

# INSURING WELL-BEING



2014  
ANNUAL SUSTAINABILITY  
REPORT



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QUÁLITAS IS THE LARGEST AUTO INSURANCE COMPANY IN MEXICO IN TERMS OF MARKET SHARE. ITS SPECIALIZED BUSINESS MODEL, BASED EXCLUSIVELY IN AUTO INSURANCE, HAS ALLOWED THE COMPANY TO PROVIDE TOP QUALITY SERVICE UNDER THE LARGEST NETWORK IN THE COUNTRY.

QUÁLITAS HAS INTERNATIONAL OPERATIONS IN EL SALVADOR, COSTA RICA AND THE UNITED STATES.





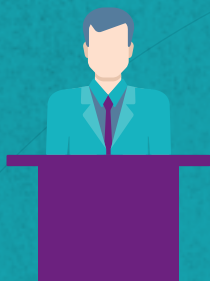
IN OUR FIRST SUSTAINABILITY REPORT, WE STATE THE INITIATIVES THAT FORM PART OF OUR BUSINESS PROCESSES AND THOSE THAT WE HAVE IMPLEMENTED IN ORDER TO REINFORCE OUR COMMITMENT TO STAKEHOLDERS, OUR VALUES AND THE ENVIRONMENT.











## Message from the Chairman of the Board

The business environment and the insurance industry in particular, have undergone a series of social, technological, regulatory and market changes over the last decade. These changes now constitute major trends that require companies to rethink their strategies and policies to ensure that they are both sustainable and that they transcend in the new environment.

The vision of Quálitas has always been that sustainability is an integral part of what we do and who we are, which has implied the commitment of leaders and employees with sustainability in their day-to-day work.

We have recently decided to back our sustainable actions as we recognized our impact on the economic and social development of the regions where we do business and on the stakeholders with which we interact. We also consider it our duty to continue encouraging the insurance culture in Mexico and Central America, and to contribute to the evolution and innovation of the insurance industry for the benefit of our policyholders.

To do so, we have set up a Social Responsibility Committee whose members include Company's Directors and Board Members who represent our various stakeholders and look after their interests.

In addition, the Company has two Board Members who are responsible for presenting the most important matters of stakeholders and Corporate Governance at Board Meetings.



This report outlines the sustainability initiatives that we will put into action as part of our business processes and those that we have implemented to reinforce our commitment to our stakeholders, our values and the environment.

These initiatives involve three strategic areas:

- 1. Personal Well-Being
- 2. Ethical and Transparent Actions
- 3. Protection of the Environment

It is a great pleasure for me to consolidate, during the upcoming years of Quálitas, a project so comprehensive, challenging and transcendent as that of corporate sustainability. I invite all the Quálitas' team - employees, office directors, agents, customers, shareholders, Board Members, suppliers, associations, institutions - to join our efforts.

**The vision of Quálitas  
has always been that  
sustainability is an integral  
part of what we do and  
who we are**

Sincerely,



Joaquín Brockman Lozano  
Chairman of the Board







# Personal Well-Being







## QUÁLITAS RECOGNIZES THE EFFECT THAT ITS BUSINESS OPERATIONS MAY HAVE ON THE COMMUNITY AND SEEKS TO CONDUCT THEM RESPECTING PERSONAL DIGNITY AT ALL TIMES.

Quálitas has defined six stakeholders with which it establishes ethical commitments and strategies to continue its successful overall development: employees, customers, office representatives and agents, suppliers, shareholders and the community.

These groups are represented by Directors and Board Members of the Company on the Social Responsibility Committee. These Board Members are required to put forward the most important matters of their particular stakeholders at Board meetings.





QUÁLITAS IS AN INCLUSIVE COMPANY THAT ATTENDS THE NEEDS OF ITS EMPLOYEES COMPREHENSIVELY

STRATEGIC AREAS:

- Fair and respectful working environment.
- Career opportunities.
- Supporting personal development.
- Well-being of employees and their families.

STRATEGIC ACTIONS:

Fair and respectful working environment

Inclusion

Quálitas is an all-embracing company that takes into account the needs of all its employees.

The respect for people and diversity policy establishes the following:

*Quálitas commits to conduct its business without discriminating on account of race, sex, religious belief, political opinion or union membership, nationality, language, age, sexual orientation, marital status, disability, financial status, social origin or any other aspect.*

*Therefore, we are committed to improving and developing diversity and to achieve this we will promote equal opportunities for all employees and personal respect.*

Employees

	WOMEN	%	MEN	%	TOTAL
Directors, VPs and Managers nationwide	66	42.3%	90	57.7%	156
Directors	8	44.4%	10	55.6%	18
Employees over 50 years old	5.9%				



As of the end of 2014, Quálitas had a total of 3,626 employees. Our philosophy is that all employees are hired under current employment legislation. The Company does hire employees on a temporary basis on some occasions, these accounts for approximately 1.5% of all staff.

The Company provides employment opportunities for handicapped people in various areas of the Company, such as customer service, recovery, suppliers and human resources.

**Working environment**

As far as the working environment is concerned, Quálitas carries out an annual corporate climate diagnosis and manages an open-door policy, ensuring that there is always communication between senior management, directors and staff.

The corporate climate diagnosis evaluated certain aspects such as internal and external customer service, teamwork, orientation to results, leadership, communication, acknowledgment, quality of employment and others.

72% of employees took part in the survey and major progress was made in areas such as

working conditions, training and development and leadership. The diagnosis showed that there were certain areas in which improvements can be made, and in order to achieve them, short term targets were established.

**Career opportunities**

At Quálitas we believe in the value of our staff, so our recruiting process is mainly focused on recently graduated students who may develop internally. Our employee turnover rate is 1.4%.

The training and sustainable development policy establishes the criteria and means to identify employees who are capable of holding a senior position and who will be part of the replacement team of each department.

These employees must undergo a potential assessment and take part in the internal certification program of the next level up. Depending on their performance, they may be put forward at the annual talent review meeting held with the CEO.

**QUÁLITAS HAS A WORKFORCE OF 3,626 EMPLOYEES**





Quálitas encourages the career development of its employees and involves them in its achievements and targets through a variable payment scheme.

This scheme is linked to indicator systems and performance assessment. As of the end of 2014, indicators had been established using the balanced scorecard method for all directors and deputy directors of the Company. There were 26 variable payment schemes for 1,400 employees.

Supporting personnel development

Education

In order to encourage the development of its employees, Quálitas has introduced several education initiatives:

- Sessions for employees of Maintenance and Surveillance departments who wish to study a junior high school or high school course.
- Assistance for 11 employees to conclude their high school course.
- English courses and writing workshops.
- Scholarships for 63 employees at various academic levels.
- 44 employees successfully concluded formal academic training.

Training

Training initiatives in Quálitas are key to ensuring the development of its employees, the achieving of results and excellence of service in business areas.

Scholarships given

IN PROCESS			
Level	Grade		Total
	Technical	Undergraduate	Masters
Staff	1	10	11
Analyst		17	14
Coordinator		12	6
Manager		1	1
Supervisor		1	1
Total in process			63

COMPLETED			
Level	Grade		Total
	Certificate	Undergraduate	Masters
Staff		2	2
Analyst	3	13	4
Coordinator	2	3	8
Manager		4	4
VP			1
Total completed			44



In 2014, face-to-face training was given to 885 employees and remote training to 4,130 employees.

Our training and sustainable development policy establishes a strategy for talent management, the criteria to define the specialties required and the funds to be allocated for training.

The maximum amount of funds allocated is 2% of the payroll of each department, and all funds were fully used in 2014.

In order to assess and measure training initiatives, specific procedures and indicators were introduced for each program.

A two-year training plan was developed in 2014, as a result of a diagnosis of needs. This plan includes the following programs:

PROGRAM	PARTICIPANTS	NO. OF PARTICIPANTS IN 2014
Orientation Program – “Qualitization”	New employees	266
Personal Quality	Commercial executives	40
Negotiating (Live)	Coordinators	234
Negotiating (Online)	Coordinators	311
Agents Developers	Potential agents	150
Solvency II	Actuaries	50
Diploma in Strategic Business Skills	Directors, service office directors, deputy managers and managers	200
Money Laundering Prevention 2014	All employees	
Negotiating (Online)	Staff of Quálitas service offices	320
Claims Officers Seedbed	Potential claims officers	80

**Social benefits:**

Quálitas has a number of social welfare systems to promote the well being of its employees:

**Finance:**

Quálitas' savings scheme encourages employees to save and provides them a safe investment and efficient financing option. In 2014, the funds of the scheme were transferred to a bank to reinforce the transparency of the investment made and to have a more efficient management.

The savings fund provides two investment options at competitive rates, as well as personal and housing loans.

At the end of 2014, the fund amounted to approximately \$50 million pesos and had 1,951 savers. Additionally 1,293 loans were granted during the year.

**Health:**

Quálitas introduces a number of health initiatives for employees and their families every year. A preventive health campaign with the Mexican Social Security Department was introduced in 2014 at all metropolitan offices.

Agreements were signed with a number of health providers so that Company employees could have access to services at preferential rates.

Quálitas has a number of doctor's offices at its main metropolitan offices.

**Nutrition and fitness:**

Quálitas actively encourages work out programs and offers its employees preferential rates at

sports clubs around the country, it also provides yoga sessions at its offices. Additionally, it has 13 national call center operators trained to give basic exercise routines to telephone operators.

We continued with the weight challenge program, which includes the advice of a nutritionist, who provides a target weight and diet, and follows up with them every two weeks.

**Well-Being of employees and their families**

**Child benefit programs:**

The company helps parents by paying 50% of the summer courses for their children between the age of 6 and 11.

The company has a scholarship program at some of its offices for children between the age of 13 and 17. This program provided 100 scholarships for three weeks in the areas of Call Center, Commercial, Issuance, Recovery, Roadside Assistance and Human Resources.





The program includes talks on bullying, finance, safe driving and workshops such as robotics and cardboard. There were also visits to two nursing homes on which trainees carried out useful tasks such as gardening, cleaning and accompanying older adults.

**Support**

Quálitas assists its employees in their times of need.

**Natural disasters:** the company attends to the needs of its employees affected by natural disasters. In 2014, we provided basic products and household appliances for 15 employees in Los Cabos and 2 in Tabasco.

In these cases, we also opened collection centers at our offices to receive food to then be sent to the Red Cross or national collection centers.

**Christmas boxes:** 182 Christmas boxes were distributed amongst the logistics and cleaning staff at our offices in Mexico City.

**School packages:** 369 packages were distributed at our offices in Mexico City, Guadalajara and Monterrey.

**Extraordinary assistance for employees:** 12 employees were given assistance to solve critical family problems.





QUÁLITAS HAS THE  
LARGEST SERVICE  
STRUCTURE FOR  
POLICYHOLDERS  
AND AGENTS

The basis of Quálitas business model is excellence in service. We have set up a dedicated and specialist team, with a network of 293 offices in Mexico and have installed state-of-the-art systems designed to meet the needs of our customers.

As of the end of 2014, Quálitas had established a broad customer services network including:

- 224 executives in the national call center dealing with 2.3 million calls.
- A network of more than 800 claims officers and 300 in-house attorneys.
- 293 service offices around the country.
- 96 quality supervisors around the country.
- An area for providing customers roadside assistance.

This structure has enabled Quálitas to provide its customers a quality service throughout the country, regardless of the area's security, level of access, or any other consideration. That is, the priority of the Company has always been to provide assistance to its policyholders when they need it.





Communication Channels

Quálitas maintains an ethical relationship with its policyholders and makes sure that the confidentiality of their data is guaranteed.

The Company has set up various contact systems with its customers to deal with their concerns and complaints quickly and efficiently, and to provide further information and support.

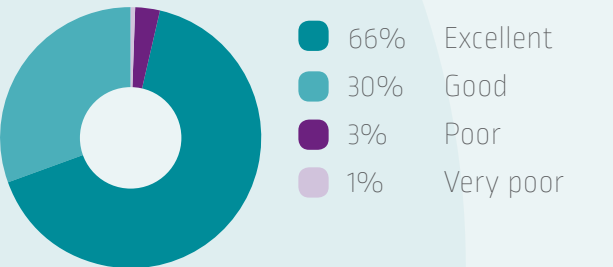
Additionally, Quálitas has a Contact Center in which each one of its service executives is trained to comprehensively solve the needs of policyholders.

On the other hand, the Quality Supervision Department is dedicated to follow up on the repairs and delivery dates of vehicles.

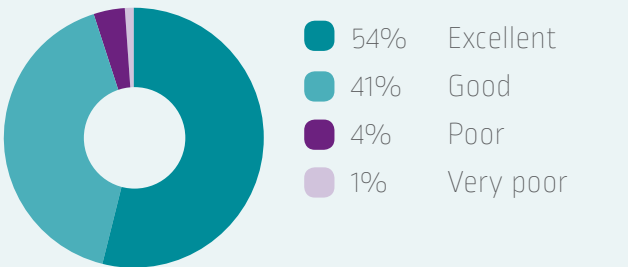
Satisfaction survey

SURVEY	WHEN	EVALUATES	AGAIN	EVALUATES	% POLICYHOLDERS
First call	35 minutes after reporting the claim	Claims officer arrival	2 hours later	Service: - Call Center - Claims Officer	10% in certain areas
First call roadside assistance	50 minutes after request for assistance	Suppliers arrival	1 to 2 hours later	Service: - Call Center - Supplier	20% of the general portfolio

General service of the company  
(Two-hour later survey)



Quálitas roadside assistance service  
(Two-hour later survey)





# Office Representatives and Agents

**STRATEGIC LINES:**

- Transparent and fair commercial relationship.
- Support in personal development.

**STRATEGIC ACTIONS:**

Quálitas treats everyone fairly, regardless of the portfolio size.

**Training new agents**

Program that consists in recruiting, training and developing new Agents so that they obtain their professional license. This program is conducted at all offices of Quálitas in Mexico.

As far as Quálitas is concerned, supporting agents is one of its priorities. Therefore, it has set up a national network of 293 offices in Mexico, the largest of its kind, and a state-of-the-art website to provide agents with top quality service.



# Suppliers



**STRATEGIC LINES:**

- Fair and transparent treatment in their relationship with the company.
- Meeting mutually established targets.

**STRATEGIC ACTIONS:**

Quálitas seeks to develop and maintain transparency and fairness in its relationship with its suppliers, and when handling service bids, prices and conditions.

Quálitas sees its suppliers as business partners with which it has a long-term relationship of mutual benefit, always respecting the working conditions agreed.

*Communication Channels*

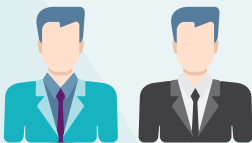
In order to improve its communications, the Company set up direct communication systems with the Contact Center in 2014. Repairshops now have a 01-800 number to receive technical advice, deal with problems regarding allocation of vehicles, change of location, etc.







## Shareholders



### STRATEGIC LINES:

- Quálitas has a longstanding commitment with the investor community to release transparent, accurate and timely information.

### STRATEGIC ACTIONS:

- Transparent, reliable and timely information over various means of communication.
- Strengthening corporate government practices.

### STRATEGIC ACTIONS:

Quálitas believes in working together with the communities and institutions with whom it must interact.

Under its policy on respect for the individual and its diversity, Quálitas commits with the society and the community where it operates to comply with local regulations and promotes the development and defence of human rights.

The Company promotes its links with the community through *Fomento Social Quálitas*. In 2014, it made donations amounting to \$1.1 million pesos to welfare organizations in the areas of health, education, older adults, social and community development. It also invested \$2.1 million pesos in funds to support the education of its employees and to provide them assistance at times of need. These donations represent 0.5% of the Company's net profits for the year.

## Community



### STRATEGIC LINES:

- Encouraging the development of the most vulnerable communities in education, health and the environment, by establishing strategic alliances with non-profit organizations that have proven to be effective.

In 2014, the process to determine the allocation of funds for donations was assessed by the Social Development Committee, which involved a number of specialists.

**The non-profit organizations supported by *Fomento Social Quálitas* in 2014 were:**

- 1.- Cadena de Ayuda Contra la Fibromialgia, A.C., a support group for patients with fibromyalgia, and their families.  
**Beneficiaries:** 140 women, 3 adolescents, 5 men.
- 2.- Unidos... Asociación Pro Trasplante de Médula Osea Francisco Casares Cortina, A.C. , aid and subsidies for people with limited funds who required a bone marrow transplant.  
**Beneficiaries:** 1 person with bone marrow cancer.
- 3.- Todos en Crecimiento IAP. Assistance for children and young people with serious disabilities.  
**Beneficiaries:** 15 young people.
- 4.- Internado Infantil Guadalupano, A.C., support for children and young people who have been mistreated physically and emotionally.  
**Beneficiaries:** 14 students.
- 5.- Casa Santa Clara, A.C., rescuing, educating and guiding girls living on the street.  
**Beneficiaries:** 6 girls.
- 6.- Renovación, Unión de Fuerzas, Unión de Esfuerzos, A.C., providing support to poor communities of the Barrancas de Las Aguilas, in Mexico City.  
**Beneficiaries:** 100 children.
- 7.- Fundación de Hermanitas de los Ancianos Desamparados IAP, assistance for poor older adults.  
**Beneficiaries:** 335 older adults.
- 8.- Fundación San Ignacio de Loyola, A.C., social, cultural and financial support for the country's most vulnerable communities.  
**Beneficiaries:** 100 Raramuris girls.
- 9.- Proeducación IAP, promoting quality of basic education at public primary schools.  
**Beneficiaries:** 165 students, 9 teachers, 67 parents.



10.- Casa Hogar Kamami, A.C., providing help for girls living on the street.

**Beneficiaries:** 1 clinical psychotherapist.

11.- Proyecto Cantera Juntos Por México, A.C. ,developing skills by using soccer as a social development tool.

**Beneficiaries:** 80 children.

12.- Fundación León XIII, IAP, promoting community education and development.

**Beneficiaries:** 27 young people and 135 families, indirectly.

13.- Cuenta con Nosotros Cuentos y Más A.C., cultural, social and human development assistance by reading.

**Beneficiaries:** 150 children.

“Padrinos Quálitas”: 78 Quálitas employees sponsored a handicapped person at Metamorfosis Global, A.C.





# Ethical and Transparent Actions







THE COMPANY'S CODE OF ETHICS ESTABLISHES THE VALUES AND PRINCIPLES WHICH SHOULD BE APPLIED DAY TO DAY, INCLUDING: HONESTY, TRUST, RESPONSIBILITY, RESPECT, KINDNESS AND PERSONAL COMMITMENT.

Quálintas defines ethics as the manner in which human actions should take place and considers having an ethical commitment to its policyholders, suppliers and the community as a whole.



## Consolidating Company Values

Quálitas looks forward to reflect corporate values when employees are dealing with policyholders, suppliers, authorities and the community in general. The code of ethics is distributed to all new employees and is also available on the Company's intranet.

Failure to comply with the code is reviewed and penalized by the Ethics Committee, whose members include officers from Management, Finance, Operations, IT and Human Resources departments, the Comptroller and Internal Audit. Penalties range from a warning call to the termination of contract.

The Company also has a system that is used to report situations of concern, including a direct line to the CEO. This system is made known to all new employees during the orientation course and over the intranet.

Quálitas also encourages a working environment based on mutual respect and collaboration. The personal respect and diversity policy establishes the following:

THE COMPANY HAS  
ESTABLISHED ETHICAL  
BUSINESS PRINCIPLES FOR  
HOW THE COMMERCIAL  
DEPARTMENT  
SHOULD DEAL WITH  
POLICYHOLDERS, AGENTS  
AND THIRD PARTIES

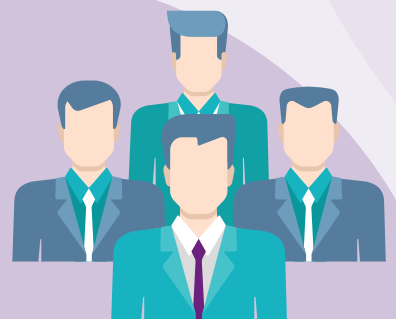
*All Quálitas employees must be treated with respect and no aggressive conduct or any type of discrimination is allowed. Discrimination, harassment, abuse of authority, offense or any other form of aggression or hostility that creates an intimidating atmosphere is strictly prohibited.*

Unacceptable forms of behavior, such as harassment, unsuitable jokes, criticism, offensive language or action, and physical contact are specified in the policy.

The policy also establishes the following with regard to transparency of business:

*Quálitas does not allow any discrimination amongst policyholders and suppliers. It also uses the latest technology to select suppliers fairly and transparently.*

QUÁLITAS LOOKS FORWARD TO REFLECT  
CORPORATE VALUES WHEN EMPLOYEES ARE  
DEALING WITH POLICYHOLDERS, SUPPLIERS,  
AUTHORITIES AND THE COMMUNITY IN GENERAL



*Quálitás clearly guarantees the right of its shareholders to have access to transparent and accurate information, regardless of their importance, influence or position in the Company.*

On the other hand, the Company's code of conduct includes a series of standards that govern the behavior between employees, and their relationship with suppliers with regard to confidentiality of information, the circumstances under which gifts may be accepted from suppliers and the express prohibition of accepting any gifts or offers of money in exchange for special conditions or favors.

In order to reinforce the training of its leaders in values, Quálitás has signed an agreement with the

Union Social de Empresarios de Mexico (USEM). The USEM gives courses in social responsibility strategies. The Social Training Course (CUFOSO, acronym in Spanish) lasts 100 hours and is given to the Company's senior management. In 2014, 5 directors took the CUFOSO course.

Most directors of Quálitás have taken this course in recent years. In addition, the USEM gave the "Quálitás Social Training Course" to 136 employees of the claims department.

Some sessions of this course were given to 60 employees of the commercial department.

## Internal Control



The internal control department has an annual audit plan that is validated and authorized by the top management and the Audit Committee according to subjects relevant for the Company.

Quálitás recognizes that there are many aspects subject to internal control: operating, administrative, financial, tax and financial risks, compliance with regulations, information technology, internal processes, etc.

Risk inherent to the Company is mitigated with the support of top management and the Audit Committee. With the help of constant reviews and evaluations from internal and external auditors.

QUÁLITAS EXERCISES A SOLID INTERNAL CONTROL THROUGH A JOINT COLLABORATION OF ITS INTERNAL AND EXTERNAL AUDITORS, AS WELL AS OF ITS AUDIT AND BUSINESS PRACTICES COMMITTEES

Considering the opinions received, audited departments must develop a plan to mitigate risks and meet deadlines, which will be followed up by the internal control department. If any action is required, the committee will be notified and a decision is taken promptly.



AS OF 2014,  
QUÁLITAS BOARD  
HAD 12 MEMBERS,  
8 OF WHICH ARE  
INDEPENDENT



## Members of the Board

MEMBER	ALTERNATE MEMBER
Joaquín Brockman Lozano	Ricardo Escamilla Ruiz
Wilfrido Javier Castillo Sánchez Mejorada	Wilfrido Javier Castillo Miranda Olea
Juan Enrique Murguía Pozzi	
Harald Feldhaus Herrmann*	
Juan Orozco y Gómez Portugal*	
Raúl Alejandro Jiménez-Bonnet García*	
Mauricio Domenge Gaudry*	
Fernando Jacinto Velarde Muro*	
Juan Felipe Sottit Achutegui*	
Juan Marco Gutiérrez Wanless*	
Christian Alejandro Pedemonte del Castillo*	
Héctor Rivera Rosas	

\*Independent Members

66% of proprietary members are independent, and have no conflict of interests, which affords the Board substantial authority and institutionalization regarding administration of the Company.

According to the bylaws of the company, at least 25% of Board Members must be independent. In addition, independent Board Members and, if applicable, their alternates, must be selected on account of their experience, ability and professional reputation, taking into account that they must discharge their functions free of any conflict of interests and not be influenced by any personal, corporate or financial interests.

# Corporate Governance



QUÁLITAS HAS A CORPORATE GOVERNANCE STRUCTURE FOR DECISION MAKING THAT HAS EMPOWERED COMMITTEES AND INDEPENDENT BOARD MEMBERS

Quálitas has a corporate governance structure for decision making that has empowered committees and independent board members.

Corporate governance practices promote a business culture for accountability from the management, in addition to a greater level of institutionalization and discipline.

The corporate governance objectives of Quálitas are:

- Management transparency.
- Adequate disclosure to investors.
- Equal treatment for all shareholders.
- Identification, dissemination, monitoring and, if appropriate, solution of key matters.

In order to achieve these targets, Quálitas has set up seven committees, the first four mentioned below are comprise of independent Board Members and officers of the Company. Their functions are specified as follow.

## AUDIT COMMITTEE

- Monitor the management, performance and execution of the matters of its competence according to the Mexican Stock Exchange Law.
- Evaluate the performance of the external auditor.
- Analyze the financial statements and the financial information of the Company.
- Investigate possible breaches to guidelines, operating policies and internal control systems.
- Monitor that the CEO complies with the agreements reached in the Assemblies.

## CORPORATE PRACTICES COMMITTEE

- Monitor the management, performance and execution of the matters of its competence according to the Mexican Stock Exchange Law.
- Monitor that the CEO complies with the agreements reached in the Assemblies.
- Evaluate the compensation of the CEO and other significant directors.

- Inform the Board of Directors of operations with related parties.

#### **INVESTMENT, FINANCE AND PLANNING COMMITTEE**

- Evaluate and suggest investment policies aligned to the organizational vision.
- Propose the guidelines for the Company's strategic planning.
- Maintain a balanced investment portfolio under the investment regime established by the authority.
- Give an opinion on the budget's assumptions and monitor the budget.
- Identify risk factors and evaluate policies to manage them.

#### **SOCIAL RESPONSIBILITY COMMITTEE**

- Define the extent of the social responsibility of the Company.
- Define strategies and activities to implement social responsibility practices.
- Define procedures to assess the social impact of its functions and activities.

#### **REINSURANCE COMMITTEE**

- Propose objectives and policies for hiring, monitoring, evaluating and managing the reinsurance operations.
- Propose the mechanisms for monitoring and evaluating the policies and rules in matters of reinsurance.
- Evaluate periodically the achievement of the strategic objectives set by the Board of Directors in matters of reinsurance.
- Inform on the results of its operations and on the corrective measures implemented to adjust deviations.

#### **COMMUNICATION AND CONTROL COMMITTEE**

- Make recommendations about contracts or operations that could favor terrorism or money laundering operations.
- Establish and circulate the criteria for the classification of clients, in terms of their level of risk
- Dictate the operations that should be reported to the Finance Ministry by way





of the National Insurance and Bonds Commission, as unusual or troubling.

**FINANCIAL RISK COMMITTEE**

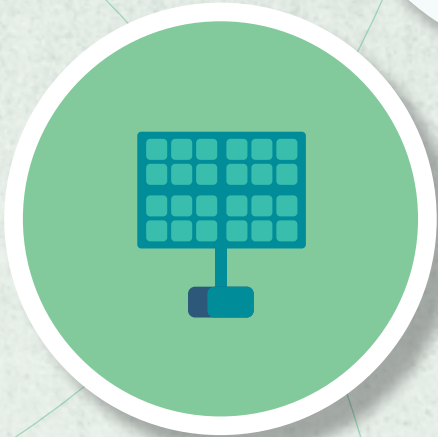
- Propose the objectives and policies for the management of risks; the global limits and per type of risk; and the resource allocation policy.
- Approve the methodology to identify, measure, monitor, limit and reveal the different kinds of risks.
- Approve the models, parameters and scenarios to be used to measure and control risks.
- Approve the undertaking of new operations and services that imply risk.



# Protection of the Environment

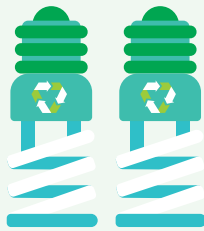






QUÁLITAS PROMOTES A CULTURE OF PROTECTION OF NATURAL RESOURCES, WITH ACTIONS ORIENTED TO THEIR EFFICIENT USE AND TO MINIMIZE THE ENVIRONMENTAL IMPACT OF THE COMPANY'S OPERATIONS.





## Optimizing the Use of Energy

DUE TO THE NATURE OF THE SERVICES PROVIDED BY THE COMPANY, THE AMOUNT OF ENERGY IT USES MAY BE SUBSTANTIAL

Quálitas uses energy efficient and low heat-dissipating computer equipment and servers. Air conditioning has been installed at its computer centers to also optimize these conditions.

The Company's main offices in Mexico City, Guadalajara and Monterrey have an uninterruptible power supply system so it may continue working in an event of a power blackout, thus avoiding the use of UPS batteries.

The company has low energy consuming lighting in its buildings. When any new offices are built or refurbished, the possibility of using solar panels or other energy generating sources is evaluated. The Company has installed solar panels in other offices according to the requirement of every building.



## Paper Recycling

THE POLICY WALLETTS OF ALL CUSTOMERS ARE MADE FROM NON-PLASTICIZED SULFATE CARDBOARD

The wallet for motorcycle policies is covered in vinyl to protect documents against weather conditions. Policies are always printed on FSC (Forest Stewardship Council) certified paper, which ensure that it is taken from trees grown for this purpose.

Recycled paper is used at all our offices for printing and there are also bins for recycled paper.

We collected 3,354 kg of paper in 2014 that was sold to a recycling company. The income earned from this sale was donated to the axolotl rescue project in the Cienagas del Lerma in the State of Mexico.





## Waste Management

Obsolete equipment is discarded with electronics recycling companies that collect waste and then take it apart per type of material in the country's main cities. These companies provide Quálitas a certificate that verifies destruction and recycling of equipment. In 2014, we disposed of 5.4 tons of electronic waste in Mexico City, 2.7 tons in Guadalajara and 4.3 tons in Monterrey.

Some of our offices in Mexico City have a rainwater collection system and a waste water treatment plant used for toilets and irrigation.

The Company encourages separation of organic waste, paper, glass, aluminum and plastic at its offices and dining rooms.

THE COMPANY'S POLICY FOR HANDLING ELECTRONIC WASTE ESTABLISHES THAT COMPUTERS MUST HAVE A MINIMUM OPERATING LIFE OF 3 YEARS AND SERVERS OF 5 YEARS



QUÁLITAS UNDERTAKES REFORESTATION CAMPAIGNS ASSISTED BY EXPERTS AND VOLUNTEER EMPLOYEES AND THEIR FAMILIES



## Reforestation

Quálitas chooses a public area for reforestation providing economic support for one year.

The following table shows the areas that have been reforested by our employees in Mexico City, Guadalajara, Monterrey and Puebla during the last 6 years.

OFFICE	TREES PLANTED IN 2008-2014	AREAS REFORESTED	SURVIVAL RATE OF TREES PLANTED
Mexico City	21,000	Sierra de Guadalupe	65%
		Ahuatepec	80%
		Ajusco	85%
Guadalajara	240	Parque Metropolitano	80%
		Bosque de la Primavera	70%
Monterrey	240	Parque Tecnológico	90%
		Parque San Jerónimo (Tonauak)	85%
		Parque Fundidora	100%
		Parque Plaza Country	100%
Puebla	500	Cerro Zapotecas	90%



Carbon

Footprint

The carbon footprint is a certificate that measures the emission of carbon dioxide [CO<sub>2</sub>] of the Company, which shows the impact its business has on the environment according to the quantity of greenhouse gas produced in units of CO<sub>2</sub>.

Calculating the carbon footprint and its associated plans for reducing emission, such as carbon bonds, helps to encourage eco-efficiency. The carbon footprint is a differentiating instrument which is more and more appreciated in the community and on international markets.

### ESTIMATE OF QUÁLITAS' EMISSIONS

According to a preliminary estimate of MÉXICO<sub>2</sub>, *Plataforma Mexicana de Carbono*, the Company has no obligation to report its level of emission to the SEMARNAT (Department of the Environment and Natural Resources) as it is less than 25,000 tCO<sub>2</sub>.





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Every effort counts, that is why we used paper certified by the FSC (Forest Stewardship Council) to print this report and ensure the paper is made of trees specially cultivated for this use. With actions like this, Quálitas reaffirms its commitment with environment protection.



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