REPORT
EMISSION INVENTORY
GEI 2020

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1. Purpose

Detail the Greenhouse Gas (GHG) emissions associated with the activity of Quálitas Controladora (hereinafter "Quálitas") in 2020, specifying their sources and the calculation methodology. This inventory also serves as the basis for the development of actions to reduce emissions in the areas of opportunity identified.

2. Inventory scope

The methodology used is based on the *"Greenhouse Gas Protocol (GHG Protocol). A Corporate Accounting and Reporting Standard"*, developed by the *World Resources Institute (WRI)* and the *World Business Council for Sustainable Development (WBCSD)*[1]. Under this guide, the company's organizational scope was established and the GHG emission sources described below were determined.

2.1 Control approach

This report is carried out under an **operational control approach,** that is, all those activities on which Quálitas has the possibility of introducing and implementing its operational policies are considered.

Therefore, it considers within the control approach, the activities corresponding to the consumption of fuel and electricity in the subsidiaries over which it exercises operational control; the detail of the scope by geographic location is presented below.

Country	Subsidiaries
Mexico	Quálitas Insurance Company (QCS) Easy Car Class (ECG) CristaFácil (CF) Spare parts outlet (OR)
Peru	Quálitas Peru (QP)
El Salvador	Quálitas El Salvador (QS)
United States	Quálitas Insurance Company (QIC)
Costa Rica	Quálitas Costa Rica (QCR)

The subsidiary Autos y Salvamentos is left out of the analysis, since Quálitas does not operate it. It has the majority of ownership but is managed by the specialized partner.

2.2 Analysis period

This report on the emissions inventory corresponds to the operations carried out during 2020, for the period between January 1 and December 31.

[1] *Greenhouse Gas Protocol (GHG Protocol). A Corporate Accounting and Reporting Standard* http://ghgprotocol.org/corporate-standard

2.3 Boundaries

The emission sources or activities that generate GHG emissions in the company were identified considering the previously described control approach and were classified by Scope, in accordance with the guidelines of the GHG Protocol.

A detailed description of each Scope is presented below, referencing the emission sources and fuels considered in each case.

A. Scope 1: Direct GHG emissions

Emissions related to Quálitas' direct operations are included, that is, emissions from sources that are owned or controlled by the company.

They are divided into two types of sources:

Source	Activity	Fuels
Fixed	• Fuel consumption for emergency plants, canteens and other auxiliary equipment (QCS). • Activity of wastewater treatment plants (QCS).	LP Gas Diesel
Mobile	• Consignee 1 (QCS): Account assignment of vehicle and gasoline card to collaborator (Qualicoches). • Consignee 2 (QCS): Fuel card assigned to coordinators, it is an endorsement of consignee 1 (Qualicoches). • Consumption of fuel for transportation in non-insurance subsidiaries. • Fuel consumption for employee activity in insurance subsidiaries outside of Mexico.	LP Gas Gasoline Diesel

B. Scope 2: Indirect GEI emissions

It considers the indirect emissions related to the generation of electricity consumed at the company's facilities.

C. Scope 3: Indirect GHG emissions in the rest of the value chain

These are those indirect emissions that are generated beyond Quálitas' direct operations and electricity consumption, that is, in the rest of the value chain. Of the 15 existing categories, [2]Quálitas has calculated the following items for 2020:

[2] For more information on the Scope 3 categories, see:https://ghgprotocol.org/scope-3-technical-calculation-guidance

Scope 3 Category	Detail	Scope of operations
Category 1. Goods and services acquired	• Coolant recharge service performed by a third party.[3]	• Quálitas Insurance Company
Category 3. Other activities related to fuels and energy	• Consignees 3: Card to provide road assistance to policyholders. • Consignee 4: Use for private vehicles.	• Quálitas Insurance Company
Category 5. Waste generated in operations	• Emissions generated by the destination of the waste generated.	• Quálitas Insurance Company • Easy Car Glass • CristaFácil
Category 6. Business trips	• Air travel of collaborators. • Lodging nights	• Quálitas Insurance Company • Quálitas Insurance Company • Quálitas Costa Rica • Quálitas Peru • CristaFácil • Spare parts outlet

3. Calculation methodology

The calculations made in the inventory are made up of the sum of the emissions of the 3 main greenhouse gases: carbon dioxide (CO_2), methane(CH_4) and nitrous oxide(N_2O).

To obtain the emissions of the activities carried out by the company, the activity data collected (for example: consumption of fossil fuels or electricity) is multiplied by an applicable emission factor. That is, the following general formula is used:

$$GHG\ emissions(tCO_2e) = Activity\ data \times Emission\ factor(FE)$$

For Coolant emissions (HCFC and HFC), the calculation incorporates an estimate of the annual leakage of Coolants and the capacity of the systems containing the gas; the formula is as follows:

$$GHG\ emissions(tCO_2e) = Charging\ capacity(kg) \times Annual\ rate\ of\ Coolant\ loss \times Global\ Warming\ Potential(PCG)$$

Emissions are always reported as tons of CO_2e.

The emission factors and global warming potentials used to calculate the GHG inventory of Quálitas are specified in Exhibit 2.

[3] Regarding 2019, the categorization of these emissions was updated, going from Scope 1 to Scope 3 because it is a service and not an activity under the operational control of Quálitas. The re-categorization was also performed for the 2019 value.

4. Inventory results

4.1 General summary

According to the inventory developed for Scopes 1, 2 and 3, in 2020 the company emitted **15,320.77 tons of CO_2 equivalent (tCO_2e)**, according to the following breakdown:

GHG emissions from Quálitas			
Scope	2018 (tCO_2e)	2019 (tCO_2e)	2020 (tCO_2e)
Scope 1	14,269.73	13,535.94	11,246.12
Scope 2	3,513.11	3,770.24	3,512.28
Scope 3	704.40	1,366.49	562.37
TOTAL	**18,487.24**	**18,672.67**	**15,320.77**

Table 1. GHG emissions by QC scope

Note: Regarding the previous inventory report, there is a recategorization of the emissions associated with the Coolant charge of 2019 when going from Scope 1 to Scope 3. This is because the activity is not directly controlled by Quálitas but is a service performed by a third party, for which the emissions of both Scopes are re-expressed in this report.

As can be seen in figure 1, most of the emissions (73%) are concentrated in Scope 1, that is, the emissions generated by the use of transport units and stationary sources; 23% is attributed to electricity consumption while indirect emissions in the rest of the value chain, or not controlled by the company, represent only 4%. The detail of this information will be addressed in the following sections.

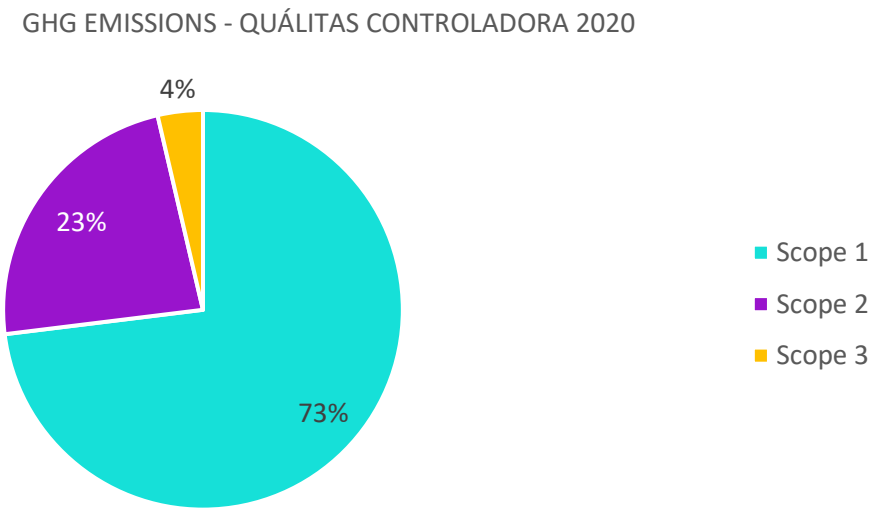

Figure 1 GHG emissions by Scope

Given that the requirement of the standard is to present Scope 1 and 2 emissions, that is, those controlled by the company, the weight is presented below by extracting Scope 3 emissions. This also facilitates their comparison with peer companies in the sector.

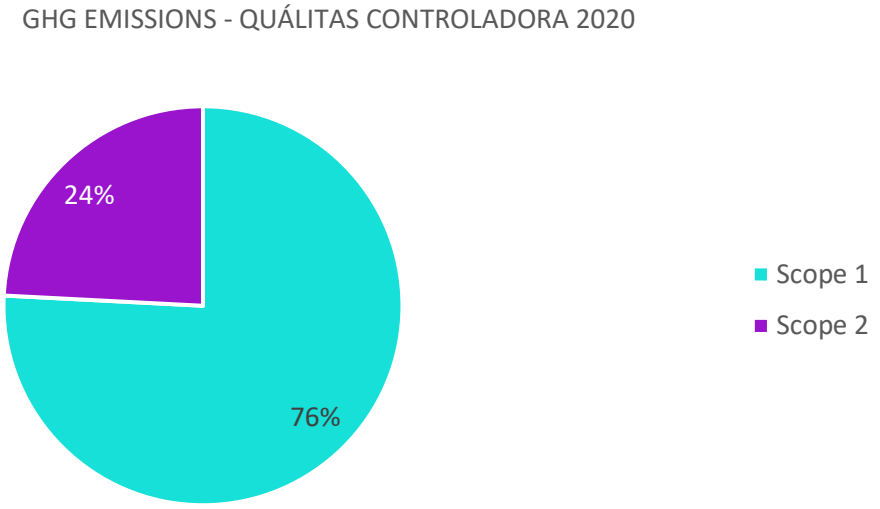

Figure 2. GHG emissions (Scope 1 and 2)

The values shown in table 1 consider all the information included in the 2020 emissions inventory, however, this year the scope of the information has been increased by introducing the fuel consumption for mobile sources of all the subsidiaries of the company in Scope 1 and waste emissions in Scope 3.

Therefore, it would not be appropriate to analyze the evolution of emissions with these data since the same scope of information is not being considered. For this reason, table 2 presents the same breakdown as table 1 with a focus on QCS as it is the subsidiary with which more information is available.

GHG emissions from Quálitas Insurance Company (QCS)			
Scope	2018 (tCO_2e)	2019 (tCO_2e)	2020 (tCO_2e)
Scope 1	14,269.73	13,531.70	10,608.89
Scope 2	3,398.19	3,476.35	2,992.96
Scope 3	704.40	1,366.49	547.81
TOTAL	**18,372.32**	**18,374.54**	**14,149.66**

Table 2. GHG emissions by QCS scope

It is possible to see that most of the company's emissions correspond to the activities carried out by QCS; This subsidiary represented in 2020 more than 85% of the emissions in each Scope and 92% in the total value of Scope 1, 2 and 3 emissions.

On the other hand, in figure 2 it is possible to analyze the evolution of emissions between 2018 and 2020 for QCS, observing that in all Scopes there has been a decrease in them mainly due to the effects of the COVID-19 pandemic in the operations.

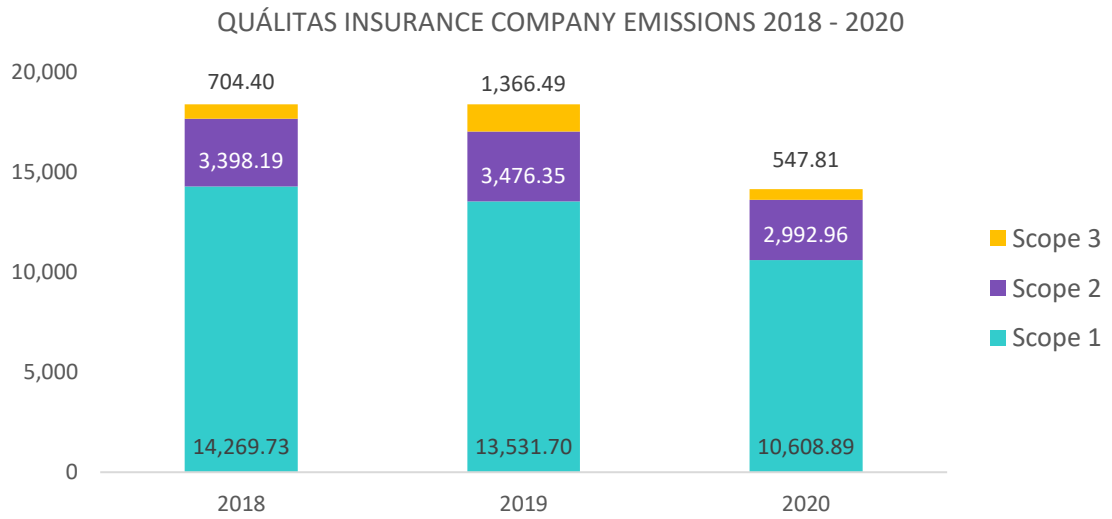

Figure 3. Evolution of GHG emissions by Scope for the 2018-2020 period, QCS

Note: The breakdown for QCS is done just to have a point of comparison for the company's emissions. In the rest of this report, the analysis is carried out for all the company's subsidiaries.

4.2 Emissions breakdown

The details of the emissions within each Scope are shown below.

Direct or Scope 1 emissions are broken down in tables 3, 4 and 5 by type of source (fixed or mobile), fuel and subsidiary respectively. Scope 2 emissions are reported by subsidiary in table 6. For each Scope, a graph is also presented with the breakdown for QCS, non-insurance subsidiaries and insurance companies outside of Mexico (figures 4 and 5).

In addition, the consolidated Scope 1 and 2 are presented divided by subsidiary (table 7).

Regarding Scope 3 emissions, Table 8 and Figure 6 show the breakdown of emissions by the 5 categories considered by the company.

a) Direct emissions - Scope 1

By type

Scope 1			
Source	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
Fixed sources	665.09	117.43	126.82

Mobile sources	13,604.64	13,418.50	11,119.30
Total	**14,269.73**	**13,535.94**	**11,246.12**

3. Breakdown of direct emissions by type of source

As can be seen, most Scope 1 emissions (99%) correspond to mobile sources, which is essentially due to the activity carried out by insurance adjusters; this behavior is constant in both insurance and non-insurance subsidiaries because the latter also carry out transport activities for the products they sell (also supplemented with transport by third parties, which does not correspond to this scope and is intended to be integrated in subsequent years).

On the other hand, in the fixed sources, the consumption of diesel is considered in emergency plants of QCS and of LP gas in the dining rooms of the facilities of San Jerónimo and San Ángel, also of QCS. Additionally, as part of the fixed sources, emissions from water treatment of San Jerónimo and Maguey of QCS are reported.

By fuel

Scope 1			
Fuel	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
1. Gasoline	13,604.64	13,418.50	10,788.14
2. Diesel	105.77	95.24	437.57
3. LP Gas	14.85	21.75	19.39
4. (Wastewater Treatment Plants)	544.47	0.45	1.01
TOTAL	**14,269.73**	**13,535.94**	**11,246.12**

Table4 Breakdown of direct emissions by fuel

When carrying out the analysis by fuel, it can be seen that the majority (96%) of Scope 1 emissions are due to gasoline consumption. It should be noted that the consumption of this fuel by Qualicoches, considered the sum of consignees 1 and 2 of QCS, represents 93% of Scope 1 emissions.

Additionally, Table 4 shows the methane emissions attributable to the San Jerónimo and Maguey treatment plants that are under the operational control of QCS and therefore of the company.

By Subsidiary

Scope 1			
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
Quálitas Insurance Company	14,269.73	13,531.70	10,608.89
Easy Car Glass	-	-	321.66
CristaFácil	-	-	20.20
Spare parts outlet	-	4.23	27.50
Quálitas Peru	-	-	197.47
Quálitas El Salvador	-	-	68.71
Quálitas Insurance Company	-	-	1.32
Quálitas Costa Rica	-	-	0.37
Total	**14,269.73**	**13,535.94**	**11,246.12**

Table 5.5 Breakdown of direct emissions by subsidiary

The last breakdown of Scope 1 emissions is made by subsidiary to be able to size the contribution of each company operation in this category of emissions. Table 5 shows that this year the scope of information on non-insurance subsidiaries has been extended and emissions from subsidiaries outside of Mexico have been included for the first time (in Scope 1). Our goal is to maintain this scope for years to come.

As already mentioned, QCS is the subsidiary that generates the most Scope 1 emissions (94%) and is therefore where the main areas of opportunity to reduce direct emissions of Quálitas are found.

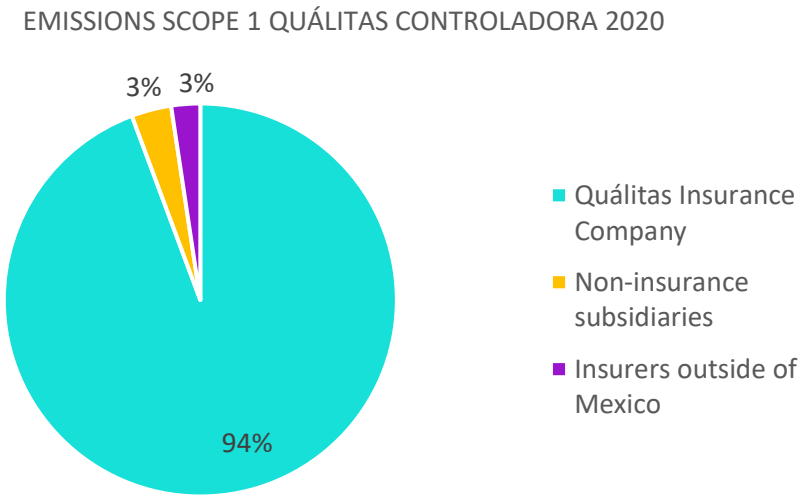

Figure 4. Composition of Scope 1 emissions from Quálitas

b) Indirect emissions- Scope 2

The emissions corresponding to the electricity supply contribute almost a quarter of the emissions that Quálitas can control, that is, Scope 1 and 2. For this reason, it is important to analyze the contribution of each operation that is part of the company.

Considering that the number of facilities is too large to make a comparison at this level, it has been determined to make the analysis at the subsidiary level as shown in table 6. To interpret the information, the size of the facilities must be taken into account. operations of each subsidiary, the emission factor, or carbon impact, of each country's electricity grid, as well as the scope of the information considered.

Scope 2			
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
Quálitas Insurance Company	3,398.19	3,476.35	2,992.96
Easy Car Glass	-	7.06	242.66
CristaFácil	-	38.50	10.97
Spare parts outlet	-	82.77	98.42

Quálitas Peru	-	24.95	49.60
Quálitas El Salvador	100.29	112.52	102.21
Quálitas Insurance Company	5.30	18.04	10.70
Quálitas Costa Rica	9.32	10.04	4.75
Total	**3,513.11**	**3,770.24**	**3,512.28**

Table 6.6 Breakdown of Scope 1 and 2 emissions by subsidiary

In table 6 and figure 5, it is again identified that QCS is the subsidiary with the highest amount of emissions. It also highlights the contribution of Easy Car Glass as it is the second largest subsidiary in this Scope. On the opposite side, Quálitas Costa Rica is by far the operation with the lowest generation of Scope 2 emissions, which is explained by the emission factor of the country's electricity grid, which is among the lowest in America.

It should be noted that the detail of the information collected for non-insurance subsidiaries in 2020 has been increased, by incorporating more facilities in the scope of information compared to 2019. Together they represent 10% of Scope 2 emissions (figure 5).

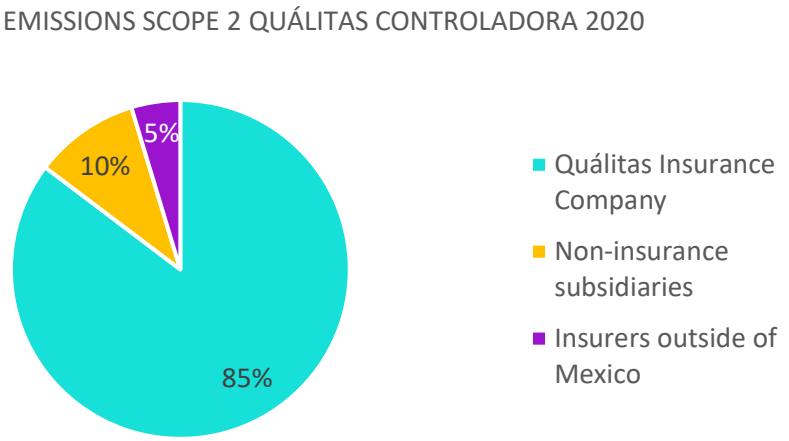

Figure 5. Composition of Scope 2 emissions from Quálitas

c) Scope 1 and 2 emissions

Quálitas has operational control of Scope 1 and 2 emission sources, that is, it is capable of developing measures to reduce the carbon impacts of these Scopes.

It is therefore the set of priority emissions for the proposal of energy efficiency measures and the supply of cleaner and / or renewable sources, which together make it possible to reduce energy consumption and the generation of GHG emissions.

By Subsidiary

Scope 1 + 2			
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
Quálitas Insurance Company	17,667.92	17,008.05	13,668.50
Easy Car Glass	-	7.06	569.73
CristaFácil	-	38.50	31.42
Spare parts outlet	-	87.01	128.11
Quálitas Peru	-	24.95	247.07
Quálitas El Salvador	100.29	112.52	170.92
Quálitas Insurance Company	5.30	18.04	12.23
Quálitas Costa Rica	9.32	10.04	5.12
Total	**17,782.84**	**17,306.18**	**14,833.09**

Tabla 7. Breakdown of Scope 1 and 2 emissions by subsidiary

In the set of Scope 1 and 2 emissions, an emission reduction of 15% is observed. This is due to the role that QCS represents and the reduction that occurred in it, due to its high weight in the total company.

The context of the operations during 2020 should be considered, because although there was never a stoppage in the activities, the capacity in all the facilities was limited.

On the other hand, it is observed that the scope of the information over time has been increasing, making the calculation of emissions at the Quálitas Controladora level more and more representative, with information on the emissions of non-insurance subsidiaries and other insurers out of Mexico. In 2020 they represent 8% of Scope 1 and 2 emissions (figure 6).

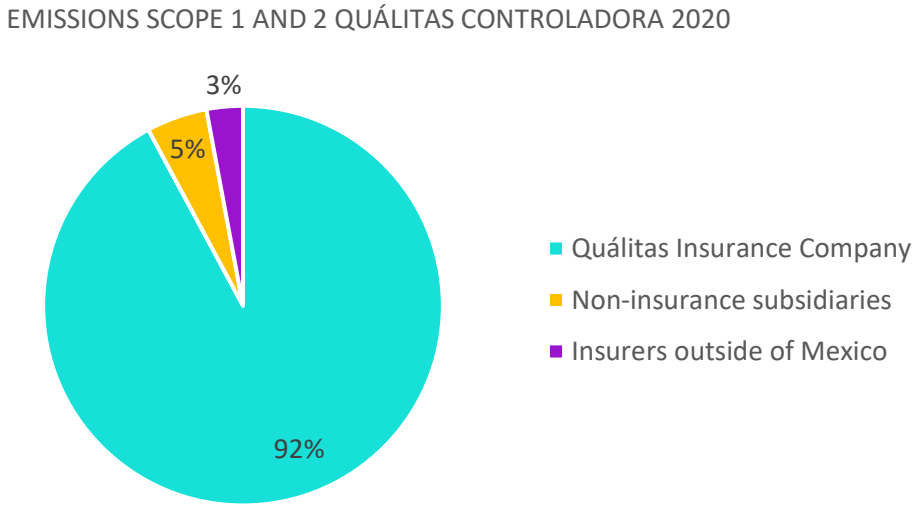

Figure6. Breakdown of Scope 1 and 2 emissions by category

d) Indirect emissions- Scope 3

Scope 3 emissions correspond to those that the company cannot control but that are generated as a consequence of its operations in the rest of the value chain. They are becoming increasingly

important in companies due to the attention paid by interest groups and their incorporation into the strategies to respond to the risks and opportunities of climate change.

Quálitas this year has incorporated 2 Scope 3 categories to what it had previously reported as can be seen in table 8.

The first category corresponds to acquired **goods and services** that consider the recharge of Coolant gases carried out by a third party at the company's facilities. In 2019, this activity was categorized within Scope 1 emissions, however, after a review of the responsibilities, it was found that QC does not carry out this operation directly but through a third party to whom it pays for the service, which is why which has been re-categorized as part of Scope 3 emissions.

The second category constitutes the emissions generated by the final destination of the **waste generated in the operations**, although its contribution is small this year, it is expected to have a greater control of the information in subsequent reports.

Scope 3			
Category	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
1. Acquired services	-	18.34	33.94
3. Activities related to fuels and energy	248.31	220.51	145.45
5. Waste generated in operations	ND	ND	0.64
6. Business trips (flights)	456.09	971.98	338.66
6. Business trips (hotel stays)	ND	155.67	43.68
Total	**704.40**	**1,366.49**	**562.37**

Table8 Breakdown of Scope 3 emissions by category of emissions

Table 8 shows the breakdown of Scope 3 emissions by category, where the numbering corresponds to the category established by the GHG Protocol. There has also been a differentiation between flights and hotel stays in category 6: Business trips to provide more detailed information.

Emissions from flights of Quálitas Compañía employees represent 60% of Scope 3 emissions (figure 7). Likewise, the consumption of gasoline and diesel in consignees 3 and 4 is the second activity that contributes the most in this category of emissions, contributing 26% of emissions.

Although business trips on air flights are the most relevant of Scope 3 emissions, it is important to mention that this year a change was made in its emissions accounting methodology, introducing the use of the emission factor of the United States Environmental Protection (EPA). This has the advantage of having greater certainty about the calculation mechanism as well as having the most recent information to determine emissions, so this methodology will be used in the following years.

The above, coupled with a decrease in the number of flights made between 2019 and 2020 and the fact that international routes were reduced to the minimum possible due to the restrictions of each country due to the pandemic, explains the considerable decrease in this value.

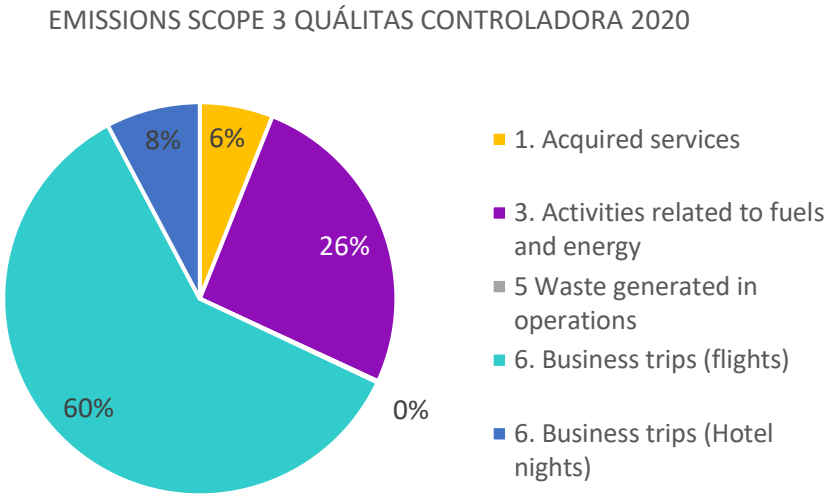

Figure 7. Emissions breakdown from outsourced transportation by fuel

Finally, Table 9 is presented, where the increase in the scope of the information collected for the 2020 inventory is shown, since Scope 3 emissions from non-insurance subsidiaries and outside insurance companies are being reported for the first time from Mexico. However, it can be confirmed that most of the weight of the company's emissions corresponds to QCS.

Scope 3			
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**
Quálitas Insurance Company	704.40	1,366.49	547.81
Easy Car Glass	ND	ND	0.92
CristaFácil	ND	ND	4.01
Spare parts outlet	ND	ND	2.71
Quálitas Peru	ND	ND	0.20
Quálitas El Salvador	ND	ND	-
Quálitas Insurance Company	ND	ND	6.52
Quálitas Costa Rica	ND	ND	0.21
Total	**704.40**	**1,366.49**	**562.37**

Table 9 Breakdown of Scope 3 emissions by subsidiary

4.3 Emission intensity

Table 10 shows the quotient of Scope 1 and 2 emissions divided by the issued premium, both for Quálitas Insurance Company and for Quálitas Controladora as a whole.

In this way, it is possible to observe the impact of the efficiency measures between years and make a comparison with the peers in the sector.

Emission intensity				
Approach	**Year**	**Issued Premium (MDP)**	**Indicator**	**Units**
Quálitas Insurance Company	2018	$32,821	0.54	tCO_2e/issued premium in MDP
	2019	$34,249	0.50	tCO_2e/issued premium in MDP
	2020	**$33,305**	**0.41**	**tCO_2e/issued premium in MDP**
Quálitas Controladora	2018	$34,495	0.52	tCO_2e/issued premium in MDP
	2019	$36,196	0.48	tCO_2e/issued premium in MDP
	2020	**$36,057**	**0.41**	**tCO_2e/issued premium in MDP**

10. Emission intensity indicator

Only Scope 1 and 2 emissions are considered because they allow comparison with other companies within the sector.

Between 2018 and 2020 there has been a decrease in this indicator, which is due to the general behavior of emissions during 2020, a consequence of the pandemic. For the company, the challenge is to maintain this trend by 2021.

Exhibit 1. Consumption considered

The activity data that constitute the bases of the referenced emissions are presented below.

1. Direct emissions consumption (Scope 1)

1.1 Gasoline

Gasoline - QCS 2020		
Month	**Consignee 1 (GJ)**	**Consignee 2 (GJ)**
January	13,241.05	243.05
February	13,160.18	241.63
March	13,446.11	255.95
April	11,318.02	186.47
May	11,151.40	169.91
June	11,686.55	165.32
July	11,592.23	191.90
August	11,482.56	193.65
September	11,320.38	154.60
October	11,688.46	193.52
November	11,446.93	183.80
December	11,424.38	204.00
Grand Total	**142,958.25**	**2,383.80**

Table 11. Direct fuel consumption QCS

Gasoline - rest of operations 2020	
Subsidiary	**Consumption (GJ)**
CristaFácil	280.07
Spare parts outlet	253.50
Quálitas Insurance Company	18.36
Quálitas Peru	2,738.06
Quálitas El Salvador	952.70
Quálitas Costa Rica	1.21
Grand Total	**4,243.91**

Table 12. Direct consumption of gasoline from other subsidiaries

1.2 Diesel

Diesel 2020		
Subsidiary	**Type of Source**	**Consumption (GJ)**
QCS	Fixed sources	1,555.34
Easy Car Glass	Mobile sources	4,275.01
Quálitas Costa Rica		3.76
	Grand Total	**5,834.11**

Table 13 Direct diesel consumption QC

1.3 LP Gas

LP Gas 2020		
Subsidiary	**Type of Source**	**Consumption (GJ)**
QCS	Fixed sources	161.17
Spare parts outlet	Mobile sources	142.03
Grand Total		**303.20**

Table 14 Direct consumption of LP gas QC

1.4 Wastewater treatment plants (WWTPs)

PTAR's 2020 - QCS	
Installation	**Volume treated (m^3)**
San Jerónimo	2,334.66
Maguey	1,509.45
Grand Total	**3,844.11**

Table 15. Wastewater treatment QCS

2. Indirect emissions consumption (Scope 2)

Electricity 2020	
	Consumption (kWh)
Quálitas Insurance Company	6,058,627.53
Easy Car Glass	491,214.00
CristaFácil	22,210.87
Spare parts outlet	199,235.00
Quálitas Peru	80,646.00
Quálitas El Salvador	150,359.00
Quálitas Insurance Company	24,284.66
Quálitas Costa Rica	120,286.00
Grand Total	**7,146,863.06**

Table 16. Electricity consumption by subsidiary

3. Indirect emissions (Scope 3)

3.1 Acquired services (refilling of Coolants)

Coolants – QCS 2020		
Installation	**Coolant**	
	R-22	**R-410**
San Jerónimo	13	-
San Ángel	41	-
Guadalajara	-	1
Grand Total	**54**	**1**

Table 17. Coolant gas leak

3.2 Other emissions (Consignees 3 and 4)

Gasoline - QCS 2020		
Month	**Consignee 3 (GJ)**	**Consignee 4 (GJ)**
January	27.52	222.29
February	27.65	212.06
March	20.76	218.60
April	19.47	129.22
May	15.83	107.68
June	17.69	112.57
July	27.17	121.12
August	34.78	111.86
September	41.28	107.61
October	40.95	117.69
November	32.76	110.38
December	21.50	107.17
Grand Total	**327.36**	**1,678.23**

Table 18. Indirect gasoline consumption QCS

Diesel 2020	
Consignee	**Consumption (GJ)**
3	0.19
4	10.56
Grand Total	**10.75**

Table 19. Indirect diesel consumption QCS

3.3 Waste generated in the operation

Waste - 2020			
Subsidiary	**Type of Waste**	**Destination**	**Generation (Kg)**
QCS	Aluminum cans	Recycling	8.00
QCS	Paper and cardboard	Recycling	1,734.00
QCS	PET	Recycling	64.00
CristaFácil	Glass	Landfill	34,069.00
Easy Car Glass	Glass	Landfill	13,714.00
QCS	Electronic	Recycling	4,536.00
QCS	Sanitary napkins	Landfill	140.80
QCS	Electronic	Landfill	1,742.50
		Total	**56,008.30**

Table 20. Waste generated in the QC operation

3.3 Business trips

Flights- 2020		
Subsidiary	**Number of flights**	**Total distance traveled (Mi)**
QCS	3,795	1,254,242
Quálitas Costa Rica	1	2,522
Quálitas Peru	2	1,530
(QIC)	47	23,736
Easy Car Glass	8	3,567
CristaFácil	21	6,352
Spare parts outlet	20	2,396

Table 21. Flights flown in 2020 QC

Stay in hotels - 2020	
Subsidiary	**Hotel nights**
QCS	1,609.00
Quálitas Peru	2
(QIC)	32
CristaFácil	56
Spare parts outlet	28

Table 22. Hotel stay by QC staff

Exhibit 2. Emission factors

1. Direct emissions (Scope 1)

For the calculation of direct emissions, or Scope 1, the emission factors of Mexico have been considered as it is the country where the most important operations and the corporate headquarters of the company are located.

1.1 Fixed sources[4]

Consumption data are obtained in emergency plants and canteens, broken down by type of fuel (gasoline, diesel, etc.). They are taken to consumption in energy units (GJ) in the cases that require it to apply the following emission factor.

Fuel	$kgCO_2/GJ$	$kgCH_4/GJ$	kgN_2O/GJ
Diesel	74.1	0.003	0.0006
LP Gas	63.1	0.001	0.0001

Table 23. Emission factors for fixed GHG sources

1.2 Mobile sources[14]

Consumption data for transportation activities are obtained, including Qualicoches and logistics for non-insurance subsidiaries, broken down by type of fuel (gasoline, LP gas and diesel). Conversions to energy units (GJ) are made with the calorific value and the emission factor is applied.

Fuel	$kgCO_2/GJ$	$kgCH_4/GJ$	kgN_2O/GJ
Gasoline	69.3	0.0250	0.0080
Diesel	74.1	0.0039	0.0039
LP Gas	63.1	0.062	0.0002

Table 24. Emission factors for mobile sources by GHG

1.3 Calorific value and Global Warming Potentials (GWP)

Fuel	Calorific value[5]	Units
Gasoline	0.0331	GJ/L
Diesel	0.0377	GJ/L
LP Gas	0.0261	GJ/L

Table 25. Calorific value by fuel

GEI:	PCG[6]	Units
CO_2	1	tCO_2e/tCO_2

[4] Adapted from the AGREEMENT that establishes the technical characteristics and the formulas for the application of methodologies for calculating emissions of greenhouse gases or compounds. SEMARNAT (2015)

[5] Adapted from the 2020 list of fuels to be considered to identify users with a high consumption pattern, as well as the factors to determine the equivalences in terms of barrels of oil equivalent.

[6] Global Warming Potential Values. Green House Gas Protocol. Fifth Assessment Report (AR5) (2016).

CH_4	28	tCO_2e/tCH_4
N_2O	265	tCO_2e/tN_2O

Table 26. PCG of GSG

2. Indirect emissions (Scope 2)

2.1 Electrical Consumption

The electrical energy consumed by Quálitas is supplied by different national suppliers depending on the country of operation; In Mexico, electricity is also generated for self-consumption with solar panels, however, as it is clean energy, the emission factor is zero.

Country	Description	FE (tCO_2e/kWh)
Mexico	CFE	0.000494[7]
USA	California	0.000226[8]
USA	ERCT (ERCOT All)	0.000425
Costa Rica	-	0.000039[9]
El Salvador	-	0.000680[10]
Peru	-	0.000615[11]

Table 27. Electrical emission factors by country - 2020

3. Indirect emissions in the rest of the value chain (Scope 3)

3.1 Acquired services (refilling of Coolants)

They are related to the leakage of Coolants from the air conditioning systems of the company's facilities.

Coolant mix	Individual coolant	Composition	PCG[12]
Not applicable	R-22	1	1760
R-401A	R-32	0.5	677
	R-125	0.5	3170

Table 28. PCG of Coolants

3.2 Other emissions (Consignees 3 and 4)

In this category, the emissions related to fuel consumption of consignees 3 and 4 were grouped, that is, consumption of gasoline and diesel for transport activities that are not directly linked to the operation of the company. In this way, for the calculation, the emission factors from table 24 (*Emission factors for mobile sources by GHG)* of section 1.2 of this exhibit have been considered.

3.3 Waste generated in operations

Emissions related to the destination of the waste generated in the operations, considering the type of waste generated.

[7] CRE Emission Factor of the National Electrical System, 2020
[8] *Environmental Protection Agency*, 2020.
[9] IMN. Emission factors for Costa Rica 2017.
[10] Ministry of Environment and Natural Resources Network emission factors 2017.
[11] Ministry of the Environment 2019.
[12] Global Warming Potential Values. Green House Gas Protocol. Fifth Assessment Report (AR5) (2016).

Type of Waste	Final destination	FE (tCO_2e/ Kg of waste)[13]
Aluminum cans	Recycling	2.13E-05
Paper and cardboard	Recycling	2.13E-05
PET	Recycling	2.13E-05
Glass	Landfill	8.93E-06
Electronic	Recycling	2.13E-05
Sanitary napkins	Landfill	4.37E-04
Electronic	Landfill	8.99E-06

Table 29. Emission factors for waste depending on the destination

3.3 Business trips

The emission factors used to calculate the emissions for flights made by Quálitas employees and for the nights spent in hotels for the performance of their activities are presented.

Distance traveled	Type of flight	FE (tCO_2e/mi-passanger [8]
Greater than or equal to 2300 mile	Length	**0.00016639**
Greater than or equal to 300 miles	medium	**0.00013413**
Less than 300 miles)	Short	**0.00021702**

Table 30. Emission factors for flights

Country	FE (tCO_2e/ night) [13]
Mexico	0.0253
Peru	0.0376
United States	0.0217

Table 31. Emission factors for hotel stays

Exhibit 3. Exclusions

This exhibit shows the operations and aspects that are not included in this year's inventory.

Autos y Salvamentos: Although due to the control approach, operations within the scope of the emissions inventory are not considered. Its inclusion in the 2021 inventory is proposed as part of Scope 3.

CristaFácil franchises. The reported emissions consider the own centers and not those that correspond to franchisees.

[13] *Greenhouse Gas Emission Factors. Defra Carbon Footprint*.2020

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