



Investment Manual

6.0 Version



## **Introduction**

Quálitas Compañía de Seguros, S.A. de C.V. (hereinafter QUÁLITAS or the Insurance Company) has as main purpose to practice insurance operations in relation to damages in the fields of civil liability and occupational hazards, fire, automobiles, miscellaneous and earthquake and other catastrophic risks, in accordance with the authorization granted by the Ministry of the Treasury and Public Credit (*Secretaría de Hacienda y Crédito Público*) based on the provisions of the Insurance and Bonding Institutions Law (*Ley de Instituciones de Seguros y Fianzas* or LISF for its acronym in Spanish). All the guidelines based on which QUÁLITAS operates are subject to the provisions of the Insurance and Bonding Institutions Law, the Insurance Contract Law (*Ley sobre el Contrato de Seguro*), the Insurance and Bonding Agents Regulations (*Reglamento de Agentes de Seguros y Fianzas*), as well as the Insurance and Bonding Unique Circular Letter (*Circular Única de Seguros y Fianzas* or CUSF for its acronym in Spanish) and other provisions issued by the National Insurance and Bonding Commission (*Comisión Nacional de Seguros y Fianzas* or CNSF for its acronym in Spanish).

This Manual describes the norms, policies and procedures that the Insurance Company must follow to carry out the investment of its assets. The Manual was prepared by the Investment Committee to submit it to the approval of the Board of Directors.

This Manual particularly establishes the manner in which the QUÁLITAS investment policy complies with the prudence principle provided for in Chapter 8.1 of the CUSF.

The structure and sections composing it are:

### **Purpose and Legal Framework**

Defines the purposes of QUÁLITAS in relation to this Manual and the legal framework on which the norms, policies and procedures for investment operation are established and based. This section also describes the scope of this manual and the internal control measures.

### **Structure for investment operation and control**

This section describes the organizational structure, duties and responsibilities of the Investment Committee, as well as all the areas involved in the investment process. Particularly, the duties assigned to the Investment Area of the Insurance Companies are reviewed.

### **Investment Policies**

The investment policy of QUÁLITAS is described, as well as the strategy, mechanisms and procedures for its instrumentation.

Likewise, the risk administration mechanisms linked to the investments and their tolerance limits are established.

### **Norms and criteria for the operation of investments**

This section defines the policy in matters of valuation criteria for investment instruments. In addition, the custody, securities administration and documentation of operations mechanisms related to the Insurance Company's investments are described.



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## **V.7 General Environmental, Social and Corporate Governance Considerations**

Quálitas Compañía de Seguros upon analyzing its investments will promote at all times:

- The incorporation of social and governance environmental criteria in the evaluation of its investments.
- Sustainable development aiming to protect the interests of present and future generations.
- Encourage the development of socially responsible investment in the countries in which it operates.

Incorporation of Criteria:

As initial approach, it will seek to incorporate its sustainable development practices and the best environmental, social and governance (ESG) practices into the analysis methodology of the potential investment assets.

We define a series of sectors and activities excluded from the investment by Quálitas and therefore, from the ESG evaluation. These are those sections and activities that are not aligned with our values and/or of particular social and/or environmental impact.

List of sectors and activities excluded from investment:

- Gambling, casinos and/or similar activities.
- Manufacturing and/or sale of firearms.
- Production and/or sale of tobacco.
- Pornography.