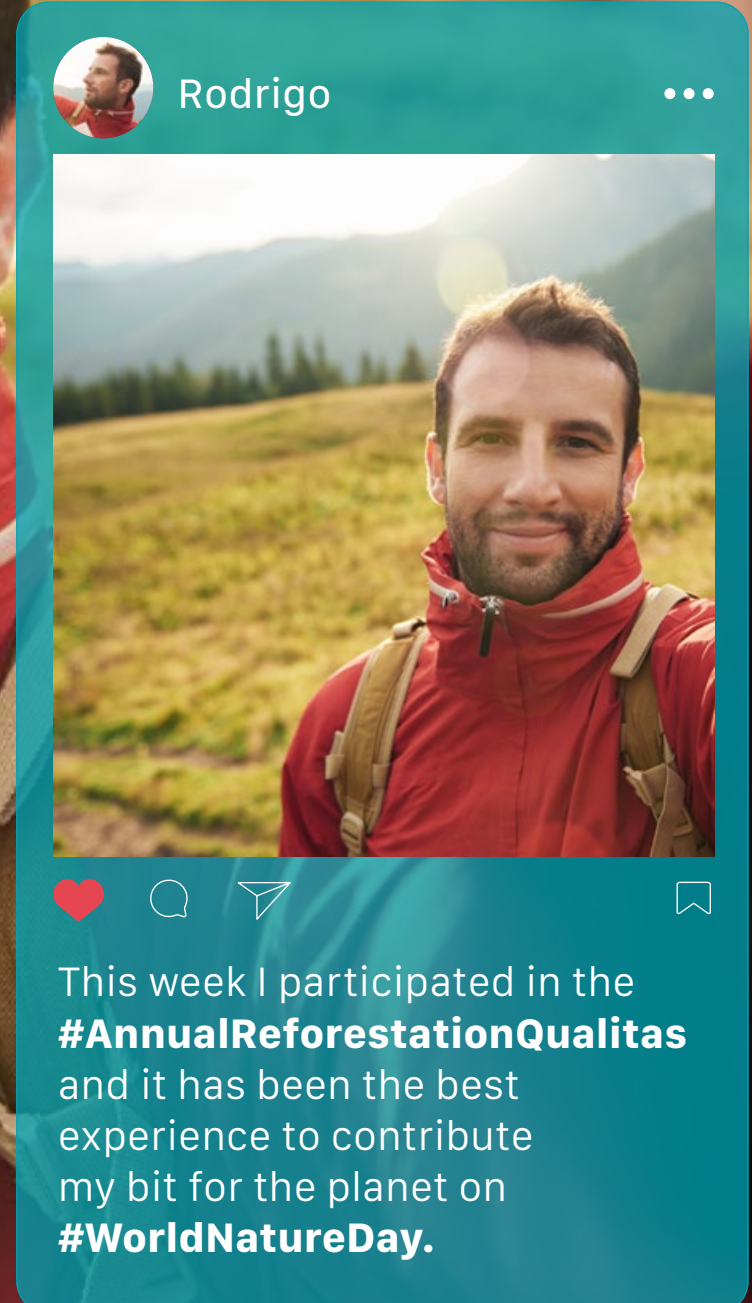
¹ Purpose, Progress, Participation, Passion, Plurality, Peace and Property.



ALWAYS CLOSE

ACTING IN FAVOR OF THE PLANET

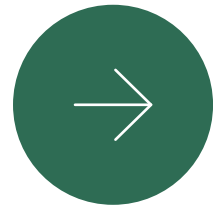
We are advancing in eco-efficiency measures in our operation. We are responding to the impact of climate change with insurance solutions that contribute to reducing greenhouse gas emissions.



✓ SDG

3	4	8
9	11	16

✓ STRATEGY



ENERGY MANAGEMENT AND GHG EMISSIONS

GRI 3-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3,
305-4, 305-5, 305-7

TCFD GDR-B, MYO-A, MYO-B

The following diagram represents the use of fuels
and electricity within our direct operations:

INSURANCE BUSINESS

Electricity in:

- 1 Administrative buildings

Fuels in:

- 1 Own facilities of all subsidiaries, canteen equipment and emergency plants (LP gas and diesel).
- 2 Qualicoches and utility cars owned by the company and all its subsidiaries (gasoline).

NON-INSURANCE BUSINESS (SUPPLY OF SPARE PARTS, GLASS AND GLASS REPAIR)

Electricity in:

- 1 Administrative facilities
- 2 Warehouses

Fuels in:

- 1 Own vehicles for commercial activity and own transportation (complemented with transportation contracted to third parties).

ENERGY HIGHLIGHTS

178,532.83 GJ energy consumption,
+2.41% with respect to 2021

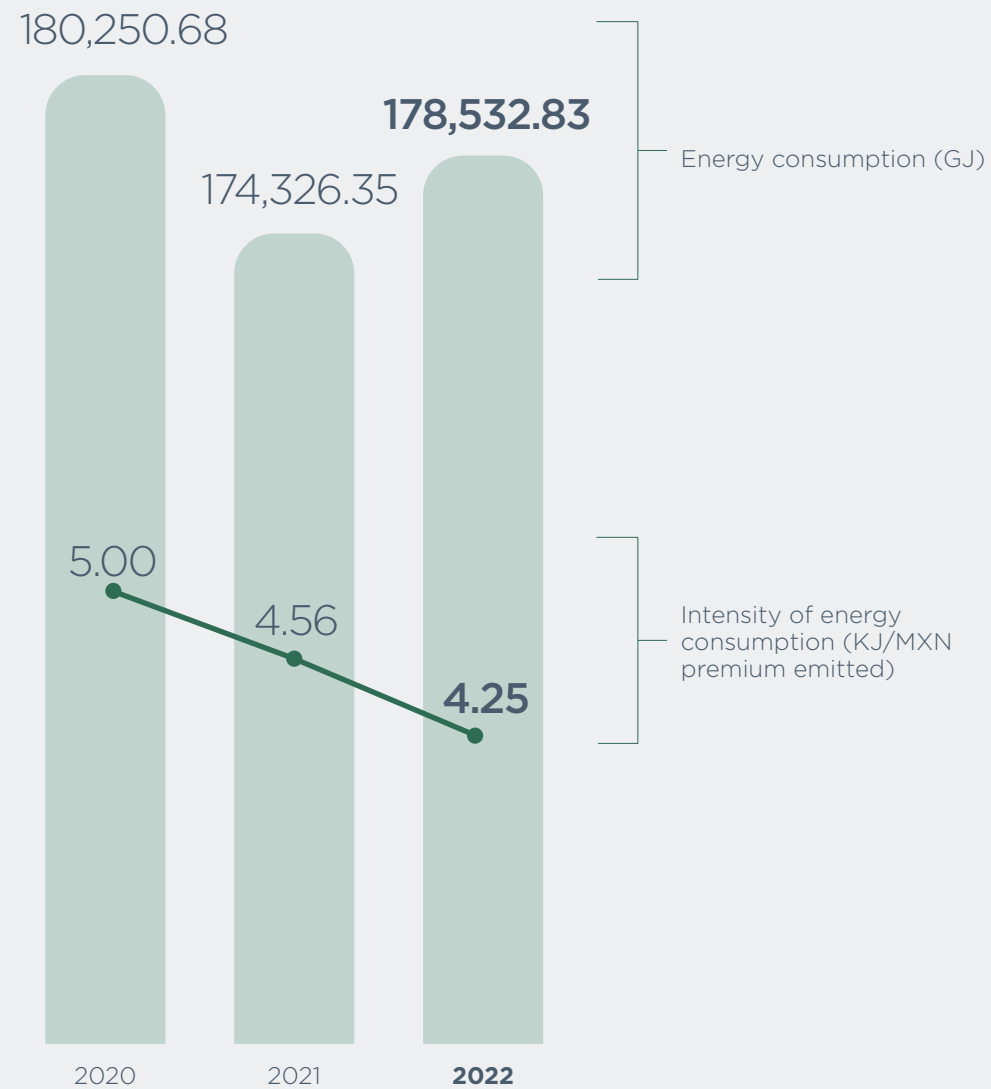
84.2% fuel consumption
corresponds to gasoline
(consumption in Qualitas
Controladora own vehicles)

4.25 KJ/MXN of emitted premium
of intensity in energy
consumption, -7.7%
compared to 2021

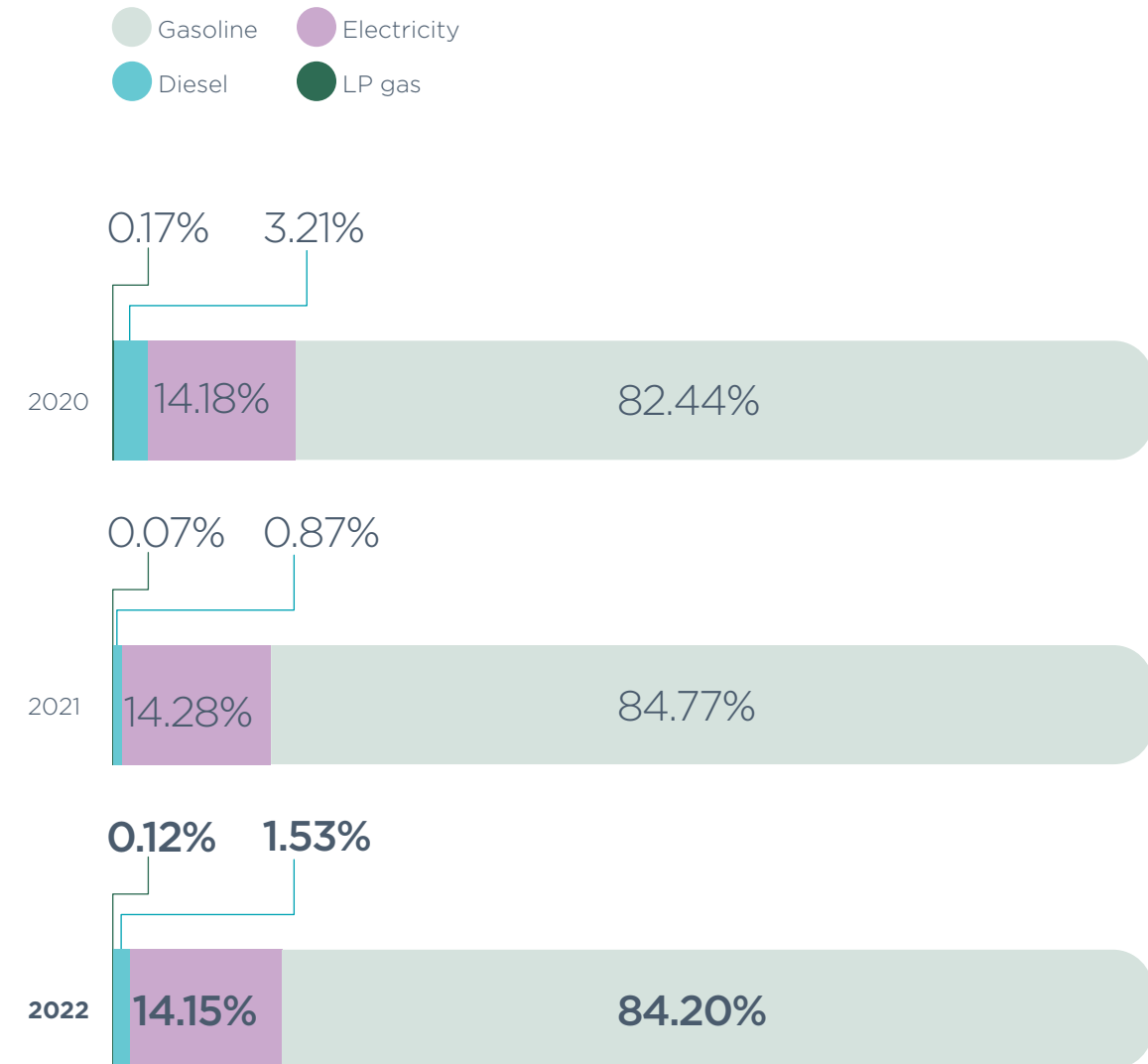
91.66% energy consumption
corresponds to Qualitas
Compañía de Seguros activity



Energy consumption in relation with intensity - Qualitas Controladora



Breakdown of the consumption per type of energy per GJ - Qualitas Controladora





Our objectives are to achieve a **greater efficiency in the use of energy and decrease the consumption of fossil fuels**. We started the following initiatives at Qualitas Compañía de Seguros for our direct operation:

- ✓ **Promotion** of the express adjustment which does not require the claims officer to travel since the claim is attended through an application. In 2022, it represented 24.45% of claims handled in Mexico.
- ✓ **Reduction** of gasoline consumption through the incorporation of hybrid vehicles to Qualicoches' fleet. At the end of the year, Qualitas Compañía de Seguros had 24% of hybrid cars in its Qualicoches' fleet.
- ✓ **Installation** of solar panels in 3 Qualitas' administrative offices.

In addition, we are already promoting both objectives in our **value chain**. We highlight the support that we have begun to provide to service offices, which are managed by specialized allies, so that they can install solar panels. Since 2021, we have supported 6 offices, with a total amount of MXN\$343,500; we already provided resources to two of them for the purchase of LED bulbs.

With respect to policyholders:

- ✓ **Assurance** of hybrid and electric cars in natural gas fleets.
- ✓ **Reduction** in fuel consumption as a result of reduced speed changes due to the installation of telemetry devices that promote responsible driving.

Thanks to initiatives in our direct operations, we decreased the emissions intensity of Scope 1 and 2.

Every year we carry out our inventory of GHG emissions at the Qualitas Controladora level based on the methodology of the Greenhouse Gas Protocol (GHG Protocol), developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), we also use what is established by the Mexican authority for the National Registry of Emissions (RENE). Under this guide, the organizational scope of the company was established and the sources of GHG emissions were determined. Finally, the approach of the International Standard ISO 14064 Part 1 was also considered.

📄 [GHG EMISSIONS INVENTORY REPORT](#)

GHG EMISSIONS HIGHLIGHTS

14,180.8 tCO₂e

Scope 1 and 2 emissions, +4.03% with respect to 2021.

0.34 tCO₂e/MXN

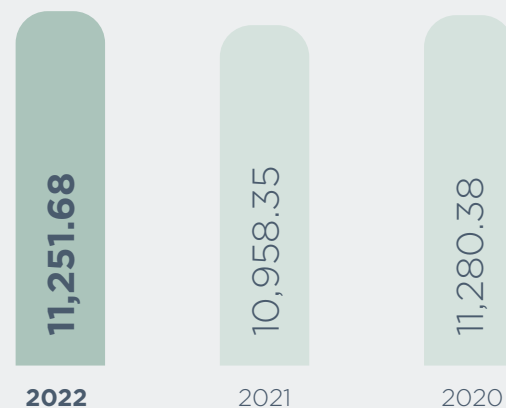
emissions intensity A1+A2, -9.07% with respect to 2021.

92.17%

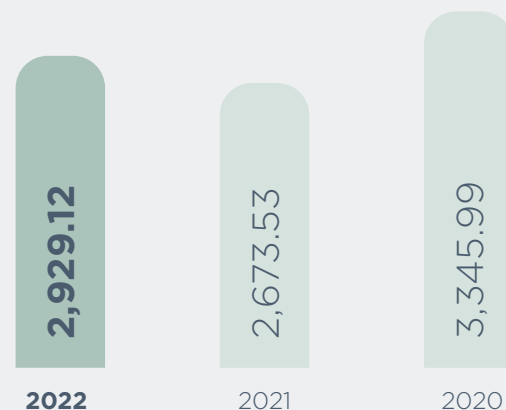
of emissions (A1+A2) corresponds to Qualitas Compañía de Seguros activity.



Breakdown of A1 emissions per subsidiary (tCO₂e) - Qualitas Controladora



Breakdown of A2 emissions per subsidiary (tCO₂e) - Qualitas Controladora



This year, the electricity consumption of the ODQs moves from Scope 2 to Scope 3. A recalculation of emissions was carried out in the inventories from 2019 to 2021.

For the detail of Scope 3 emissions, see:

[EXHIBIT I: DETAIL OF ESG RESULTS](#)





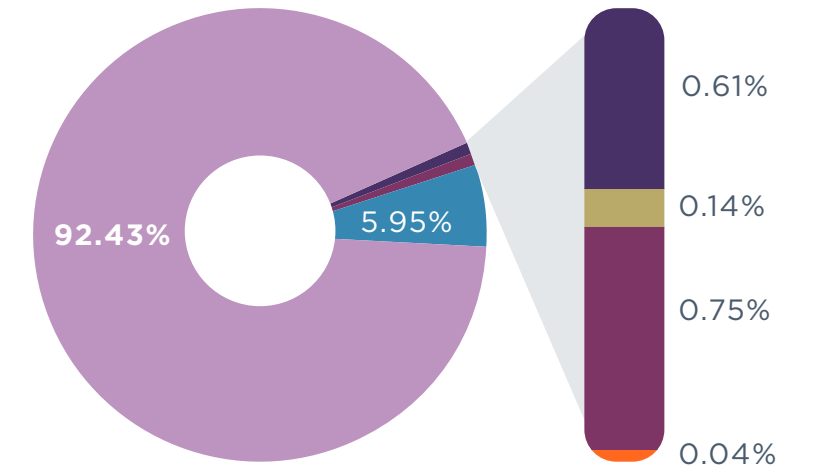
QUÁLITAS CONTROLADORA



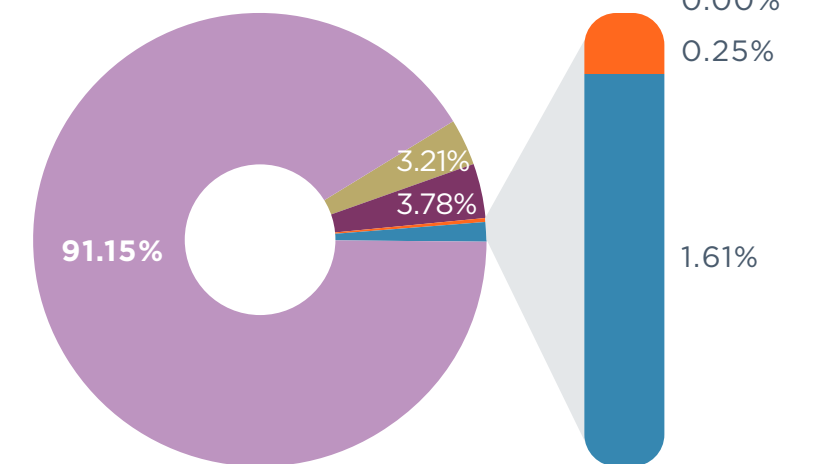
Breakdown of A1 emissions by subsidiary

Breakdown of A2 emissions by subsidiary.

Qualitas controladora 2022 - Scope 1



Qualitas controladora 2022 - Scope 2



- Qualitas Compañía de Seguros
- Flekk
- Qualitas Costa Rica
- Qualitas El Salvador
- Qualitas Insurance Company
- Qualitas Peru



Other environmental initiatives

WATER

Due to the type of activities that we carry out within the insurance and non-insurance business, we do not require a significant demand for water. However, we are aware of the significance of optimizing the use of water and we have implemented saving measures. We also have wastewater treatment plants in two of our work centers in Mexico.

For further details, see:

[EXHIBIT I: DETAIL OF ASG RESULTS](#)



“ONE DOWNLOAD FOR ONE TREE” CAMPAIGN

In 2020, we introduced our campaign “One download for one tree”, as part of our commitment to environmental preservation. With it, we seek to reduce deforestation in the country, by donating a tree for every digital download our clients make of their general policy on the website.

During 2023, we will be carrying out reforestation for the first time considering the accumulated downloads since the campaign began (2021-2022).

We will donate more than 3,400 trees that will be planted in the municipality of Tepoztlán, activity that will involve the participation of our employees jointly with the community.

To find out about our volunteer and reforestation activities during 2022, please go to:

[SOCIAL INVESTMENT EXHIBIT.](#)

WASTE

In our activity as an insurance company, we indirectly generate as waste the parts that are replaced at shops and agencies for our customers as a result of a claim. Our subsidiary Flekk is responsible for the collection of residual parts, which are sold to take advantage of and recycle material. In the case of tires, we seek an appropriate management of this waste through specialized suppliers.

Flekk is currently removing scrap from approximately 35% of repair centers, shops and agencies with whom Qualitas Compañía de Seguros works; we expect to reach close to 100% by 2023.

Regarding waste from activities within our offices, we can highlight the following measures:

- ✓ **Reduction** of paper waste due to process digitalization. It includes the digital processing of files.
- ✓ **Reuse** of electronic waste for social purposes through the management of a specialized third party.

For further detail:

[EXHIBIT I: DETAIL OF ASG RESULTS](#)



Flekk has removed more than 117 thousand pieces of plastic, fiberglass and sheet metal.



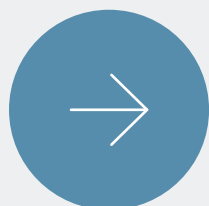
At Qualitas Compañía de Seguros: we recycle more than 1,164 kg of paper and 7,526 kg of electronic waste.



ALWAYS CLOSE

FOCUSED ON
GENERATING
POSITIVE
RESULTS

Our economic performance exceeds industry results in Mexico, even though challenges persist. Quálitas has shown the ability to adapt to change.



ECONOMIC PERFORMANCE

Relevant financial data

GRI 3-3, 2-4

At Quálitas, we have the ability to adapt to change and resilience in the face of the constant challenges within the context where we operate, as well as the global trends in the insurance industry and the culture of prevention. These are opportunities that we have identified precisely, allowing us to be at the forefront and ensuring the continuity of our operations and business.

Automobile insurance industry is cyclical, meaning it is highly dependent to the economic environment. During 2022, we anticipated to identify those socioeconomic challenges that could impact us, and took necessary action to strengthen our strategy and with that, our operations. Having said that, we positioned ourselves as leaders in Mexico's auto insurance industry, demonstrating through our financial results the solidness of our business.

The total written premiums exceeded our expectations and projections. In Mexico, our main market, it was again driven by the traditional segment and the closeness we have with our agents. In addition, around 50% of our growth is related to the rate adjustments we have made according to inflation and loss ratio.



At the holding company level, we reached a new record high in insured units with more than 4.8 million units.





In the following table, we present the main financial indicators and their evolution compared to last year.

MAIN FINANCIAL INDICATORS					
Figures shown in million MXN					
Income statement	2022	2021	Δ 22-21 % p/e ratio	2020	2019
Written premiums	42,036	38,224	10%	35,947	36,158
Retained premiums	41,458	37,923	9.3%	35,566	35,953
Earned premiums	39,969	36,067	10.8%	36,779	35,279
Acquisition Cost	9,454	8,831	7.0%	7,791	7,780
Loss cost	28,194	23,437	20.3%	19,210	21,105
Technical result	2,321	3,799	(38.9%)	9,777	6,393
Operating Expenses	1,289	1,317	(2.1)%	2,397	1,990
Operating Result	1,032	2,491	(58.6%)	7,387	4,410
Comprehensive financial result	1,423	2,273	(37.4%)	1,975	2,882
Taxes	245	986	(75.1%)	2,564	1,934
Net Result	2,209	3,778	(41.5%)	6,798	5,358
BALANCE SHEET					
Total assets	75,988	71,888	5.7%	69,039	63,041
Total Investments	37,094	36,798	0.8%	37,122	32,679
Technical Reserves	42,162	37,850	11.4%	34,312	35,896
Total Liabilities	56,469	51,509	9.6%	49,977	49,477
Total Equity	19,519	20,379	(4.2%)	19,061	13,564
ICOSTS INDICATORS					
Acquisition Ratio	22.8%	23.3%	(49)	21.9%	21.6%
Loss Ratio	70.5%	65%	556	52.2%	59.8%
Operating Ratio	3.1%	3.4%	(38)	6.7%	5.5%
Combined Ratio	96.4%	91.7%	470	80.8%	87.0%
Adjusted Combined Ratio*	97.4%	93.1%	430	79.9%	87.5%
PROFITABILITY INDICATORS					
Return of Investments (ROI)	3.1%	5.6%	(250)	4.8%	8.2%
ROE 12m	11.1%	19.2%	(809)	41.7%	47.3%



*Refers to the sum of acquisition, loss and operational costs, divided between the earned premiums, presented for the purpose of comparing with international indexes.

Note: Adjusted data from 2019 and 2020 to reflect new financial statement consolidation of 2021. This change means that the sales of the vertical subsidiaries are now included in the operating expenses category under 'other income/expenses,' and the cost of sales is included in loss costs.



Written premiums

GRI 3-3, 2-4, FS6
SASB FN-IN-000.A



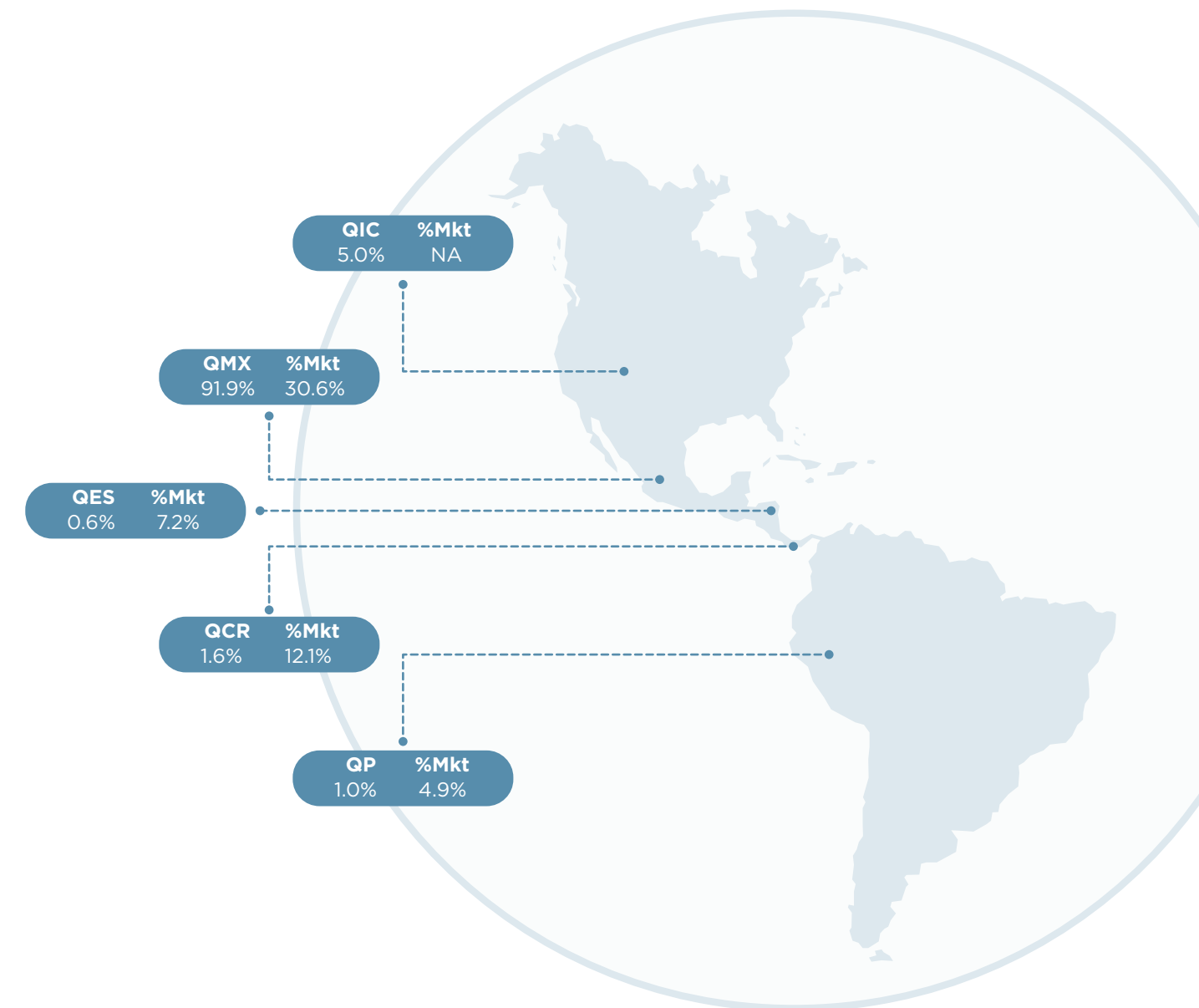
At Qualitas Controladora, we reached a written premium mark of \$42,036 million MXN, having a 10% growth compared to 2021.

This demonstrates the capacity of the company to generate, as well as the fast response towards challenges in the environment.

In Qualitas Compañía de Seguros, we reached \$38,710 million, which also represent a 10% growth. We highlight our traditional segment, supported by our extensive agent network and service offices. In particular, the individual premiums went up 16.0% and fleets went up 12.4%. Specifically, fleets segment showed a gradual recovery compared to last year's negative trend. The underwriting through financial institutions increased 1.7%, during the last months of the year we observed positive signs in the sale of new vehicles and therefore, the underwriting through these institutions. Although the situation is still below 2019 levels, we have seen a moderate recovery. According to the Mexican Association of Automotive Dealers (AMDA), the sale of new vehicles in Mexico grew 7% compared to the previous year, although it is still -17.6% below 2019 levels.

The international and non-insurance (vertical) subsidiaries reported an annual growth in MXN of 7.2% and they managed to represent 8.1% of the total written premiums of the holding company. Their growth was in double digit for all of them, with the exception of Qualitas Insurance Company (QIC, USA), where we are making adjustments to prioritize the profitability of the business over expanding the portfolio. During the course of the year, our subsidiary Flekk has demonstrated a sustainable growth in all its lines of business, achieving a 56% CAGR in the last 3 years. In addition, it has been a fundamental part of our operation in Mexico to compensate inflation in the spare parts industry.

“International subsidiaries (geographic) represented 8.1% of Qualitas Controladora’s total written premiums”





WRITTEN PREMIUMS BY GEOGRAPHIC SUBSIDIARY

Figures shown in MXN Millions

Subsidiary	2022	2021	Δ 22-21	2020	2019
Qualitas Compañía de Seguros	38,710	35,056	10%	33,360	34,315
Qualitas El Salvador	251	186	35%	149	167
Qualitas Costa Rica	671	540	24%	509	459
Qualitas Insurance Company (QIC, USA)	2,088	2,139	-2%	1,778	1,116
Qualitas Peru	412	374	10%	212	168
Vertical subsidiaries	403	330	22.1%	110	39
Total	42,535	38,625	10%	36,118	36,264

Note:

The figures can vary due to currency exchange values.

The total sum does not add up to the total sum of QC, because the revenues from the vertical subsidiaries are accounted for in the line of other revenues, in addition to the variations due to the exchange rates of each subsidiary.

Policies' underwriting is made through different segments focused on individual vehicles, fleets and heavy equipment; the financial institutions segment is related to the sale of vehicles through some credit and/or financial lease.

WRITTEN PREMIUMS BY SEGMENT

Figures shown in MXN millions

Segment	2022	2021	Δ 22-21	2020	2019
Individual	15,351	13,233	16%	11,503	10,634
Fleets	11,133	9,908	12.4%	10,802	11,538
Financial institutions (special businesses)	11,972	11,777	1.7%	11,000	12,076
International subsidiaries	3,422	3,239	5.7%	2,647	1,909
Total	42,036	38,224	10%	35,947	36,158

We closed 2022 with 4,810,169 insured units, which represents a 7.4% increase compared to previous year and a new record high; representing +333 thousand additional units. Also, our geographical subsidiaries increased the number of insured units, except our U.S. subsidiary, due to the intentional deceleration in that country due to the aforementioned reasons.

INSURED UNITS BY SUBSIDIARY

Figures in the thousands of units

Subsidiaria	2022	2021	Δ 22-21	2020	2019
Subsidiary	4,607	4,311	7%	4,037	4,094
Mexico	27	21	29%	19	20
El Salvador	100	76	32%	63	60
Costa Rica	18	18	0%	17	19
Qualitas Insurance Company (QIC, U.S.A.)	58	51	12%	29	31
Peru	4,810	4,477	7%	4,165	4,224

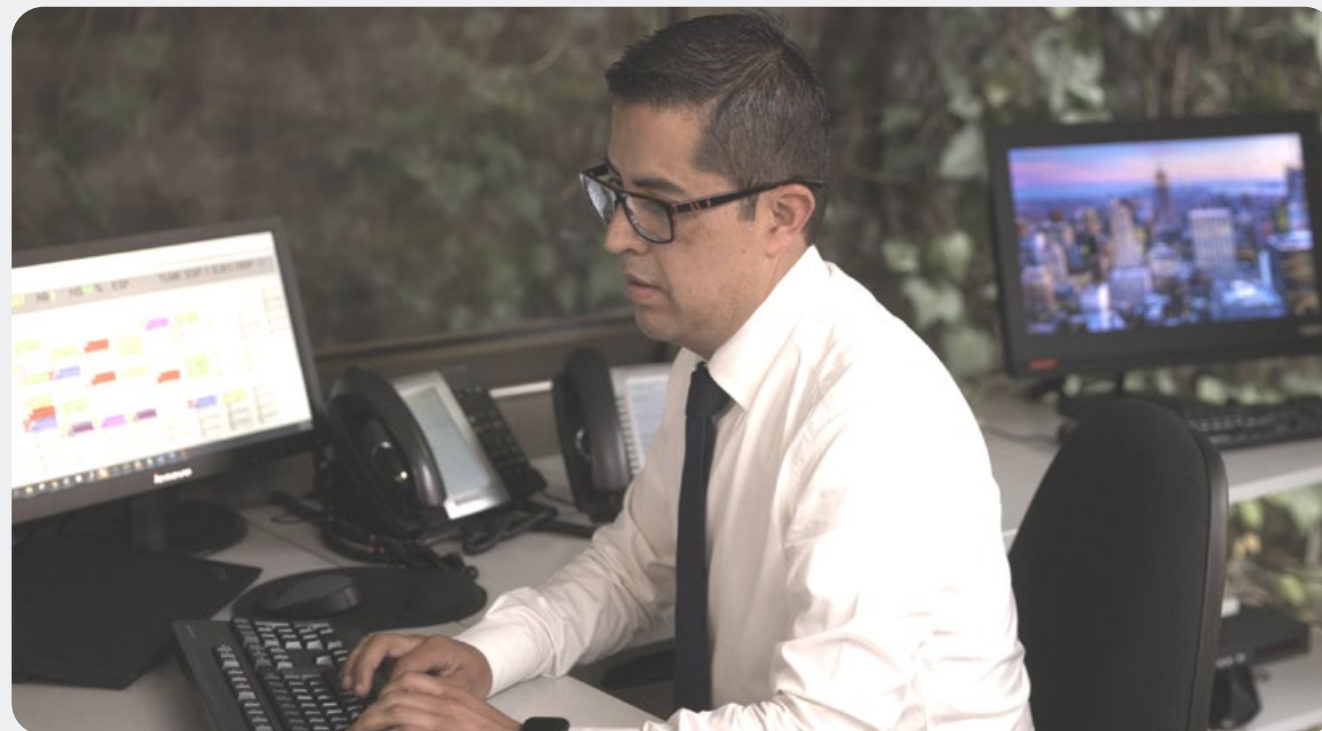


Operational metrics

Loss ratio was 70.5%, 5.5pp above 2021, which reflects the high inflationary environment, the increasing mobility in main cities and therefore, the additional increase in frequency, and the reserves' constitution for our US subsidiary (QIC) during fourth quarter.

Acquisition cost closed at \$9,454 million, with a 22.8% ratio, within the range shown in the last 3 years.

The inflationary environment and new mobility trends impact the operational performance of the auto insurance industry in Mexico and the world.



We will continue implementing the necessary actions, like the tariffs' increases , operative efficiencies and strengthening our vertical integration, looking forward to gradually return to our technical range of 62-65%



Investments

GENERAL SCENARIO

GRI 3-3

SASB FN-IN-410a.1, FN-IN-410a.2, FN-IN-550a.3

TCFD GOB-A, GOB-B

Our investment strategy is defined within the Investment, Finance, and Planning Committee of Qualitas Controladora on a monthly basis and for the different insurance subsidiaries as well. The Investments Committee reports quarterly to the Board of Directors.

We always take into consideration the provisions and regulations established for the investments of the insurance industry of each country. Each subsidiary has, at the same time, their own committee in charge of approving local investments.

The strategy in fixed income and its duration kept on evolving due to the unprecedented inflationary levels and the aggressive interest rates hikes of the year; therefore, we made adjustments on duration in order to take advantage of the increase in interest rates.

On the fixed income portfolio quality is healthy, with an average credit rating of AA+.

The invested assets or float of Qualitas Controladora were \$34,931 million MXN in 2022. The Return on Investment (ROI) was 3.1%



At the end of the year, we invested 88.5% of the portfolio in fixed income and 11.5% in equities, compared to last year's 85.1% and 14.9% respectively.

INTEGRATION OF ESG FACTORS

As a company, it is relevant to progress in the integration of Environmental, Social, and Governance (ESG) factors on our investments. We already have guidelines within our Investment Manual.

On that subject, we have investments in banks for economic develop and green bonds which strive to fund actions and projects to reduce the social impact and fight climate change. Likewise, we are participating in the renewable energy sector.

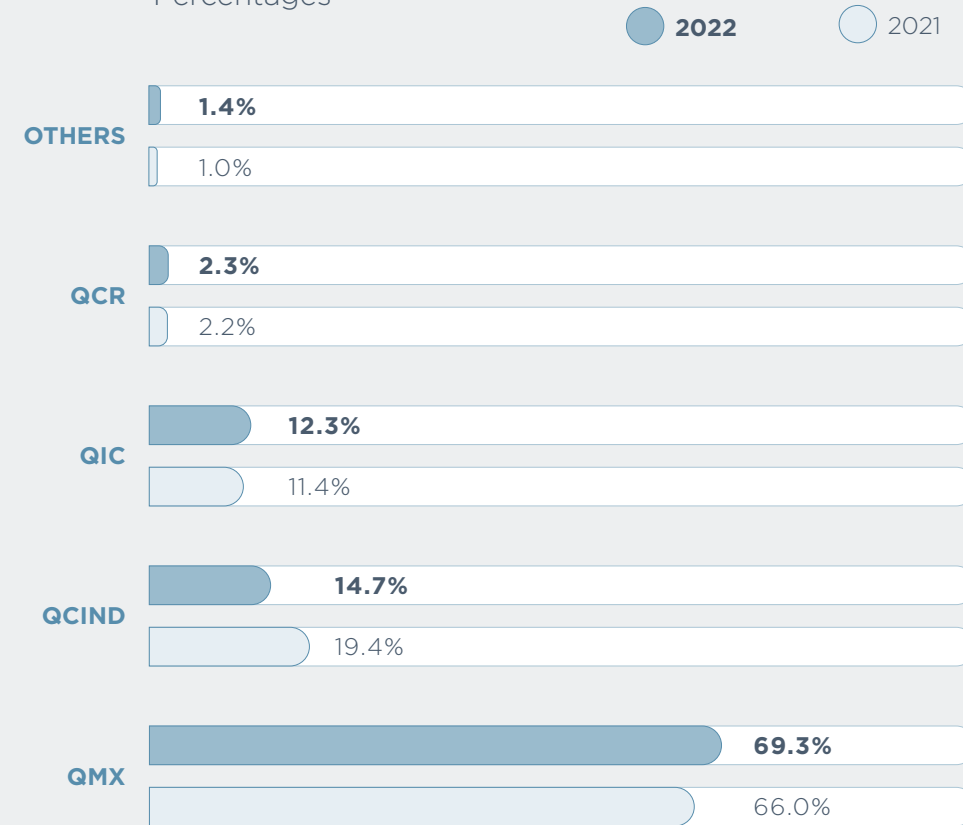
Moreover, we have access to a monthly ESG maturity classification of our portfolio through specialized information provided by an external specialist.

We aim for a progressive investment contribution in the transition to low-carbon footprint industries and economies that will help us fight climate change.



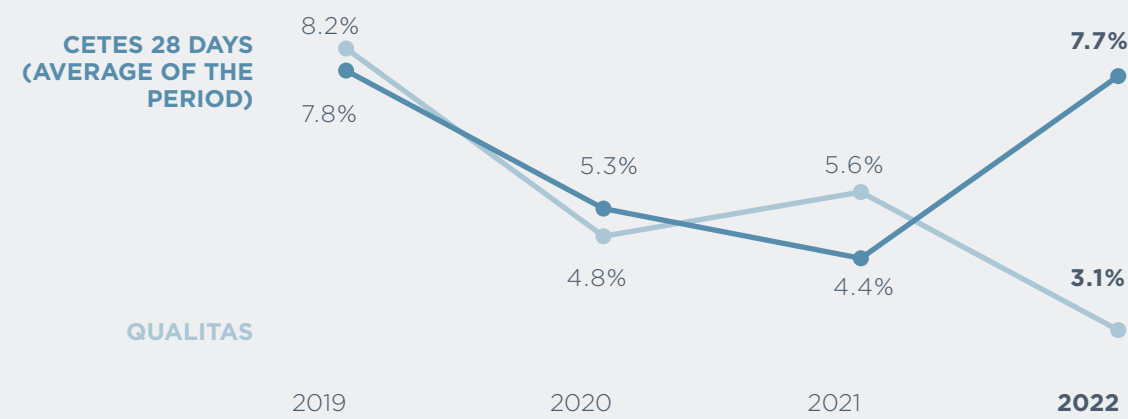
Portfolio by subsidiary

Percentages



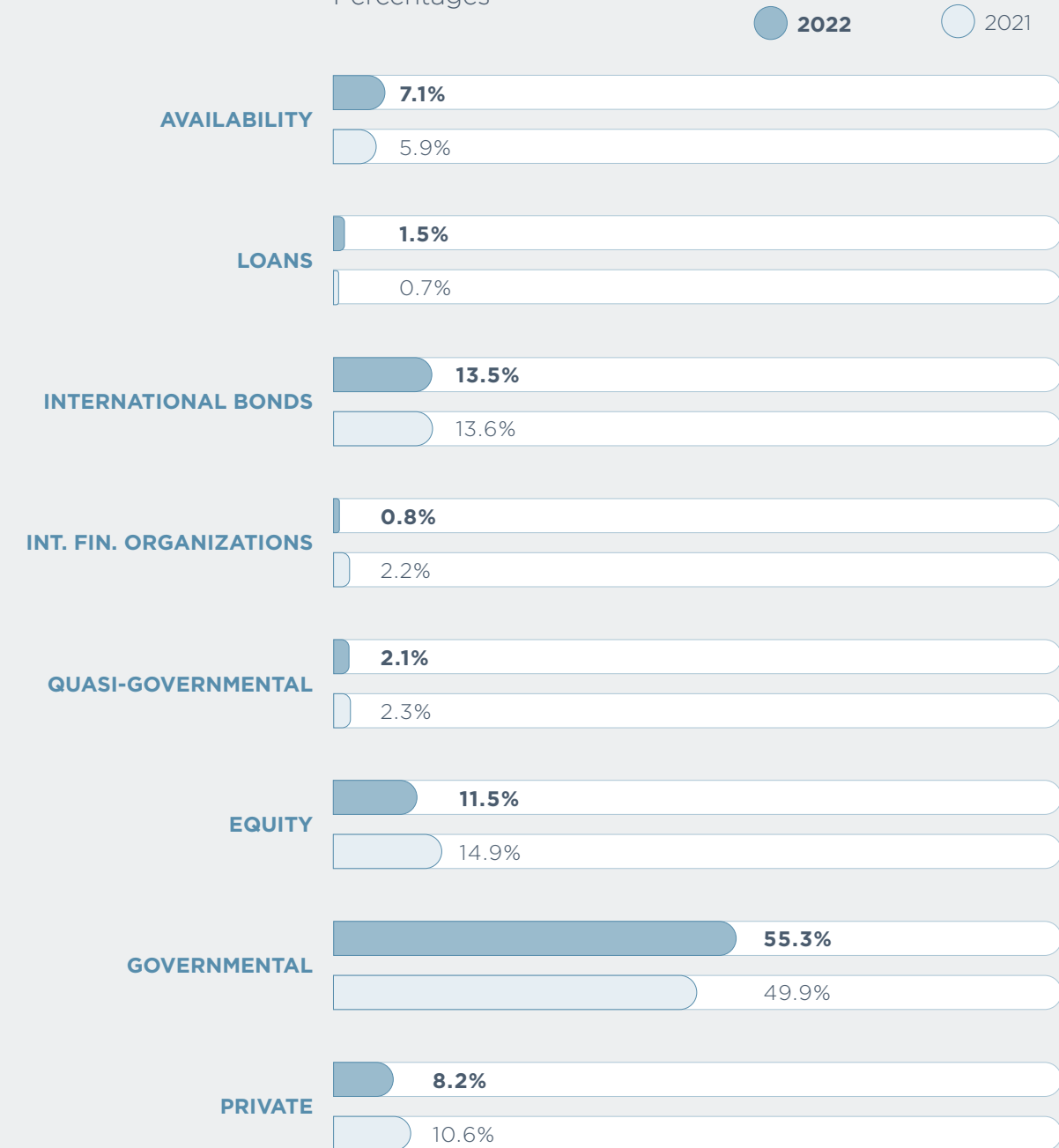
QC Return on investments

Percentages



Total portfolio

Percentages





Results

PROFITABILITY

Annual net income was \$2,209 million MXN, representing a net margin of 5.3%. Earnings per share of the year closed at \$5.5 MXN

We closed the year with a 12 month ROE of 11.1%, reflecting the performance of the year and the strength of our capital. ROE is composed by an operative ROE of 4.7% and a financial ROE of 6.4%. We presented a P/BV ratio of 1.7.



SOLVENCY MARGIN

The required regulatory capital stood at \$4,047 million MXN, with a solvency margin of \$14,006 million, equivalent to a solvency ratio of 446%.



The solvency is one of our financial strengths that allow us to fulfill our obligations.

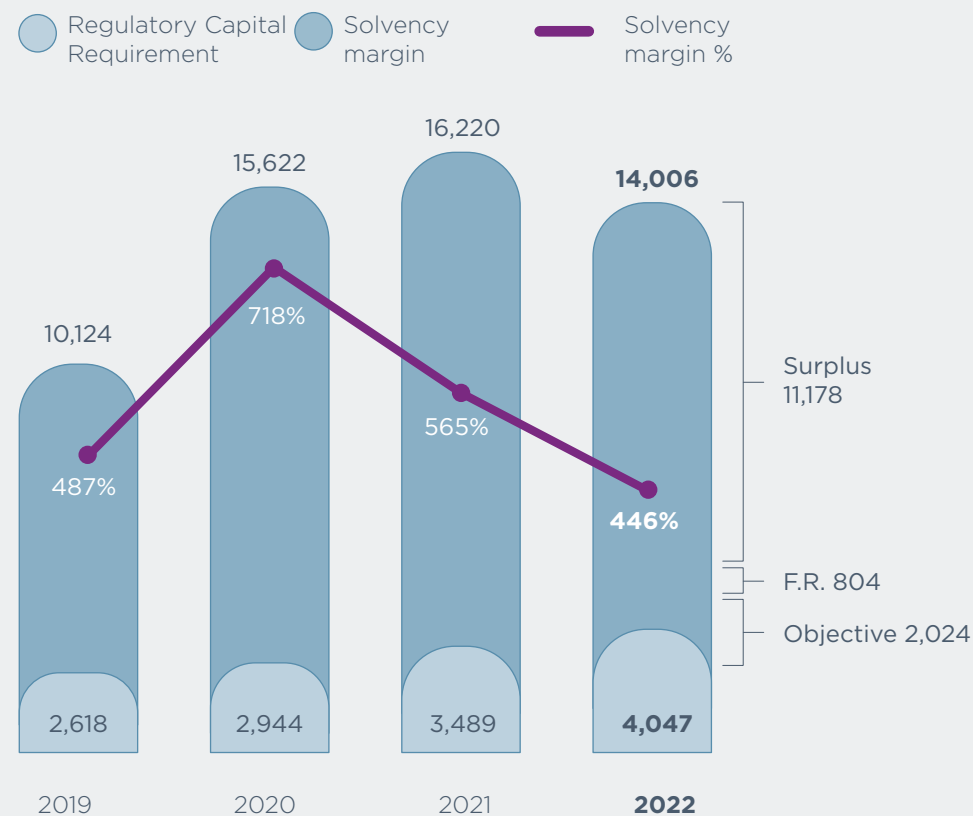
The methodology of Qualitas Compania de Seguros for the valuation of ongoing risks for the automotive insurance segment, is based on the Solvency Model II, a regulatory framework launched by the European Commission, that establishes an integrated approach to risk management, and which is comprised by three pillars. It estimates the reserve for ongoing risks such as the necessary amount to cover the expected value of future costs, taking into account the remaining time until the expiration of the insurance contract.

We determined the valuation estimators, such as the Persistence estimator and the Loss Cost Estimator to estimate of all the Company's obligations. For the determining the deviation to be used in the risk margin calculation, the 99.5 percentile is selected from the empirical distribution of each estimator. Aligned with the regulations, we must ensure that the estimators do not differ more than 1% of their actual value.

In the valuation of incurred but unreported claims reserves, the determination of the Risk Margin involves the calculation of the deviation of the retained ONR reserve for the automobile line of business. This involves taking the 99.5% percentile difference between the reserve and the direct ONR reserve, without considering recoverable amounts from reinsurance, as well as the duration of the portfolio. The risk margin is obtained by multiplying the Capital Cost rate, which is 10% for the current dispositions and the Base Capital for the duration of the ONR, where the Capital Base is the deviation ratio of this reserve in regards to the sum of the deviation of all the Company's calculated reserves.



The calculation of the Incurred But Not Reported Reserves and Claims Handling Expenses Assigned to Claims under Solvency II framework, aims to cover the expected value of claims, benefits, guaranteed values, or dividends, once the event predicted in the insurance contract has occurred, by calculating the Best Estimate plus a Risk Margin. Within the valuation of the IBNR reserves, for the determination of the Risk Margin, the deviation of the retained IBNR reserves is calculated with parameters established in the IBNR Reserve valuation for the automobile line of business.



F.R. refers to the amount from the share buyback fund approved by at the General shareholders Meeting .

Note: The regulatory capital required varies depending on the countries where Qualitas operates.

STOCK VALUE

Since 2005 we are listed in the Mexican Stock Exchange (BMV: Q*); public float represents around 46% of our share distribution. The market capitalization of the company by the end of the year was of \$34,368 million pesos; we finished the year with a value per share of \$85.92 MXN.

Our Q* stock operated more than \$5 million USD on a daily average during the year; we rose from the 21 to the 16 rank position within the liquidity index of the Mexican Stock Exchange.

We are members of the S&P/BMV IPC index, also of the S&P/BMV Rentable index which includes the ones in the former that have continuity in dividends' payment

PRESENCE ON ESG INDEXES



Our ESG effort and performance is recognized by international rating agencies. For the third year in a row, we are part of the S&P/ BMV Total Mexico ESG Index.



We were included, for the second year on a row, in the Bloomberg Gender Equality Index (GEI) 2023, which recognizes companies with a commitment on transparency regarding their performance in gender equality topics.



Economic value distribution

GRI 3-3, 201-1, 201-4,

We aim to generate value for our collective groups of interest and that our earnings be distributed across our value chain. Our earnings are the result of the written premiums, sales from Flekk and the performance of our investments.

We reserve part of the resources as Economic Value Retained (EVR) to continue growing.

In Qualitas Controladora, we have the commitment to carrying out principles and best fiscal practices in our parent company and subsidiaries, as stated on our [FISCAL POLICY](#); our operations meet the current tax rates according to the regulation and authority from where each and every one of our subsidiaries are located.

It is worth mentioning that we do not receive financial assistance from the government in either of the countries where we operate.

ECONOMIC VALUE GENERATED AND DISTRIBUTED (EVG AND EVD)						
Income statement		2022	Δ 22-21 %/pb	2021	2020	2019
Revenue (Economic Value Generated, EVG)		42,036	10%	38,224	35,947	36,196
Expenses (Economic Value Distributed, EVD)		39,513	13%	34,903	32,903	33,093
Acquisition	Agents, automotive financing institutions, suppliers, employees	9,454	7%	8,831	7,791	7,780
Loss Ratio	suppliers, employees	28,194	20%	23,437	19,210	20,687
Operation	Service offices, suppliers, employees	1,289	(2%)	1,317	2,397	2,029
Employees' statutory profit sharing (Known in spanish as PTU)	Employees	331	(8%)	359	940	664
Taxes	Government and authorities*	245	(75%)	986	2,564	1,934
Retained (EVG-EVD)		2,523	(24%)	3,320.84	3,043.53	3,103.00

*In 2022, net income decrease translated on a lower tax rate, in addition to inflation adjustments applicable on the matter.



EXHIBIT I

DETAIL OF ESG RESULTS

As a complement to what has been presented throughout the report, below you will find detailed information on the main quantitative ESG indicators, along with their year-on-year evolution.

The scope of the information presented corresponds to Quálitas Controladora, as well as the rest of the report, except for cars and salvage, since the management corresponds to our partner in ownership.

In the social and governance dimension, which involve data related to employees, QSalud is not included because its launch and management began at the end of 2022.

Social

DEMOGRAPHICS AND DIVERSITY

GRI 2-7, 405-1

QUÁLITAS CONTROLADORA		2022	2021	Δ22-21 (%)	2020	2019
Men	< 30	702	627	12.0	633	709
	30-50	2,473	2,337	5.8	2,235	2,221
	> 50	269	248	8.5	219	201
Women	< 30	782	731	7.0	747	764
	30-50	1,673	1,562	7.1	1,429	1,316
	> 50	114	92	23.9	76	64
Total	Men	3,444	3,212	7.2	3,087	3,131
	Women	2,569	2,385	7.7	2,252	2,144
	< 30	1,484	1,358	9.3	1,380	1,473
	30-50	4,146	3,899	6.3	3,664	3,537
	> 50	383	340	12.6	295	265
	TOTAL	6,013	5,597	7.4	5,339	5,275

Country	Subsidiary	2022	2021	Δ22-21 (%)	2020	2019
Mexico	Total	5,654	5,301	3.9	5,103	5,067
	Quálitas Compañía de Seguros	5,287	5,014	2.7	4,881	4,898
	Flekk	367	287	29.3	222	169
Costa Rica	Quálitas Costa Rica	115	90	11.1	81	64
El Salvador	Quálitas El Salvador	91	71	10.9	64	64
United States	Qualitas Insurance Company	56	53	29.3	41	39
Peru	Quálitas Perú	97	82	64.0	50	41
TOTAL		6,013	5,597	4.8	5,339	5,275



QUÁLITAS CONTROLADORA		2022	2021	Δ22-21 (%)	2020	2019	
Director	Total	Total	39	37	5.4	33	25
		< 30	1	0	100.0	0	0
		30-50	14	12	16.7	12	9
		> 50	24	25	-4.0	21	16
	Men	Total	23	21	9.5	17	15
		< 30	1	0	100.0	0	0
		30-50	7	6	16.7	5	5
		> 50	15	15	0.0	12	10
	Women	Total	16	16	0.0	16	10
		< 30	0	0	0.0	0	0
		30-50	7	6	16.7	7	4
		> 50	9	10	-10.0	9	6
Subdirector	Total	Total	71	69	2.9	55	52
		< 30	1	1	0.0	2	1
		30-50	47	48	-2.1	39	38
		> 50	23	20	15.0	14	13
	Men	Total	49	49	0.0	37	36
		< 30	0	1	-100.0	2	1
		30-50	32	32	0.0	23	25
		> 50	17	16	6.3	12	10
	Women	Total	22	20	10.0	18	16
		< 30	1	0	100.0	0	0
		30-50	15	16	-6.3	16	13
		> 50	6	4	50.0	2	3
Manager	Total	Total	246	277	-11.2	214	187
		< 30	3	9	-66.7	8	7
		30-50	208	232	-10.3	178	160
		> 50	35	36	-2.8	28	20
	Men	Total	152	175	-13.1	125	113
		< 30	1	6	-83.3	1	3
		30-50	121	140	-13.6	103	93
		> 50	30	29	3.4	21	17
	Women	Total	94	102	-7.8	89	74
		< 30	2	3	-33.3	7	4
		30-50	87	92	-5.4	75	67
		> 50	5	7	-28.6	7	3

QUÁLITAS CONTROLADORA		2022	2021	Δ22-21 (%)	2020	2019	
Coordinator/ Supervisor	Total	Total	910	820	11.0	775	725
		< 30	122	98	24.5	81	97
		30-50	724	673	7.6	643	578
		> 50	64	49	30.6	51	50
	Men	Total	560	503	11.3	486	463
		< 30	68	58	17.2	54	64
		30-50	446	410	8.8	392	363
		> 50	46	35	31.4	40	36
	Women	Total	350	317	10.4	289	262
		< 30	54	40	35.0	27	33
		30-50	278	263	5.7	251	215
		> 50	18	14	28.6	11	14
Analyst	Total	Total	4,028	3750	7.4	3625	3722
		< 30	983	918	7.1	950	1047
		30-50	2,833	2646	7.1	2515	2525
		> 50	212	186	14.0	160	150
	Men	Total	2,388	2245	6.4	2220	2354
		< 30	509	471	8.1	494	573
		30-50	1,735	1638	5.9	1607	1665
		> 50	144	136	5.9	119	116
	Women	Total	1,640	1505	9.0	1405	1368
		< 30	474	447	6.0	456	474
		30-50	1,098	1008	8.9	908	860
		> 50	68	50	36.0	41	34
Assistant/ Auxiliary	Total	Total	719	644	11.6	637	564
		< 30	374	332	12.7	339	321
		30-50	320	288	11.1	277	227
		> 50	25	24	4.2	21	16
	Men	Total	272	219	24.2	202	150
		< 30	123	91	35.2	82	68
		30-50	132	111	18.9	105	70
		> 50	17	17	0.0	15	12
	Women	Total	447	425	5.2	435	414
		< 30	251	241	4.1	257	253
		30-50	188	177	6.2	172	157
		> 50	8	7	14.3	6	4



TALENT ATTRACTION AND RETENTION

GRI 2-7, 401-1

In Quálitas Compañía de Seguros (Mexico), we have an initial temporary hiring scheme of three months, in accordance with local legislation; that is why we measure turnover for employees who have passed that initial stage and are on indefinite contracts. Since it is the subsidiary with the highest proportion of employees in the entire Holding Company, we apply this turnover calculation rule to the entire company.

QUÁLITAS CONTROLADORA - YEAR-YEAR VARIATION TURNOVER				
	2022	2021	Δ22-21 (%)	2020
New hires	1,731	1,136	52.4%	810
Voluntary turnover	11.6%	11.7%	-0.13pb	ND
Total turnover	18.4%	17.5%	0.88pb	12.3%

Note: turnover is calculated as the number of permanent employees who left*100/number of permanent employees at the end of the year.

DEPARTURES AND TURNOVER 2022 - QUALITAS CONTROLADORA - INDEFINITE CONTRACT									
Subsidiary/ country	Gender	Age range	New hires	Departures	Voluntary	Involuntary	Total of employees with indefinite contracts	Total turnover (%)	Voluntary turnover (%)
Quálitas Controladora	Total	Total	1,731	1,007	634	373	5,478	18.4%	11.6%
		< 30	849	342	254	88	1,251	27.3%	20.3%
		30-50	847	619	363	256	3,872	16.0%	9.4%
		> 50	35	46	17	29	355	13.0%	4.8%
	Hombres	Total	982	588	341	247	3,139	18.7%	10.9%
		< 30	443	182	125	57	577	31.5%	21.7%
		30-50	518	373	204	169	2,308	16.2%	8.8%
		> 50	21	33	12	21	254	13.0%	4.7%
	Mujeres	Total	749	419	293	126	2,339	17.9%	12.5%
		< 30	406	160	129	31	674	23.7%	19.1%
		30-50	329	246	159	87	1,564	15.7%	10.2%
		> 50	14	13	5	8	101	12.9%	5.0%
México: Quálitas Compañía de Seguros	Total	Total	1,360	714	427	287	4,858	14.7%	8.8%
		< 30	672	218	160	58	992	22.0%	16.1%
		30-50	668	464	254	210	3,553	13.1%	7.1%
		> 50	20	32	13	19	313	10.2%	4.2%
	Hombres	Total	726	371	188	183	2,776	13.4%	6.8%
		< 30	324	90	55	35	438	20.5%	12.6%
		30-50	393	259	124	135	2,113	12.3%	5.9%
		> 50	9	22	9	13	225	9.8%	4.0%
	Mujeres	Total	634	343	239	104	2,082	16.5%	11.5%
		< 30	348	128	105	23	554	23.1%	18.9%
		30-50	275	205	130	75	1,440	14.2%	9.0%
		> 50	11	10	4	6	88	11.4%	4.5%



DEPARTURES AND TURNOVER 2022 - QUÁLITAS CONTROLADORA - INDEFINITE CONTRACTS									
			New hires	Departures	Voluntary	Involuntary	Total of employees with indefinite contracts	Total turnover (%)	Voluntary turnover (%)
Costa Rica	Total	Total	47	18	13	5	97	18.6%	13.4%
		< 30	35	9	7	2	57	15.8%	12.3%
		30-50	11	9	6	3	36	25.0%	16.7%
		> 50	1	0	0	0	4	0.0%	0.0%
	Men	Total	16	9	7	2	37	24.3%	18.9%
		< 30	12	2	2	0	19	10.5%	10.5%
		30-50	3	7	5	2	15	46.7%	33.3%
		> 50	1	0	0	0	3	0.0%	0.0%
	Women	Total	31	9	6	3	60	15.0%	10.0%
		< 30	23	7	5	2	38	18.4%	13.2%
		30-50	8	2	1	1	21	9.5%	4.8%
		> 50	0	0	0	0	1	0.0%	0.0%
El Salvador	Total	Total	0	25	17	8	89	28.1%	19.1%
		< 30	0	6	5	1	42	14.3%	11.9%
		30-50	0	18	12	6	44	40.9%	27.3%
		> 50	0	1	0	1	3	33.3%	0.0%
	Men	Total	0	15	11	4	54	27.8%	20.4%
		< 30	0	4	3	1	24	16.7%	12.5%
		30-50	0	10	8	2	29	34.5%	27.6%
		> 50	0	1	0	1	1	100.0%	0.0%
	Women	Total	0	10	6	4	35	28.6%	17.1%
		< 30	0	2	2	0	18	11.1%	11.1%
		30-50	0	8	4	4	15	53.3%	26.7%
		> 50	0	0	0	0	2	0.0%	0.0%



DEPARTURES AND TURNOVER 2022 - QUÁLITAS CONTROLADORA - INDEFINITE CONTRACT									
			New hires	Departures	Voluntary	Involuntary	Total of employees with indefinite contracts	Total turnover (%)	Voluntary turnover (%)
Unites States	Total	Total	0	13	7	6	15	86.7%	46.7%
		< 30	0	3	1	2	2	150.0%	50.0%
		30-50	0	8	4	4	9	88.9%	44.4%
		> 50	0	2	2	0	4	50.0%	50.0%
	Men	Total	0	6	2	4	4	150.0%	50.0%
		< 30	0	2	0	2	0	0.0%	0.0%
		30-50	0	2	0	2	3	66.7%	0.0%
		> 50	0	2	2	0	1	200.0%	200.0%
	Women	Total	0	7	5	2	11	63.6%	45.5%
		< 30	0	1	1	0	2	50.0%	50.0%
		30-50	0	6	4	2	6	100.0%	66.7%
		> 50	0	0	0	0	3	0.0%	0.0%
Peru	Total	Total	39	18	15	3	97	18.6%	15.5%
		< 30	17	7	7	0	40	17.5%	17.5%
		30-50	21	9	8	1	49	18.4%	16.3%
		> 50	1	2	0	2	8	25.0%	0.0%
	Men	Total	20	11	9	2	47	23.4%	19.1%
		< 30	7	4	4	0	16	25.0%	25.0%
		30-50	12	5	5	0	27	18.5%	18.5%
		> 50	1	2	0	2	4	50.0%	0.0%
	Women	Total	19	7	6	1	50	14.0%	12.0%
		< 30	10	3	3	0	24	12.5%	12.5%
		30-50	9	4	3	1	22	18.2%	13.6%
		> 50	0	0	0	0	4	0.0%	0.0%

Nota: Dentro de los resultados no se reportan los correspondientes a Flekk, ya que en su reciente consolidación aun se están analizando los datos de rotación.



CAREER DEVELOPMENT

GRI 404-1

TRAINING BY PROFESSIONAL CATEGORY QUÁLITAS CONTROLADORA		2022	2021	Δ22-21 (%)
Director	Training hours	2,570	1,675	53.4
	Average training hours	66	45	46.4
Subdirector	Training hours	6,719	2,606	157.8
	Average training hours	95	38	149.0
Manager	Training hours	24,180	14,372	68.2
	Average training hours	98	52	89.0
Coordinator/ Supervisor	Training hours	96,974	58,130	66.8
	Average training hours	107	71	50.1
Analyst	Training hours	676,265	187,442	260.8
	Average training hours	168	50	235.8
Assistant/ Auxiliary	Training hours	40,656	37,204	9.3
	Average training hours	57	58	-2.5

Notes::

- The calculation of the average training hours per professional category is based on the total number of employees per category as of December 31, 2022.
- The table does not include the training hours for Flekk (394) as the breakdown by professional category is not yet available.
- The table does not include the hours for Universidad Quálitas for subsidiaries outside of Mexico, which represent 0.5% of the total training hours, as the breakdown by professional category is not available.

TRAINING HOURS BY SUBSIDIARY - QUÁLITAS CONTROLADORA					
		2022	2021	Δ22-21 (%)	2020
Quálitas Compañía de Seguros	Univ. Quálitas	872,772	225,327	268.7	494,913
	Other trainings	9,178	50,942	-82.0	100,140
	Total	881,950	276,269	204.0	595,053
Flekk	Univ. Quálitas	35	861	-95.9	0
	Other trainings	359	2,645	-86.4	660
	Total	394	3,506	-88.8	660
Quálitas Costa Rica	Univ. Quálitas	3,427	2,891	18.5	4,478
	Other trainings	4,755	1,903	149.9	1,055
	Total	8,182	4,794	70.7	5,533
Quálitas El Salvador	Univ. Quálitas	1,172	790	47.2	631
	Other trainings	806	3,434	-76.5	592
	Total	1,978	4,224	-53.4	1,223
Qualitas Insurance Company (EUA)	Univ. Quálitas	7	28	-75.0	0
	Other trainings	1,152	1,177	-2.1	282
	Total	1,159	1,205	-3.8	282
Quálitas Peru	Univ. Quálitas	269	819	-67.2	794
	Other trainings	660	313	110.9	0
	Total	929	1,132	-17.9	794
TOTAL UNIVERSIDAD QUALITAS		877,682	230,716	96	500,816
TOTAL OTHER TRAININGS		16,910	60,414	14	102,729
TOTAL		894,592	291,130	111	603,545

Notes::

- Other trainings include those related to soft skills, specialized trainings with external specialists, as well as those supported by educational institutions for certifications and diplomas of our employees.
- During 2022, there was no training for franchisees through the University, however, there were 777 participants in face-to-face trainings.



UNIVERSIDAD QUALITAS DIMENSIONS						
		2022	2021	Δ22-21 (%)	2020	2019
Employees	Number of people trained	6,238	5,861	98.2%	5,416	5,598
	Number of people trained	835,679	229,855	263.6%	500,816	230,387
Agents	Number of people trained	1,376	861	59.8%	1,207	512
	Number of people trained	10,199	9,498	7.4%	23,462	5,792
Office services employees	Number of people trained	1,610	1,323	21.7%	1,209	1,135
	Number of people trained	30,784	44,650	-31.1%	74,980	62,039
Suppliers	Number of people trained	373	399	-6.5%	678	2,246
	Number of people trained	965	838	15.2%	909	2,701
Policyholders	Number of people trained	13	85	-84.7%	36	19
	Number of people trained	20	159	-87.4%	282	109
TOTAL	Number of people trained	9,610	8,529	75.7%	8,546	9,510
	Number of people trained	877,647	285,000	208.0%	600,449	301,028

Note:

- The 35 hours of University for Flekk are not accounted for in this table, as the breakdown by stakeholder group is not available.

PERFORMANCE EVALUATION - QUÁLITAS CONTROLADORA					
	2022			2021	2020
	% evaluated	% women evaluated	% men evaluated		
Quálitas Compañía de Seguros	72.0	64.4	77.6	75.9	100.0
Quálitas Costa Rica	100.0	100.0	100.0	ND	ND
Quálitas El Salvador	98.9	97.3	100.0	ND	ND
Quálitas Perú	100.0	100.0	100.0	100.0	44.0
Quálitas Insurance Company	100.0	100.0	100.0	100.0	ND
FLEKK	60.2	75.9	53.3	ND	ND

SALARY RATIO

GRI 3-3, 405-2

SALARY RATIO WOMEN/MEN - INSURANCE SUBSIDIARIES - 2022		
	Fixed	Fixed+Variable
Director	1.19	1.05
Subdirector	0.77	1.01
Manager	1.40	1.07
Coordinator	1.55	1.09
Analyst	0.50	0.75
Assistant	2.00	0.76

Notes:

- The salary ratios of the insurance subsidiaries are integrated. The integrated ratio is calculated with a coefficient per subsidiary based on their weight in terms of number of employees.
- Quálitas Costa Rica and QIC do not report variable compensation; Quálitas El Salvador only for analysts.
- The categories equate levels between subsidiaries, for example, Directors in Mexico are Managers in foreign subsidiaries.

SALARY RATIO WOMEN/MEN - NON-INSURANCE SUBSIDIARIES - 2022		
	Fixed	Fixed+Variable
Director	NA	NA
Subdirector	0.69	0.48
Manager	0.96	0.91
Coordinator	0.97	0.97
Analyst	1.06	1.13
Assistant	0.99	1.18

NA: Not applicable, it is not possible to calculate the ratio since there is only one member.

Particularly for Quálitas Compañía de Seguros, the values of remunerations are presented in its specific Exhibit.



HEALTH AND SAFETY

GRI 403-9, 403-10

Health and safety indicators Qualitas Controladora	2022
Accident numbers	145
Number of occupational diseases	98
Number of fatalities	0
Absent days reported to the authority	5,715
Accident rate	10.9
Occupational disease rate	7.4
Absenteeism rate	0.3

Notes::

- For the first time, integrated data from all Quálitas Controladora operations are presented.
- The calculation formulas used correspond to:
 - Accident rate = number of disabling accidents/total hours worked1,000,000
 - Occupational disease rate = number of occupational disease cases/total hours worked1,000,000
 - Absenteeism rate = % of days lost (due to accidents and occupational diseases)/total workdays in the year (excluding vacations) for the entire workforce.

COMMITMENT AND WORK ENVIRONMENT

Next, we present the Passion dimension index from the employee climate survey.

This dimension evaluates the level of belonging, identification of the employee with the company and its values, and the sense of loyalty.

RESULTS OF THE WORK ENVIRONMENT SURVEY - QUÁLITAS CONTROLADORA				
	2022	2021	2020	2019
% Passion	91	90	93	93
% Answers	88	91	83	91

Governance

ETHICS AND COMPLIANCE

GRI 205-2

The **Q Certification** includes courses related to the Code of Ethics and Conduct, Prevention of Money Laundering, Conflict of Interest Policy, and Personal Data Protection.

Q CERTIFICATION						
		2022	2021	Δ22-21 (%)	2020	2019
Own employees (all the countries)	Number of employees trained (different courses)	5,545	5,345	3.7	5,193	4,999
	Total hours of Q Certification	27,770	26,669	4.1	31,915	29,976
Office service employees (Mexico)	Trained number (different courses)	1,200	1,238	-3.1	1,163	1,049
	Total hours of Q Certification	6,025	6,629	-9.1	10,606	9,516

We also have a breakdown of ethics training for employees by professional category for Quálitas Compañía de Seguros, which is presented in a specific Exhibit for the subsidiary.



Environmental performance

ENERGÍA

GRI 302-43, 304-4

ELECTRICITY CONSUMPTION (KWh) - QUÁLITAS CONTROLADORA						
Country	2022	2021	Δ22-21 (%)	2020	2019	2018
Mexico	6,246,435	5,923,857	5.45%	6,438,729	6,734,363	6,448,185
Qualitas Campania de Seguros	6,137,723	5,761,179	6.54%	5,762,069	6,480,228	6,448,185
Flekk	108,712	162,678	-33.17%	712,660	254,135	N.A.
United States	328,551	250,980	30.91%	24,285	24,304	13,073
Costa Rica	180,328	125,402	43.80%	120,286	121,872	113,119
El Salvador	162,668	149,177	9.04%	150,359	165,524	147,534
Peru	99,168	65,498	51.41%	80,646	40,572	N.A.
Total (kWh)	7,017,150	6,514,914	7.71%	6,814,305	7,086,635	6,721,911
Total (GJ)	25,262	23,454	7.71%	24,531	25,512	24,199



ENERGY CONSUMPTION (GJ)					
	2022	2021	Δ22-21 (%)	2020	2019
Diesel	2,737.10	1,539.25	77.82%	5,830.35	1,281.09
Gasoline	150,316.29	149,203.66	0.75%	149,585.63	186,058.00
Electricity	25,261.74	23,453.69	7.71%	24,531.49	25,511.88
LP Gas	217.7	129.75	67.78%	303.2	344.34
TOTAL	178,532.83	174,326.35	2.41%	180,250.68	213,195.31

TOTAL COST ENERGY - QUÁLITAS CONTROLADORA					
Cifras en pesos (MXN)		2022	2021	2020	2019
Qualitas Compañía de Seguros	Fuel	87,374,350	156,937,315	97,894,445	103,938,613
	Electricity	17,000,732	14,678,653	14,836,110	1,862,734
Resto de subsidiarias	Fuel	7,196,300	11,671,596	NA	NA
	Electricity	2,870,103	4,695,441	NA	NA
Total	Fuel	94,570,650	168,608,911	97,894,445	103,938,613
	Electricity	19,870,835	19,374,094	14,836,110	1,862,734



EMISSIONS

GRI 305-1, 305-2, 305-3, 305-4, 305-5

GHG EMISSIONS (tCO ₂ e) QUÁLITAS CONTROLADORA					
	2022	2021	Δ (%) 22-21	2020	2019
Alcance 1	11,251.68	10,958.35	2.68%	11,280.38	13,535.94
Alcance 2	2,929.12	2,673.53	9.56%	3,345.99	3,566.41
Total	14,180.80	13,631.88	4.03%	14,626.37	17,102.35

SCOPE 3 EMISSIONS (tCO ₂ e) - QUÁLITAS CONTROLADORA	2022	2021	2020	2019
1. Purchased goods and services	5,911.02	3,341.76	33.94	18.34
2. Capital assets	676.50	2,352	ND	ND
3. Energy and fuel related activities	752.35	778.38	145.45	220.51
4. Transportation and upstream distribution	2,772.74	1,983.79	ND	ND
5. Waste generated in the operation	0.21	1.57	0.64	ND
6. Business travel	919.02	707.29	382.34	1,127.65
7. Employee travel	4,310.12	5,783.52	ND	ND
8. Upstream leased assets	965.50	1,249.35	164.28	203.84
13. Downstream transportation and distribution	ND	31.67	ND	ND
14. Franchises	ND	6.55	ND	ND
15. Investments	44,431.54	ND	ND	ND
Total	60,738.99	16,235.88	726.65	1,570.33

ENERGY CONSUMPTION INTENSITY AND GHG EMISSIONS - QUÁLITAS CONTROLADORA					
	2022	2021	Δ (%) 22-21	2020	2019
Energy (KJ/Written premium)	4.25	4.60	-7.77%	5.00	5.89
GHG Emissions (tCO ₂ e/Written premium)	0.34	0.37	-9.07%	0.41	0.47

1 - In 2022, Flekk had a greater acquisition of assets, both from the categories that were already accounted for in 2021, and from new ones that were included. On the other hand, for previous years, the consumption of refrigerants was recategorized from Scope 3 to Scope 1.

2 - The emissions for vehicle acquisition were recalculated for the 2021 data as a specific emission factor for automobile manufacturing was identified. Considering that the lease cycle for Quálitas' existing vehicle fleet for those years was completed in 2021, the global impact for the 4-year useful life was estimated for the 2021 operations year to have a reference point. This was done because Quálitas Controladora performed the operational control of the equipment.

Starting from the year of operation 2022, where a new leasing cycle begins (cars with 4 years of useful life within Quálitas), and taking into consideration the information management controls required by the methodology, the calculation began to be made based on the allocation method. At the end of this second cycle, which will be in 2025, we will compare the emissions against 2021 to have a reference of the behavior of this category.

4 - Increased acquisition of goods in 2022 (as mentioned above), led to higher transportation values. In addition, internal transportation data in China was refined prior to departure from ports.

5 - For 2022, it was not possible to have the traceability of waste generation data by Flekk.

6 - In 2022, there was an increase in air and land business trips as well as hotel nights.

7 - For the reporting year of 2022, the options for means of transportation considered in the calculation were expanded, and more precise data was collected on days of commuting to the office..

8 - Starting from 2019, the electricity consumption of ODQ's was recategorized as Scope 3 (from Scope 1) due to the fact that the charge for consumption does not correspond to Quálitas, but to the office directors, causing an increase in emissions. However, for the 2022 reporting year, the complete data on electricity consumption in all external offices leased by Quálitas could not be obtained, so this increase is not reflected in the total emissions.

13 -The data for the consumption of these assets could not be obtained for 2022.

14- For 2022, the information from these facilities was no longer under Flekk's administrative control, so it was not included in the emissions calculation.

15 -For 2022, the calculation of this category was included for the first time. Emissions have been calculated for 52.76% of the investment portfolio value..



OTHER ENVIRONMENTAL TOPICS

WASTE GENERATION - QUALITAS CONTROLADORA				
		2022		2021
Urban solids	Paper and paperboard (kg)	1,164	Recycle (100%)	2,482
	PET (kg)	37	Recycle (100%)	41
Special handling	Electronics (kg)	7,526.	Recycle (100%)	4,640
	Aluminium and metal (kg)	115	Recycle (100%)	ND
	Sludge (PETAR) (KG)	81,200.	Final dispositiol	168,000

Notes:
 Glass was not extracted compared to the previous year, it was not obtained in 2022.
 Aluminum and metal were reported which were not reported in 2021.
 For sludge, 80m3 were reported, using the conversion of 1.015 kg/m3 of its density for anaerobic sludge.

WATER WITHDRAWAL (THOUSANDS M³) - QUALITAS CONTROLADORA				
	2022	2021	Δ (%) 22-21	2020
Sea water	0	0.32	-1.00	0.27
Surface water (rivers, lakes, rainwater)	5.8	0.64	8.06	0.23
Supplied by third parties (water supply system, pipe)	16.8	17.9	-0.07	34.4

Notes:
 In the 2022 reporting year, Flekk and its operations are already being accounted for, resulting in a slight increase in the supply received from third parties compared to 2021. We do not have data on the supply from Qualitas Insurance Company (QIC) for this reporting year.





Social investment

In Qualitas Controladora, we are focused in social and economic development, including protection of the environment. We want to contribute this approach from our activities as an insurance company and from the complementary services from our subsidiaries.

With the objective to address social and/or environmental problems in the different countries we operate on, we have created cross-functional strategic alliances with civil organizations specialized in the many subjects and geographical zones, aiming for the efficient use of financial resources.

We have clear and transparent guidelines for donations to legally constituted civil organizations that meet the criteria of our [DONATIONS POLICY](#)

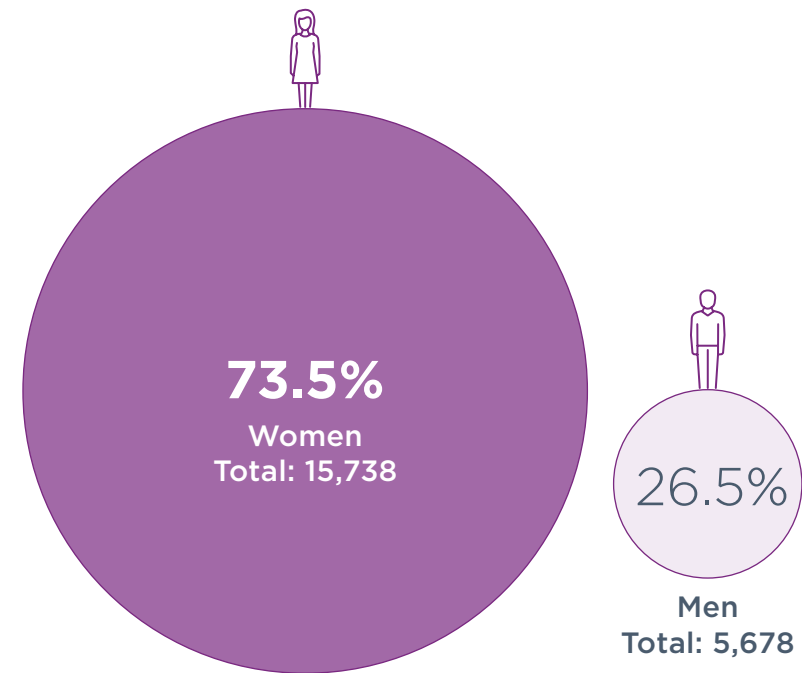




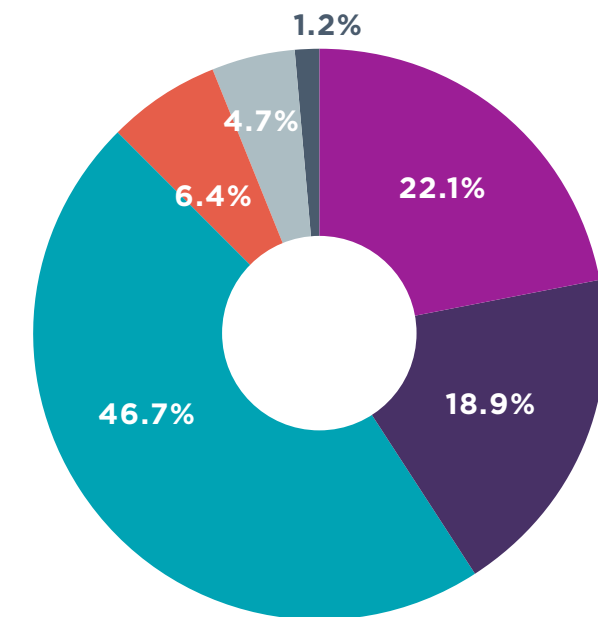
Year-over-year evolution of percentage by line of action for Qualitas Compañía de Seguros.



Throughout 2022, we have supported 55 organizations, foundations, and associations, reaching a total of 21,619 people from which:



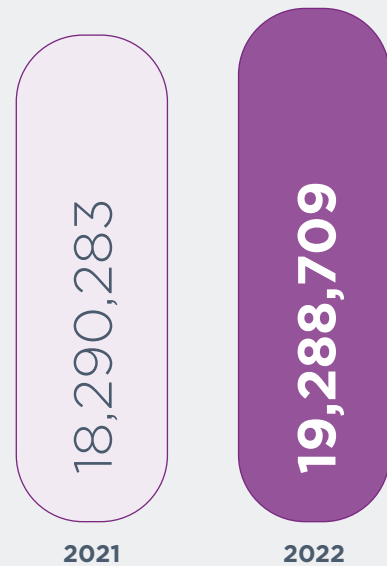
TIPO DE BENEFICIARIO	AGE	TOTAL
Children (women)	0 - 17	4,727
Children (men)	0 - 17	4,052
Women	18 -59	9,997
Men	18 -59	1,370
Senior Adults (Women)	Over 60	1,014
Senior Adults (Men)	Over 60	256
Total		21,416



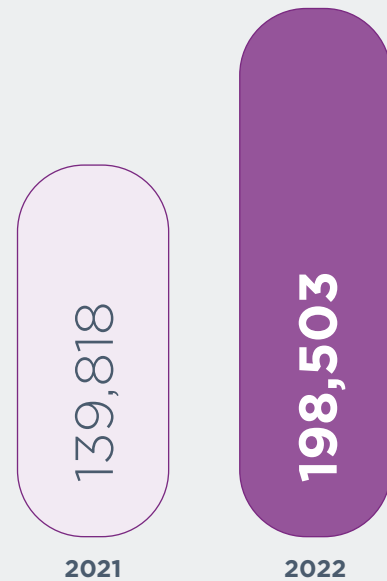


Community Contribution Qualitas Compañía De Seguros (MXN)

Economic donations (social investment strategy)



Donations in kind (policies)



Durante 2022 el total de donativos fue de

19,487,213 MXN



We continue to achieve the success from our efforts through our collaboration with Monte de Piedad.

QUALITAS CON MÉXICO, JUNTOS CAMBIAMOS VIDAS (QUALITAS WITH MEXICO TOGETHER WE CHANGE LIVES)

Following our commitment celebrated in 2021, Qualitas Compañía de Seguros and Fundación Monte de Piedad once again collaborated through the “Quálitás con México, juntos cambiando vidas” fundraising campaign, which saw the participation from the general public, employees, agents, and service offices staff, with economic donations that Qualitas then doubled the donated amount.

In line with our Sustainability strategy, we aim to involve the community through values such as empathy, social responsibility, human sense and belonging to drive social initiatives that can change the course of our society through concrete actions.

In 2022, more than \$2.3 million MXN in fundraised money was designated to distribute between the following non-profit organizations:



Casa de Descanso para Ancianos Matilde Roubroy de Villanueva, I.B.P. Provides housing, nutrition, medical and specialized care, accompanying services for the elderly living in homelessness and poverty.



Asociación Regiomontana de Niños Autistas, A.B.P. (ARENA). Provides integrated aid and educative and working inclusiveness for young people, as well as boys and girls with different degrees of disorders within the autistic spectrum.



Fundación ProZona Mazahua, I.A.P. Aims for the human and working development of indigenous communities through specialization projects and skill development for the native groups of Mexico to combat extreme poverty and social exclusion.



Sociedad de Asistencia Panamericana, I.A.P. Promotes and drives the development and implementation of health programs for states with low medical care resources.

REFORESTATION 2022

As part of our volunteering activities, this 2022 we carried out reforestation activities where we invited our employees to participate, making an extensive invitation to their families.

Reforestation Mexico City**Number of attendees: 680**Employees: **280**Family members: **400**

Location where the reforestation took place: **Paraje Las Raíces, Huitzilac, Morelos**

Number of trees planted: **10,000****Reforestation Monterrey****Number of attendees: 165**Employees: **84**Family members: **81**

Location where the reforestation took place: **Parque La Libertad, Monterrey, N.L.**

Number of trees planted: **300**
(trees taller than two meters)



In 2023, we will carry out the reforestation related to the “Una descarga por un árbol” campaign. To learn more about this initiative, please refer to the section:

OTHER ENVIRONMENTAL INITIATIVES.



**EXHIBIT II
STAKEHOLDER ENGAGEMENT****Stakeholder engagement****GRI 2-29, 3-3**

Our relationship with the different stakeholders reflects our culture of service, closeness and understanding to generate value. We operate according to the guidelines of the Code of Ethics and Conduct and other specific policies.

Stakeholders are those who are directly or indirectly affected by our decision-making and business activities, as well as those key groups with whom we interact for achievement our objectives, goals and the implementation of the business model.

The communication with our stakeholders is very important. Thus, we have different communication channels that allow us to have a specialized attention and a stronger connection depending on the type of activity.

Fostering and maintaining the trust of our relationships in an ever-changing world strengthens our connections.

[DETAIL OF THE RELATIONSHIP WITH STAKEHOLDERS](#)





Alliances And Memberships

Gri 2-28



At Qualitas, we remain committed to various global initiatives related to sustainability

At Qualitas, we remain committed to various global initiatives related to sustainability, such as contributing to the Sustainable Development Goals (SDGs) and our participation in the United Nations Global Compact, implementing the 10 principles it establishes regarding labor issues, human rights, environmental protection, and anti-corruption.

We are also committed to initiatives specific to our industry. Our subsidiary Quálitas Compañía de Seguros joined the Principles for Sustainable Insurance of UNEP-FI in 2020, becoming a pioneer as a private insurer in Mexico.

Due to our focus, mainly on car insurance, we seek to generate partnerships that contribute to our efforts in road safety and responsible driving. In addition to our road education program, Conducta Vial Quálitas, we support the Decade of Action for

Road Safety 2021-2030, declared by the United Nations, and in the United States, our subsidiary Quálitas Insurance Company (QIC) is part of the Insurance Institute for Highway Safety (IIHS).

In 2021, our subsidiary in Costa Rica participated in the development of the Responsible Business Conduct Protocol for the insurance sector, developed by the Business Alliance for Development under the Responsible Business Conduct Program in Latin America and the Caribbean (CERALC).

Additionally, in the different countries where we operate, we participate in industry chambers and associations.

CÁMARAS Y ASOCIACIONES SECTORIALES	
Mexico	Asociación Mexicana de Instituciones de Seguros, A.C. (AMIS) Oficina Coordinadora de Riesgos Asegurados, S.C. (OCRA) Consejo de la Comunicación
Costa Rica	Asociación de Aseguradoras Privadas (AAP)
El Salvador	Cámara de Comercio e Industria
United States	National Association of Insurance Companies (NAIC) Insurance Accounting & Systems Association (IASA) Pacific Association of Domestic Insurance Companies (PADIC)
Peru	Asociación Peruana de Seguros (APESEG)



Materiality analysis

GRI 3-1, 3-2, 3-3



With the exercise of double materiality, we sought to identify the broad expectations of the stakeholders, keeping us aligned with the international trends of the sector and in ESG factors.

IMPACT MATERIALITY (SOCIOENVIRONMENTAL)



It reflects the most relevant impacts of the company externally, including the economy, the environment, and people. Generated impacts have negative and positive consequences, this carries operational, reputational, and financial risks and opportunities.

The exercise was updated in 2020-2021, to incorporate new trends in the insurance sector and to include changes in the operational context (COVID-19), environmental and social impacts for our business model. We will update this exercise by the end of 2023 and start of 2024.

FINANCIAL MATERIALITY

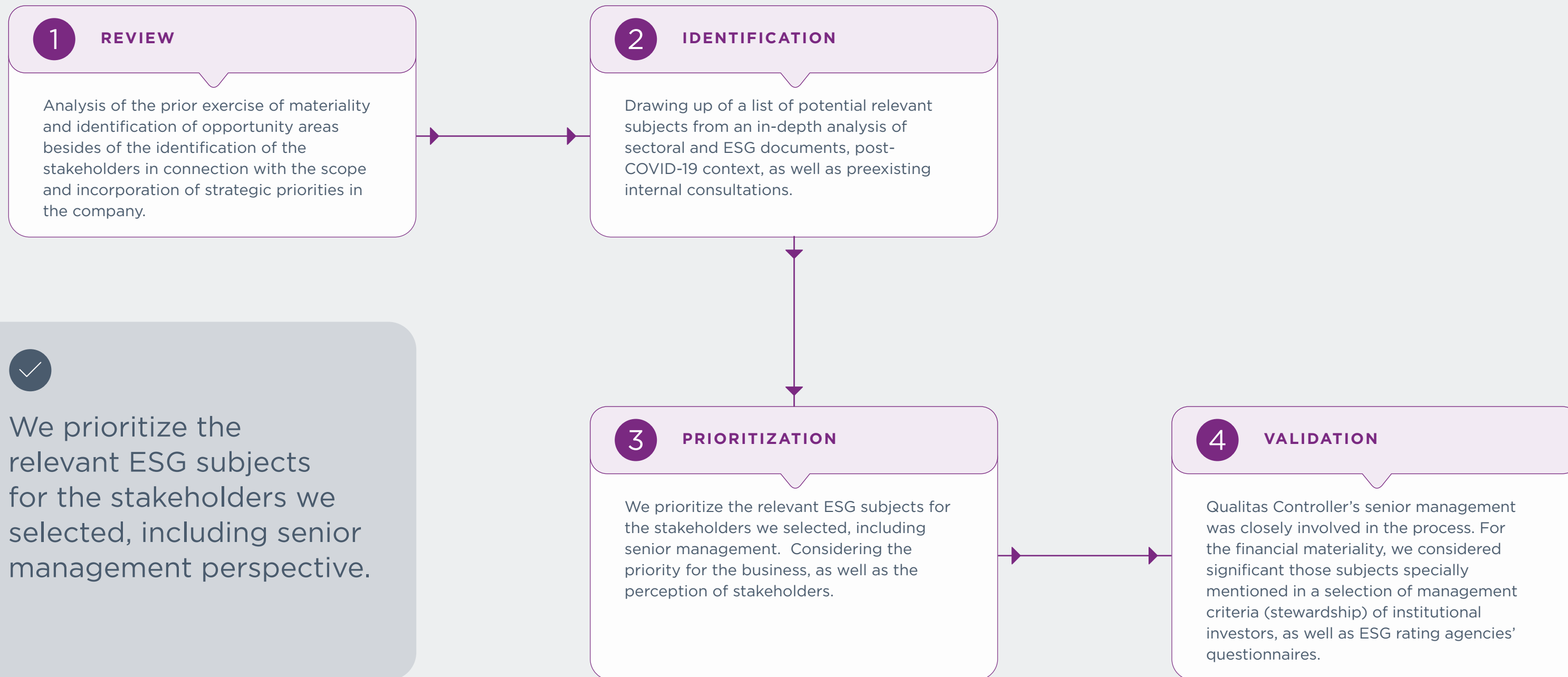


It reflects those ESG factors that may cause damages to the financial condition, operating performance, and cash flows in the company.

We highlight the most recurring subjects within our selection of references, including assessment of ESG properties in our investment assets, questionnaires of rating agencies and the Sustainability Accounting Standards Board (SASB) for the insurance industry. We focus on the insurance industry given that most of our income originates from insurance subsidiaries.



PROCESS FOR THE IMPACT MATERIALITY:

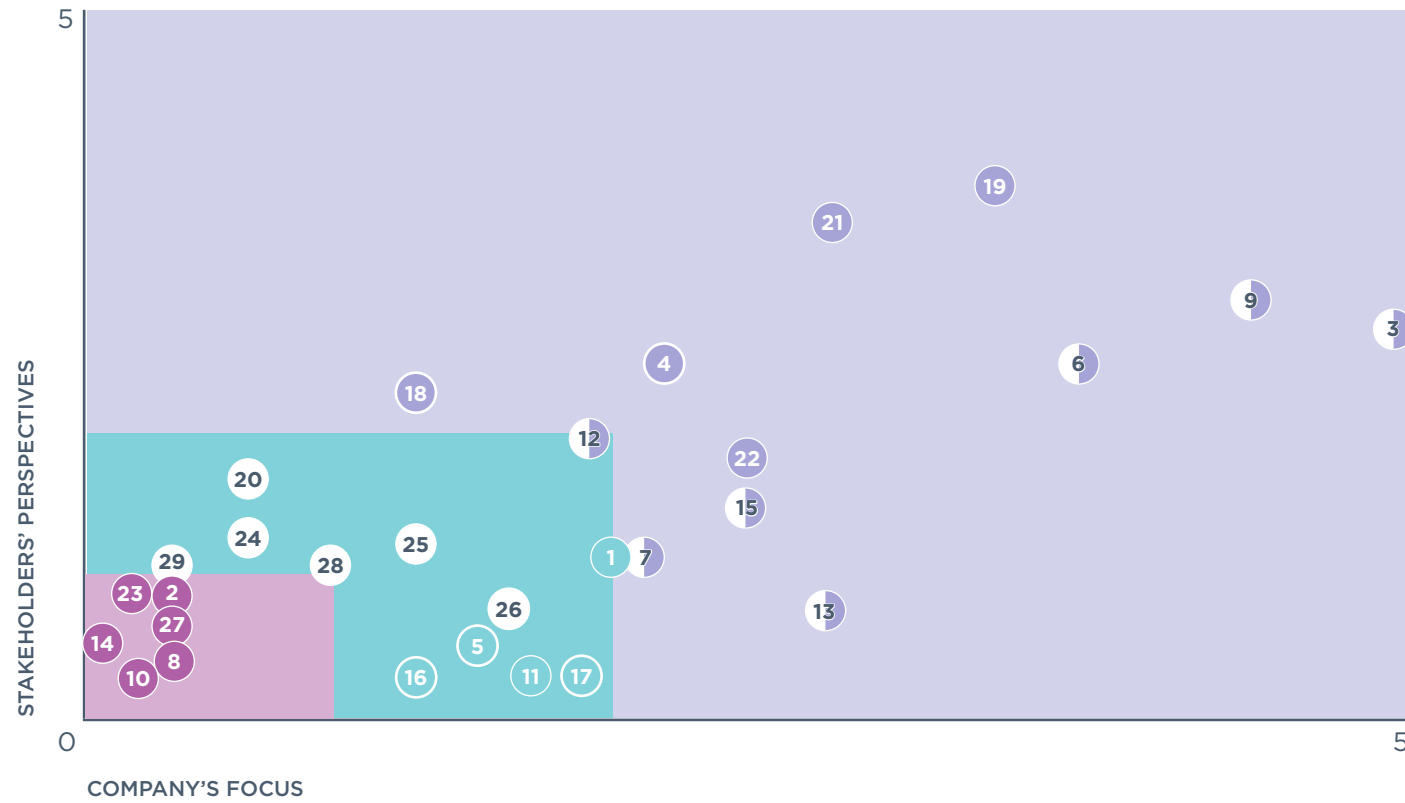


We prioritize the relevant ESG subjects for the stakeholders we selected, including senior management perspective.



INTEGRATED MATERIALITY MATRIX

QUALITAS CONTROLLER (INSURANCE BUSINESS)

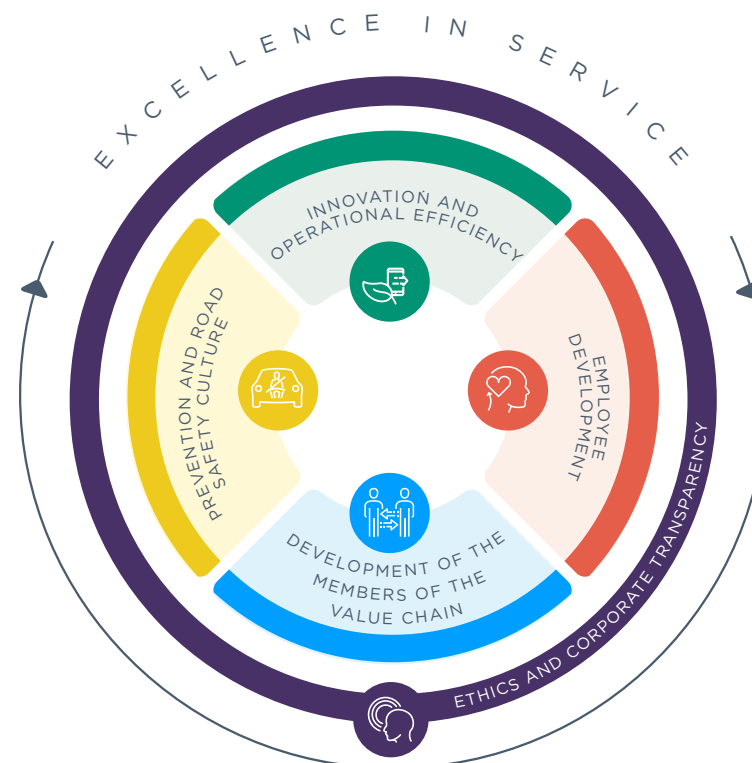


- Material subjects (socioenvironmental subjects)
- Potential material subjects in the short-term
- Financially material subjects
- Other potentially relevant subjects

● 1	Road behavior support and education
● 2	Financial education and insurance culture
○ 3	Innovation and operating efficiency
● 4	Relationship with suppliers
● 5	Availability of insurance for the entire population
○ 6	Relationship with business allies
○ 7	Cybersecurity - Information safeguard (policyholder and operation)
● 8	Use of policyholder's data (privacy)
○ 9	Customer service
● 10	Clear and appropriate information of insurance conditions
● 11	Legal compliance
○ 12	Ethics, transparency and anticorruption
○ 13	Corporate governance
● 14	Participation in the drawing up of public policies
○ 15	Economic results
● 16	Market and brand positioning
● 17	Attraction and retention of employees
● 18	Work environment and employee satisfaction
● 19	Training and career development (employee)
○ 20	Diversity and equal opportunities (employee)
● 21	Benefits and remuneration (employee)
● 22	Health and social security (employee)
● 23	Contribution to the development of local societies (social support and donations)
○ 24	Environmental management
○ 25	Products and services with environmental benefit
○ 26	Loss conditions
● 27	Tax strategy
○ 28	ESG Investment
○ 29	Climate change risks and opportunities



We updated the Sustainability Strategy from the double materiality exercise previously conducted, providing a particular approach to ESG priorities of the insurance business due to its relevance in the total operations.



However, for the non-insurance business, Flekk, we identified key topics to work on, which has enabled us to develop an environmental and social agenda for it.

We present below the list of our Sustainability Strategy pillars and material subjects.

SUSTAINABILITY PLANS PILLARS	2020 MATERIAL SUBJECTS	MATERIALITY TO WHICH IT BELONGS
Innovation and operating efficiency	Innovation and Operating Efficiency	Both materialities
	Economic Results	Both materialities
	Customer Service	Both materialities
	Products and services with environmental benefit	Financial
	Loss conditions	Financial
	Environmental management	Financial
	Risks and opportunities of climate change	Financial
Employee development	Training and career development	Socioenvironmental
	Work environment and employee satisfaction	Socioenvironmental
	Benefits and remuneration	Socioenvironmental
	Occupational health and security	Socioenvironmental
	Diversity and equal opportunities (employee)	Financial
	Risks and opportunities of climate change	Financial

SUSTAINABILITY PLANS PILLARS	2020 MATERIAL SUBJECTS	MATERIALITY TO WHICH IT BELONGS
Development of the members of the value chain	Relationship with business allies	Both materialities
	Relationship with suppliers	Socioenvironmental
	Customer service	Both materialities
Prevention and road safety culture	Road behavior support and education	Both materialities
	Loss conditions	Financial
Ethics and corporate transparency	Ethics, transparency and anticorruption	Both materialities
	Corporate governance	Both materialities
	Cybersecurity - information safeguard	Both materialities
	ESG Investment	Financial



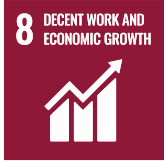


Contribution to the Sustainable Development Goals (SDG)




The Sustainable Development Goals are the basis of progress to attend the great challenges of humanity. We acknowledge the importance of contributing to the improvement of our society by work team and contribution to these goals.

We act in benefit of those goals linked to the main business activities and the context of our operation. Progress achieved is the result of collaborative effort with our entire value chain.

We describe those goals below, jointly with the specific related targets and our contribution through initiatives, programs, products and services.

SDG	TARGETS	CONTRIBUTION	KEY INDICATORS
	3.3, 3.6, 3.8	<ul style="list-style-type: none"> Promotion of responsible driving culture through the Qualitas Road Behavior Program (CVQ) Road safety advice to policyholders with fleets, Mexico and, other subsidiaries. Road Safety Management System (RSMS) in accordance with ISO 39001 for the claim assistance process and call center assistance. Emotional support and wellness measures for our employees, including the Adjust Your Emotions program. 	<p>+ 300 fleets receive road safety consulting information on a monthly basis.</p> <p>211 claim officers and 236 call center employees were trained as part of the RSMS.</p> <p>689 cases handled by Adjust your emotions</p> <p>5,820 telemetry devices installed; fleets representing \$60 MM MXN of insured premium.</p> <p>2,321 hours of road safety training</p> <p>1,684 participants in the risk prevention diploma for middle management of transportation companies (4th and 5th edition of the diploma).</p>
	4.3, 4.4, 4.7	<ul style="list-style-type: none"> Qualitas University for training of employees, agents, service office workers, suppliers, and policyholders (fleets, as part of road safety consulting). Talent incubator to facilitate and accelerate the training of professionals who join some of our positions Financial education for our policyholders. Training in savings and personal finance management for employees and agents. 	<p>\$32,283,989 MXN investment in Qualitas University</p> <p>1,360 participants in Talent Seminars, joining 100% to the staff.</p> <p>1,256 brigade members trained in the year.</p> <p>1,100 participants in the different financial education courses.</p>
	8.2, 8.4, 8.5, 8.8	<ul style="list-style-type: none"> Through our model of Qualitas Development Offices (ODQs for its acronym in Spanish), we support the socioeconomic development in growth places, by offering automotive insurance and promoting a prevention culture. We guarantee stable employment and development of our employees in our different subsidiaries. Attraction of new talent through our incubators program. Participation in the business model of agents and service office teams, providing opportunities for their development. 	<p>327 ODQs</p> <p>7.4% in staff growth (all countries (Qualitas Controladora)</p> <p>19,800 agents</p> <p>224 service offices.</p>



SDG	TARGETS	CONTRIBUTION	KEY INDICATORS
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	9.3, 9.4	<ul style="list-style-type: none"> Access to automotive insurance through products and services that adapt to the different needs of clients, including a combination of access possibilities (agents, service offices, ODQs, digital channels). Value proposal in the non-insurance business through Flekk in the supply of glass spare parts and their repair. Support to innovation through new business schemes in the value chain (for example, in shops: express lane and telematic warning systems for the policyholder). 	73 shops working under the express lane scheme 420,737 total parts authorized for exchange, collectable +4.8 MM vehicles insured
 11 SUSTAINABLE CITIES AND COMMUNITIES	11.2, 11.6, 11.7	<ul style="list-style-type: none"> Promotion of responsible driving: support to improve the safety of citizens in public spaces and roads through the Qualitas Road Behavior Program (CVQ). Incorporation of hybrid models to our fleet of assistance to policyholders (Qualicoches). Inclusion of gas natural, hybrid and electric vehicles fleet to decrease the compounds generated in diesel burning; improvement of air quality and decrease of Greenhouse Gases (GHG). 	138,604 people reached by our Road Behavior microsite. 24% of hybrid cars Qualicoches (claim officers and lawyers) +\$268 MM MXN in written premium of hybrid and electric vehicles
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5, 16.7	<ul style="list-style-type: none"> Corporate governance organization at the level of Qualitas Controladora and its subsidiaries, which guarantees the sustainability of the company over time with collegiate decisions. Q Certification program, including courses related to the Code of Ethics and Conduct, Money Laundering Prevention, Personal Data Protection and Conflict of Interest Policy (Qualitas Compañía de Seguros). Q Transparency System, which has a hotline and procedure for analysis and resolution of detected cases. 	33,795 total hours of Certificación Q, in 4 courses (Money Laundering Prevention, Code of Ethics and Conduct, Conflict of Interest and Personal Data Protection Policy).

Respect for Human Rights

GRI 2-23, 2-24, 2-25, 2-26

At Qualitas Controladora we always operate in accordance with the regulations of the different countries. In addition, we apply the reference practices in social, labor, community, environmental and corporate governance (ESG) issues. These are also connected to Human Rights, as detailed herein.

Aware of the relationship between Human Rights and our business activities, we observe international guidelines such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the Guidelines for Multinational Enterprises and further recommendations of the Organization for Economic Cooperation and Development (OECD), as well as the frameworks established by the International Labor Organization (ILO).

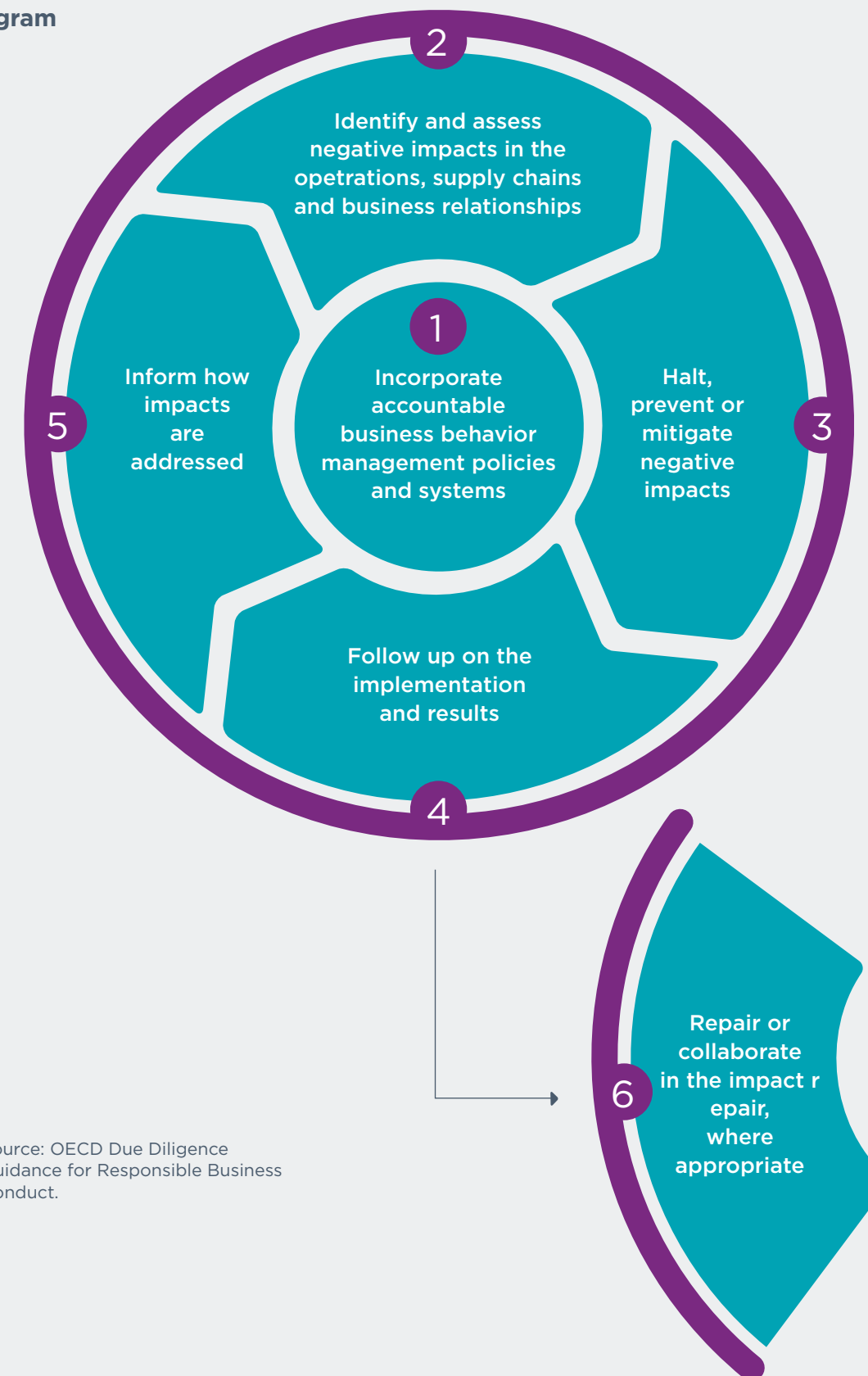
Therefore, we have developed our Human Rights Policy, which is applicable to all our subsidiaries. The Policy, as well as related management measures, will be updated upon presence of human rights risks arising from our operations and value chain.

For our performance, the initial identification of risks has been key, which we will be reinforcing with a more exhaustive analysis and prioritization, involving the internal areas of the company and external stakeholders.

We report on the progress made, prepared according to the stages recommended by OECD for a due diligence process.

HUMAN RIGHTS POLICY

Oecd Due Diligence Process diagram



Source: OECD Due Diligence Guidance for Responsible Business Conduct.



MAIN RISKS

The following items are taken into consideration for purposes of identifying and prioritizing risks:

The different activities of the Company in:

- 1 Insurance
- 2 Investment
- 3 Operation
- 4 Development of non-insurance business

Control of the operations involved:

- 1 Direct (Qualitas Compañía de Seguros and the rest of subsidiaries)
- 2 In the value chain (agents, suppliers, policyholders, others)

Clients Profiles, differentiated between:

- 1 Individual
- 2 Company
- 3 Internal (the company itself)

Here below, are the possible risks by type of business model and context of the operation; this does not mean that risks appear as actual impacts.

SCOPE	RISKS	MEASURES
Insurance: direct operation	<ul style="list-style-type: none"> • Product characteristics, policy specifications (difficulties in accessibility and collective impacts). • Impact on confidentiality of the clients information. • Responsible use of clients information (avoid abusive sales practices). • Safety in the direct management in claims. 	<ul style="list-style-type: none"> • Extensive offer of vehicle insurance to attend the diverse needs of clients. • In the New Products Committee, participation of the different areas that communicate the needs identified through clients. • Offer of compulsory vehicle insurance, which is the smallest and allows the population to comply with the legal requirement (Mexico). • Insurance of public transportation fleets, taxis and shared-use vehicles, which are essential for the mobility of the population, especially in urban areas. • Outreach to underserved areas through ODQs. • Strength in the security of the systems that safeguard information. • Road safety management system for claim officers in Mexico, in accordance with ISO 39001. • Use of data in accordance with legislation and for the benefit of the client. • Launching of health insurance products, with emphasis on prevention. Addressing the health insurance penetration deficit in Mexico.



SCOPE	RISKS	MEASURES
Insurance: value chain	<ul style="list-style-type: none"> Business practices with discriminatory aspects. Performance of suppliers involved in claims handling (informal employment in shops and cranes). Discriminatory aspects in legal and/or medical care. Vehicle driving practices of customers, with little care that may result in damage to them and/or other road users 	<ul style="list-style-type: none"> Agents and service offices' performance in accordance with the company's Code of Ethics and Conduct, as well as other policies and codes related to Human Rights. Compliance with Ethical Business Principles and Operating Standards as a requirement and guideline for product marketing and customer relations. Evaluation of suppliers before formalizing the commercial relationship. Road safety education program. Advice and training in driving safety for fleet clients.
Investment	<ul style="list-style-type: none"> Social and environmental impacts of the sectors where Qualitas Controladora and/or its subsidiaries invest in companies. Also, the possible risks and impacts of the activity of public administrations, in cases of government investment vehicles. 	<ul style="list-style-type: none"> ESG evaluation criteria for investments and analysis of the portfolio's existing ESG rating. Decision by a collegiate body: Investment Committee.
Corporate operation (management)	<ul style="list-style-type: none"> Discriminatory conditions and attitudes in the company's direct labor practices (e.g., access and career development, freedom of expression). Safety and health events including wellness and psychosocial issues. 	<ul style="list-style-type: none"> Code of Ethics and Conduct along with complementary policies, as a mandatory requirement for our employees. Ongoing ethics training and awareness through campaigns. Further training and/or awareness on diversity and non-discrimination. Institutionalized management of policies, procedures and actions for equality Qualitas Compañía de Seguros is certified in accordance with Mexican Standard NMX-R-025-SCFI-2015 on Labor Equality and Non-Discrimination. Excellence in compliance with other legal provisions. For example, Qualitas Compañía de Seguros with the application of the Mexican Official Standard NOM-035-STPS-2018. Safeguarding health and safety, including practices in more exposed positions such as claim officers (insurance subsidiaries) (ISO 39001) and cargo personnel (NOM-036-STPS-2018).



Description of each step of the due diligence process and support measures

PROCESS	PERFORMANCE	FURTHER DETAIL
<p>1 Incorporation of responsible business conduct into management policies and systems.</p>	<p>We have self-regulation at the level of Qualitas Controladora and our subsidiaries, which includes policies and codes.</p> <ul style="list-style-type: none"> • HUMAN RIGHTS POLICY - QUALITAS CONTROLADORA • CODE OF ETHICS AND CONDUCT - QUALITAS CONTROLADORA • POLICY OF RESPECT FOR PEOPLE AND DIVERSITY - QUALITAS COMPAÑÍA DE SEGUROS <p>We extend the guidelines of the Code of Ethics and Conduct to our value chain. Our services office team is required to observe these guidelines and promote them among our agents and suppliers.</p> <p>We provide yearly training to our employees in ethical guidelines, within the Q Certification . In addition, we have a specific equality and inclusion program consisting of four courses: the ABC of equality and non-discrimination, Inclusion and disability, Sexual diversity, inclusion and non-discrimination, and Non-discrimination against people living with HIV or AIDS.</p> <p>Likewise, we prepare different training programs according to the corresponding needs.</p> <p>We continue to work on incorporating ESG factors into our investment processes.</p>	<p>ETHICS AND COMPLIANCE</p> <p>WORKPLACE ENVIRONMENT</p> <p>INVESTMENTS</p>
<p>2 Identification and assessment of negative impacts on operations, supply chains and business relationships.</p>	<p>Through our Q-Transparency line, we receive complaints that are analyzed and allow us to identify risks and associated impacts.</p> <p>In addition, they are also proactively identified in the internal audit processes. Other specific evaluations and/or monitoring are added, for example, visits to supervise the status of the spaces and safety conditions of the collaborators.</p> <p>As part of our integrated risk process, we are making progress in the integration of social and/or environmental risks, for example, those related to climate change, talent availability, health and safety, etc.</p>	<p>ETHICS AND COMPLIANCE</p> <p>RISK MANAGEMENT</p>
<p>3 End, prevent or mitigate negative impacts.</p>	<p>We identified the main human rights risks addressed by Qualitas Controladora and our subsidiaries. See risk table.</p> <p>We have different prevention measures to reduce the probability of occurrence and mitigation measures to reduce the impact in case of occurrence.</p>	<p>HUMAN RIGHTS ANNEX</p>



PROCESS	PERFORMANCE	FURTHER DETAIL
<p>4 Follow-up of implementation and results.</p>	<p>We monitor the measures that respond to the risks, first by the individuals responsible thereof and, depending on the risk, in defined meetings and/or committees (e.g. Health and Safety Commissions). We also have indicators in our Sustainability Strategy that connect with Human Rights (e.g. employee health and safety indicators, road safety).</p>	<p>FOCUS ON SUSTAINABILITY CORPORATE GOVERNANCE</p>
<p>5 Report on how impacts are addressed.</p>	<p>We report on the progress of Human Rights management as part of our sustainability strategy. The integrated report is the main item of information. In addition, we have campaigns for different topics related to Human Rights, such as: information security, responsible driving, health prevention, diversity and equality, etc. We also respond to the specific requirements of our stakeholders (e.g. investors).</p>	<p>INTEGRATED REPORT REPORT RELATIONSHIP WITH STAKEHOLDERS</p>
<p>6 Repair or collaboration in the repair of the impact when applicable.</p>	<p>Our preventive management, through self-regulation and various initiatives within our operation and value chain, has allowed us to avoid significant cases of human rights violations (cases of discrimination, violation of privacy of information, corruption -which can lead to human rights violations-). However, regarding cases received through the whistleblower hotline, decisions have been taken, such as the removal of the employees involved (we provide this information in this report).</p>	<p>EETHICS AND COMPLIANCE SYSTEM SECURITY WORKPLACE ENVIRONMENT</p>



EXHIBIT III

Verification Letter

Verification Letter of the 2022 Integrated Annual Report
"ALWAYS CLOSE"

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

We inform you that the company Redes Sociales en Línea Timberlan was contracted to carry out a limited and independent verification of a sample of Disclosures of the GRI Standards, Environmental, Social and Governance ("ESG") indicators and topics of the Sustainability Accounting Standards Board ("SASB"), presented in the Integrated Annual Report 2022 "Always Close" ("Integrated Annual Report 2022"), developed by Quálitas Controladora, S.A.B. de C.V. ("Quálitas Controladora") corresponding to the period from January 1st to December 31st, 2022.

Responsibilities, scope and criteria:

The Management of Quálitas Controladora is responsible for the preparation of the information published in the "2022 Integrated Annual Report" and that presented for the verification process, which implies, but is not limited to: the selection process of the topics materials and GRI Disclosures reported and verified.

Our mission is to issue impartial and objective opinions about the certainty, traceability and reliability of the disclosures / indicators selected as a sample and published in the "2022 Integrated Annual Report". The scope of the limited verification included the results of the subsidiaries that make up Quálitas Controladora, (specified on page 2 of this letter).

As criteria, were considered: GRI Standards, in their latest version (2021) and in accordance, as well as the Sector Supplement for Financial Services, the Sustainability Accounting Standard (SASB) Insurance Standard.

Declaration of independence and competence of Timberlan Online Social Networks

Employees of Redes Sociales en Línea Timberlan have the necessary level of competence to verify compliance with the standards used in the preparation of Sustainability Reports, so they can issue a professional opinion on non-financial information reports, complying with the principles of independence, integrity, objectivity, competence and professional diligence, confidentiality and professional behavior. In no case can our verification statement be understood as an audit report, therefore no responsibility is assumed for the management and internal control systems and processes from which the information is obtained. This Verification Letter is issued on April 25th, 2023 and is valid as long as no subsequent and substantial modifications are made to the Integrated Annual Report 2022 Quálitas Controladora, S.A.B. de C.V.

Our work is based on the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information".

Among the activities carried out during the verification process are listed: verification of qualitative and quantitative information through visual, documentary and public evidence of the sample selected for verification, review of methodological compliance in accordance with the GRI Standards and SASB, validation of information presented in previous reports and data analysis.

With this, we can conclude that, during the verification process, we did not find any circumstance that would lead us to deduce that the data of the selected sample contains significant errors and that it does not meet the compliance requirements of the GRI Standards and the "Insurance" Standard of the Sustainability Accounting Standards Board ("SASB").

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

Alma Paulina Garduno Arellano
T. (55) 54 46 74 84
paulina@redsociales.com
Abril 25th, 2023



EXHIBIT III

Verification Letter

GRI Content		Scope
Social		
2-7	Employees	Quáalitas Controladora
3-1	Process to determine material topics	Quáalitas Controladora
3-2	List of material topics	Quáalitas Controladora
401-1	New employee hires and employee turnover	Quáalitas Controladora
403-4	Worker participation, consultation, and communication on occupational health and safety	Quáalitas Controladora
403-5	Worker training on occupational health and safety	Quáalitas Controladora
403-9	Work-related injuries	Quáalitas Controladora
403-10	Work-related ill health	Quáalitas Controladora
404-1	Average hours of training per year per employee	Quáalitas Controladora
405-2	Ratio of basic salary and remuneration of women to men	Quáalitas Controladora
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quáalitas Compañía de Seguros
417-2	Incidents of non-compliance concerning product and service information and labeling	Quáalitas Compañía de Seguros
417-3	Incidents of non-compliance concerning marketing communications	Quáalitas Compañía de Seguros
FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance productrelated information to new and returning customers	Quáalitas Compañía de Seguros
FS7	Monetary value of products and services designed to offer a specific social benefit for each line of business broken down by purpose	Quáalitas Controladora
FS8	Monetary value of products and services designed to offer a specific environmental benefit to each line of business broken down by object	Quáalitas Controladora
FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	Quáalitas Compañía de Seguros

Verified sample:

Governance		
2-9	Governance structure and composition	Quáalitas Controladora
2-12	Role of the highest governance body in overseeing the management of impacts	Quáalitas Controladora
2-23	Policy commitments	Quáalitas Controladora
2-24	Embedding policy commitments	Quáalitas Controladora
2-27	Compliance with laws and regulations	Quáalitas Controladora
201-1	Direct economic value generated and distributed	Quáalitas Controladora
201-2	Financial implications and other risks and opportunities due to climate change	Quáalitas Controladora
205-2	Communication and training about anti-corruption policies and procedures	Quáalitas Compañía de Seguros
205-3	Confirmed incidents of corruption and actions taken	Quáalitas Compañía de Seguros
405-1	Diversity of governance bodies and employees	Quáalitas Controladora
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Quáalitas Compañía de Seguros
Environmental		
302-1	Energy consumption within the organization	Quáalitas Controladora
302-2	Energy consumption outside of the organization	Quáalitas Controladora
302-3	Energy intensity	Quáalitas Controladora
302-4	Reduction of energy consumption	Quáalitas Controladora
305-1	Direct (Scope 1) GHG emissions	Quáalitas Controladora
305-2	Energy indirect (Scope 2) GHG emissions	Quáalitas Controladora
305-3	Other indirect (Scope 3) GHG emissions	Quáalitas Controladora
305-4	GHG emissions intensity	Quáalitas Controladora
FN-IN-450a.2	Total amount of monetary losses attributable to insurance payments (indemnities) of: (1) modeled natural catastrophes and (2) unmodelled natural catastrophes, by type of event and geographic segment (before and after reinsurance)	Quáalitas Controladora
Quáalitas	Water catchment	Quáalitas compañía de Seguros Costa Rica Quáalitas El Salvador Quáalitas Perú Quáalitas Flekk
Quáalitas	Solid waste	Quáalitas Controladora
Quáalitas	Absenteeism rate	Quáalitas Controladora
Quáalitas	Quáalitas Wellness Program - Health and Safety Management System	Quáalitas Compañía de Seguros



Global Compact Principles Index



TYPE OF SERVICE		DETAIL	CHAPTERS IN THIS REPORT
1	Businesses should support and respect the protection of internationally proclaimed human rights.	<ul style="list-style-type: none"> Code of Ethics and Conduct Values: Includes the respect for people's dignity. Operating standards 	<ul style="list-style-type: none"> ETHICS AND COMPLIANCE DEMOGRAPHY AND DIVERSITY
2	Business should make sure that they are not complicit in human rights abuses..	<ul style="list-style-type: none"> Human Rights Policy Corporate Donations Policy Policy for Respect for the Person and its Diversity (Qualitas Compañía de Seguros) 	<ul style="list-style-type: none"> DEMOGRAPHY AND DIVERSITY
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining..	<ul style="list-style-type: none"> Code of Ethics and Conduct Internal Labor Regulations 	<ul style="list-style-type: none"> ETHICS AND COMPLIANCE
4	Businesses should support the elimination of all forms of forced and compulsory labour..	<ul style="list-style-type: none"> Code of Ethics and Conduct - agents, service office teams, and suppliers are requested to comply and follow it (in Qualitas Compañía de Seguros) 	<ul style="list-style-type: none"> ETHICS AND COMPLIANCE
5	Businesses should support the effective abolition of child labour	<ul style="list-style-type: none"> Human Rights Policy 	<ul style="list-style-type: none"> DEMOGRAPHY AND DIVERSITY
6	Businesses should work for the elimination of discrimination in respect of employment and occupation	<ul style="list-style-type: none"> Human Rights Policy Policy for Respect for the Person and its Diversity (Qualitas Compañía de Seguros) Commitments acquired in achieving Mexican Standard certification NMX-R-025-SCFI-2015 of Labor Equality and Non-Discrimination (Qualitas Compañía de Seguros Performance of the Quality and Non-Discrimination Committee (Qualitas Compañía de Seguros) 	<ul style="list-style-type: none"> DEMOGRAPHY AND DIVERSITY
7	Businesses should support a precautionary approach to environmental challenges.	<ul style="list-style-type: none"> Sustainability Strategy - Environmental Pillar Work plans based on the GHG inventory Analysis of risks and opportunities of climate change (TCFD) - work plans based on results Commitment with Net Zero and analysis of Carbon portfolio 	<ul style="list-style-type: none"> ENVIRONMENTAL FOOTPRINT ORGANIZATIONAL IDENTITY
8	Businesses should undertake initiatives to promote greater environmental responsibility.	<ul style="list-style-type: none"> Portfolio of products and coverage - insurance of natural gas fleets and hybrid and electric vehicles. 	<ul style="list-style-type: none"> ENVIRONMENTAL FOOTPRINT
9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> Remote process setup (example Express adjustment) Availability of telemetry devices under a commodatum. 	<ul style="list-style-type: none"> CUSTOMER'S EXPERIENCE TECHNOLOGY FOR CUSTOMERS ENVIRONMENTAL FOOTPRINT
10	Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> Code of Ethics and Conduct Corporate Donations Policy Policy of Anticorruption Principles and Mechanisms (Qualitas Compañía de Seguros) Policy of Conflict of Interest (Qualitas Compañía de Seguros) Business Ethical Principles, which guide the way insurance is marketed and the relationship that employees, agents, and service office staff have with policyholders. Operational Rules - included in agreements with suppliers. 	<ul style="list-style-type: none"> ETHICS AND COMPLIANCE



GRI content index



UNIVERSAL STANDARDS			
Section	Contents	Page(s)	Omission
GRI 1: Fundamentals 2021			
GRI 2: General Contents 2021			
The organization and their report practices	GRI 2-1	13	
	GRI 2-2	7	
	GRI 2-3	7	
	GRI 2-4	8	
	GRI 2-5	7	
Activities and workers	GRI 2-6	16 y 17	
	GRI2-7	57	
	GRI 2-8	-	Not applicable; Qualitas has its own staff with contracts
Governance	GRI 2-9	31	
	GRI 2-10	31	
	GRI 2-11	31	
	GRI 2-12	21	
	GRI 2-13	21	
	GRI 2-14	7	
	GRI 2-15	37	
	GRI 2-16	37	
	GRI 2-17	31	
	GRI 2-18	31	
	GRI 2-19	31, 62	
GRI 2-20	31, 62		
GRI 2-21	-	Confidential, due to internal company guidelines.	
Strategy, policies and practices	GRI 2-22	9	
	GRI 2-23	27, 37, 109	
	GRI 2-24	27, 37, 109	
	GRI 2-25	37, 109	
	GRI 2-26	37, 109	
	GRI 2-27	37	
	GRI 2-28	27, 102	
Commitment with stakeholders	GRI 2-29	101	
		57	
GRI 3: Material topics 2021			
	GRI 3-1	103	
	GRI 3-2	103	
	GRI 3-3	It is presented throughout the report, for each material topic.	



CONTENTS BY MATERIAL SUBJECT

Material subject	Standard	Contents	Pages	Omission
Road behavior support and education	GRI 3: Material topics 2021	GRI 3-3	53	
Training and Career Development (employees)	GRI 3: Material topics 2021	GRI 3-3	62	
	GRI 404: 2016 Training and teaching 2016	404-1	62, 91	
		404-2	62, 65	
Work environment and employee satisfaction	GRI 3: Material topics 2021	404-3	62	
		GRI 3-3	67	
		401-1	61, 88	
	GRI 401: 2016 Employment 2016	401-2	62, 65	
		401-3	65	
	GRI 405: Diversity and equal opportunities 2016	405-1	31, 57, 86	
405-2		62, 92		
GRI 406: Non-discrimination 2016	406-1	37, 67		
Ethics, transparency and anti-corruption	GRI 3: Material topics 2021	GRI 3-3	37	
		205-1	38	
		205-2	39	
	GRI 205: Anticorruption 2016	205-3	38	
		GRI 206: Anti-competitive behavior 2016	206-1	38
GRI 415: Public Policy 2016	415-1	37		
Corporate governance	GRI 3: Material topics 2021	GRI 3-3	31	
		GRI 3-3	47	
Innovation and operating efficiency	GRI 302: Energy 2016	302-1	69, Exhibit ESG QCS	
		302-2	Emissions inventory GHG	
		302-3	69, 94	
		302-4	69, 94	
		302-5		Not applicable, what does apply is the possibility for insurance to promote lower GHG emissions in customers' vehicles, for example, by insuring fleets that use natural gas.
	GRI 305: Emissions 2016	305-1	69, 95	
		305-2	69, 95	
		305-3	69, 95	
		305-4	69, 95	
		305-5	69, 95	
		305-6		Qualitas operations do not require significant use of refrigerant gases.
		305-7		Not applicable, due to the low significance of the diesel used by Qualitas in stationary sources of consumption.

CONTENTS BY MATERIAL SUBJECT

Material subject	Standard	Contents	Pages	Omission	
Benefits and compensation (employee)	GRI 3: Material topics 2021	GRI 3-3	35, 92		
Policyholder data protection (cybersecurity)	GRI 3: Material topics 2021	GRI 3-3	49		
		GRI 418: Customer privacy 2016	418-1	49	
Relationship with business allies (agents, automotive finance companies, service office team)	GRI 3: Material topics 2021	GRI 3-3	41		
Relationship with suppliers (shops, doctors, towing vehicles, etc.)	GRI 3: Material topics 2021	GRI 3-3	41		
		GRI 204: Procurement practices 2016	204-1	Exhibit ESG QCS	
Economic results	GRI 3: Material topics 2021	GRI 3-3	76		
		201-1	85		
		GRI 201: Economic performance 2016	201-2	21, 24	
			201-3	61	
		201-4	85		
GRI Financial Services Sector Supplement	FS6	78			
Occupational health and safety (employee)	GRI 3: Material topics 2021	GRI 3-3	65		
		403-1	65		
		403-2	65		
		403-3	65		
		403-4	65		
		403-5	65		
		403-6	65		
		403-7	65		
		403-8	65		
		403-9	93		
403-10	93				
Customer service	GRI 3: Material topics 2021	GRI 3-3	41		
		GRI 416: Customer Health and safety 2016	416-1	41	
	GRI 417: Marketing and labeling 2016	416-2	37		
		417-1	41		
		417-2	37		
	GRI Financial Services Sector Supplement	417-3	37		
		FS7	48, 53		
		FS8	25, 48		
		FS13	18		
		FS14	18		
		37			



SASB contents index

STANDARD OF ASSURANCE - 2018 VERSION

SASB Topic	Code	Description	Unit of measurement	Omission	Page(s)
Parameters of activity					
(Parameter of activity)	FN-IN-000.A	Number of policies in force by segment: (1) property and accidents, (2) life, (3) reinsurance assumed	Number		78
Accounting parameters					
Transparent information and fair advice for customers	FN-IN-270a.1	Total amount of monetary losses as a result of judicial proceedings related to marketing and communication of information related to insurance products to new and former customers.	Currency to communicate		37
	FN-IN-270a.2	Relationship between complaints and claims	Speed	Not available	
	FN-IN-270a.3	Customer Retention rate	Speed	Not available, the satisfaction index (obtained from the comprehensive service survey) is presented as a metric.	
	FN-IN-270a.4	Description of the focus to inform customers on products	N/A		42
Incorporation of environmental, social and governance factors in investment management	FN-IN-410a.1	Total assets invested, by sector and type of asset	Currency to communicate		81
	FN-IN-410a.2	Description of the approach for the incorporation of environmental, social and governance factors (ESG) in investment management processes and strategies	N/A		81
Policies designed to encourage responsible conduct	FN-IN-410b.1	Net premiums issued related to energy efficiency and low-carbon technology	Currency to communicate		25
	FN-IN-410b.2	Analysis of products or characteristics of products that encourage health, security or environmentally responsible actions or behaviors.	N/A		25,48

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SASB Topic	Code	Description	Unit of measurement	Omission	Page(s)
Exposure to environmental risk	FN-IN-450a.1	Maximum probable loss (Pérdida Máxima Probable, PML) of insured products against natural catastrophes related to climate	Currency to communicate		24
	FN-IN-450a.2	Total amount of monetary losses attributable to insurance payments (indemnities) of (1) modeled natural catastrophes and (2) non-modeled natural catastrophes, by type of event and geographic segment (net and after reinsurance).	Currency to communicate		24
	FN-IN-450a.3	Description of the approach for the incorporation of environmental risks in (1) the process of individual agreement subscription and (2) risk management at company level and capital adaptation	N/A		24
Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: (1) potential total exposure to non-centrally cleared derivatives, (2) total reasonable value of acceptable guarantees deposited in the Central Clearing House, and (3) total potential exposure to centrally cleared derivatives.	Currency to communicate	Not applicable, Quálitas is not a globally systemic important insurer or linked to companies in the banking sector through shareholdings.	
	FN-IN-550a.2	Total reasonable value of securities lending collateral	Currency to communicate	Not applicable, Quálitas is not a globally systemic important insurer or linked to companies in the banking sector through shareholdings.	
	FN-IN-550a.3	Description of the approach to manage risks related to capital and liquidity associated with systemic activities other than insurance	N/A		21, 81



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Recommendations	Recommended report	Code	Page(s)	Additional Information
Governance	a) It describes the supervision of the board of directors on risks and opportunities related to climate.	GOB-A	27, 81	<p>Qualitas has a Social Responsibility Committee (sustainability), at senior management level supplementary of the Board of Directors committees.</p> <p>The chairperson of the Social Responsibility Committee communicates the main results at the Board of Directors' meetings. Such as emission reduction strategies and environmental commitments.</p> <p>The Investment, Finance and Planning Committee is a committee of the Board. It is in charge of defining monthly the investment strategy and it will supervise ultimately the application of ESG criteria in the investment from different subsidiaries.</p> <p>With respect to company risks, the Comprehensive Risk Management department also informs the Audit Committee in the event of technical and operating risks, and to the Investment Committee, as to financial risks; both are committees of the Board.</p>
	b) It describes the function of the management upon assessing and managing risks and opportunities related to climate.	GOB-B	21, 27, 81	<p>Social Responsibility Committee (sustainability) is in charge of supervising the Sustainability Strategy, including risk-reducing initiatives (for example, with the incorporation of hybrid Qualicoches) and they maximize opportunities linked to climate change (underwriting of hybrid and electric vehicles). The initiatives of the Strategy are associated with the different areas, who report to such Committee.</p> <p>In connection with the risks, both operating and financial, work is performed at the level of each subsidiary. In 2022, Qualitas Insurance Company's Comprehensive Risk Management performed an exercise of identification, from which will arise different measures to be presented at Committee's meetings (Investment and Audit Committees), where applicable.</p>

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Recommendations	Recommended report	Code	Page(s)	Additional Information
Strategy	a) Describe the risks and opportunities related to climate that the organization has identified in the short-, medium- and long-term.	EST-A	23, 24, 25	<p>The Comprehensive Risk Management department identified climate change risks, to be integrated in the risk matrix; the measures to be considered based on the result shall also be integrated into its monitoring plans.</p> <p>Opportunities have been identified from the guidelines and recommendations of TCFD and with the participation of the senior management. Work was already underway in many of them due to their value for the business and the added-value proposal for the policyholder.</p> <p>We refer in this report to the main identified risks and opportunities.</p>
	b) Describe the impact of risks and opportunities related to business climate, strategy and financial planning of the organization.	EST-B	24	<p>The actions we establish in response to risks shall be integrated into an update of the Sustainability Strategy, as well as the specific strategies of the area (management, equipment and real estate, fleet, technical area in product development, area of losses in records, etc.)</p>
	c) Describe the resilience of the organization's strategy, considering the different scenarios related to climate, such as a 2oC scenario or less.	EST-C		<p>We do not have a scenarios analysis yet.</p>



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Recommendations	Recommended report	Code	Page(s)	Additional Information
Risk Management	a) Describe the processes of the organization to identify and assess risks related to climate.	GDR-A	23	<p>We identify climate change risks based on: 1) the nature of our operations and main processes, 2) the context in which we operate (for example, differences in the legislative progress regarding the climate in the US and Mexico with respect to other countries of the region).</p> <p>For their categorization, we consider the classification raised by TCFD with transition and physical risks.</p> <p>We reinforce the training and generation of capacities in our team to update the climate risks map and include response measures in their comprehensive plans.</p>
	b) Describe the processes of the organization to manage risks related to climate.	GDR-B	25, 69	<p>From the risks and opportunities identified and prioritized in 2022, the risk team guided on possible measures and initiatives, which have been defined with the different areas involved; the measures raised at the insurance level in Mexico shall be extended if possible to subsidiaries in the rest of the countries.</p> <p>Main risks identified, with measures such as:</p> <ul style="list-style-type: none"> Incorporation of hybrid Qualicoches (subchapter Energy Management and GHG Emissions); Development of Express Adjustment (subchapter Customer experience), which avoids the movement of the claims officer, and decreases GHG emissions. Delivery to customers, especially of fleets, telemetry devices, which favor responsible and efficient driving, less GHG emissions. Underwriting of natural gas (fleets) and hybrid vehicles (automobiles) (chapter Business keys), (subchapter Risks, chapter Organizational Identity).
	c) Describe how the processes to identify, assess and manage risks related to climate are integrated into the general risk management of the organization.	GDR-C	21	<p>During the year, we especially highlight the integration of climate change risk identification in the comprehensive risk process, for Qualitas Insurance Company. After a first external exercise, we installed the capacities in our equipment to update the climate risks map and include the response measures in its comprehensive plans.</p> <p>The results of Qualitas Insurance Company's work (identified risks and proposed measures) shall be transferred to the insurance business in the rest of the countries, attending with local teams the specifics of each case.</p> <p>There shall also be an identification for the non-insurance business at a more mature stage as to business growth.</p>

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Recommendations	Recommended report	Code	Page(s)	Additional Information
Metrics and objectives	a) Disclose the metrics used for the organization to assess risks and opportunities related to climate according to its strategy process and risk management.	MYO-A	25, 69	<p>For the different risks and opportunities, we have already proposed a selection of indicators with annual established objectives.</p> <ul style="list-style-type: none"> Number of hybrid qualicoches (Qualitas Insurance Company, QCS) % of hybrid vehicles in Qualicoches' fleet (QCS) Premium issued for natural gas fleets (QCS) Premium issued for hybrid and electric vehicles (QCS)
	b) Disclose Scope 1, Scope 2 and, where applicable, the Scope 3 of greenhouse emissions (GHG) and related risks.	MYO-B	69	<p>Emissions of Scope 1 and 2 are calculated for the set of our subsidiaries.</p> <p>As to Scope 3, it includes the categories of the GHG Protocol classification applied for our type of activities.</p>
	c) Describe the objectives used by the organization to manage risks and opportunities related to climate and performance in comparison with the objectives.	MYO-C	Goals, document	<p>Annual objectives in indicators are available in a document supplementary to the annual integrated report, with the resolutions of the Social Responsibility Committee (sustainability).</p> <p>We are in the process of establishing new science-based objectives (SBTIs) taking as a baseline our results of the Emissions Inventory closed in the first quarter of 2023.</p>



PSI contents index

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Number	Description	Performance detail	Page(s)
1	We will integrate in our decision-making process environmental, social and governance topics (ESG topics) relevant to our insurance activity.	• Sustainability Committee - Strategy monitoring.	29
		• Climate change risk and opportunity analysis	23
		• Development of products with social impact (+)	48
		• Development of products with environmental impact (+)	35
2	We will work with our customers and business partners to raise awareness on environmental, social and governance topics, manage the risk and develop solutions	• Qualitas Road Behavior Program	53
		• Support in labor climate management to those responsible for service offices	67
3	We will work with the governments, regulators and other fundamental stakeholders, to promote a broad action in the entire society on environmental, social and governance topics.	• We support the Decade of Action for Road Safety 2021-2030, declared by the United Nations.	54
		• Contribution to the SDG from the operation and service proposal	107
4	We will be accountable and show transparency, Integrated report disclosing on a public and regular basis our progress in the application of the Principles	<ul style="list-style-type: none"> • Annual integrated report • Resolutions of annual objectives of social and environmental indicators (Social responsibility committee) 	NA

Note: Qualitas Insurance Company has subscribed the Insurance Sustainability Principles, while the rest of our insurance subsidiaries apply the guidelines internally set forth.

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