REPORT
GHG EMISSIONS INVENTORY
2021

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1. Purpose

Specify the Greenhouse Gas (GHG) emissions associated with the activity of Quálitas Controladora (hereinafter "Quálitas") in 2021, specifying their sources and calculation methodology. This inventory also serves as a basis for the development of actions to reduce emissions in identified opportunity areas.

2. Scope of the inventory

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] . On this guide, the organizational scope of the company was established and the sources of GHG emissions described below were determined.

2.1 Control approach

This report is made under an **operational control approach**, i.e., it considers all those activities over which Quálitas has the possibility of introducing and implementing its operational policies.

It therefore considers within the control approach, activities corresponding to fuel and electricity consumption in the subsidiaries over which operational control is exercised; the details on the scope by geographic location are presented below.

Country	Subsidiaries
Mexico	• Quálitas Compañía de Seguros (QCS) • Flekk
Peru	Quálitas Peru (QP)
El Salvador	Quálitas El Salvador (QS)
United States	Quálitas Insurance Company (QIC)
Costa Rica	Quálitas Costa Rica (QCR)

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

2.2 Period of analysis

This emissions inventory report corresponds to the operations carried out during 2021, for the period from January 1 to December 31.

2.3 Limits

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

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

Below is a detailed description of each Scope, referencing the emission sources and fuels considered in each case.

A. Scope 1: Direct GHG emissions

Emissions related to Quálitas' direct operations are included, i.e., emissions from sources owned or controlled by the company. They are divided into two types of sources:

Source	Activity	Fuels
Fixed	• Fuel consumption for emergency plants, cafeterias and other auxiliary equipment (QCS). • Wastewater treatment plant activity (QCS).	LP Gas Diesel
Mobile	• Consignee 1 (QCS): Account assignment of vehicle and fuel card to collaborator (Qualicoches). • Consignee 2 (QCS): Fuel card assigned to coordinators, backup of consignee 1 (Qualicoches). • Fuel consumption for transportation in non-insurance subsidiaries. • Transportation fuel consumption in insurance subsidiaries outside Mexico.	LP Gas Gasoline Diesel

B. Scope 2: Indirect GHG emissions

Considers the indirect emissions linked to the generation of electricity consumed in company's facilities.

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

These are indirect emissions that are generated beyond Quálitas' direct operations and electricity consumption, i.e., in the rest of the value chain. The following are the 15 existing categories[2], the description of each one and the items calculated by Quálitas for 2021:

Table 1. Scope 3 categories and items calculated by Quálitas for the reporting year.

Scope 3 Category Category	Description	Considered Items	Scope of operations
Category 1. Acquired goods and services	Extraction, production and transportation of goods and services purchased or acquired by the reporting company in the reporting year, not included in Categories 2 to 8.	**1.** Paper and cardboard procurement by QCS (primary information, calculation with FE from DEFRA 2021 set) **2.** Acquisition of glass by Flekk (primary information, calculation with FE from DEFRA set, 2021) **3.** Radiator procurement by Flekk (Primary information, FE calculation with DEFRA 2021 set)	• (QCS). • Flekk
Category 2. Capital assets	Acquisition of capital assets (cars)	**1.** Vehicle acquisition by QCS (Primary information,	• QCS

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

Category of Scope 3	Description	Considered Items	Scope of operations
		calculation with FE of DEFRAset 2021)	
Category 3. Other fuel and energy related activities	**A.** Upstream emissions from purchased fuels (extraction, production and transportation of fuels consumed by the reporting company) **B.** Emissions upstream of purchased electricity (extraction, production and transportation of fuels consumed in the generation of electricity, steam, heating and cooling consumed by the reporting company).	**1.** Consignee 3 fuel consumption (Primary information, calculation with FE and specific calorific values for Mexico, published by SEMARNAT, SENER, CONUEE). **2.** Consignee 3 fuel consumption (Primary information, calculation with FE and specific calorific values for Mexico, published by SEMARNAT, SENER, CONUEE). **2.** Fuels WTT Emissions (Primary data, calculation with FE from DEFRA 2021 set) **3.** Electricity WTT Emissions (Primary data, calculation with FE from DEFRA 2021 set)	• (QCS). • Flekk • QP • QS • QIC • QCR
Category 4 Upstream transport a nd distribution	Transportation and distribution of products purchased by the reporting company in the reporting year between a company's Tier 1 suppliers and its own operations (in vehicles and facilities not owned or controlled by the reporting company).	**1.** Transportation of glass from China purchased by Flekk to Naucalpan warehouse (Primary and secondary information, distance in km approximate, calculated with FE from DEFRA set, 2021). **2.** Transportation of radiators from China purchased by Flekk to Naucalpan warehouse (primary and secondary information, distance in approximate km, calculation with FE from DEFRA 2021 set)	Flekk
Category 5 Waste generated in operations	Disposal and treatment of waste generated in the reporting company's operations in the reporting year (at facilities not owned or controlled by the reporting company).	**1. Waste** generation: cardboard, paper, PET, glass, scrap and electronics by QCS and Flekk (Primary information, calculated with FE from DEFRA 2021 set).	• (QCS). • Flekk
Category 6. Business Tr avel	Transportation of employees during the reporting year (in vehicles not owned or operated by the reporting company).	**1.** Air travel by QCS, QIC, Peru and Flekk (Primary information, calculation with FE from DEFRA 2021 set) **2.** Overland travel less than 50 km by QCS (Secondary information, estimated fuel consumption through reimbursements and gasoline price, FE and calorific value published by SEMARNAT, SENER, CONUEE). **3.** Overland trips greater than 50 km by QCS (Primary information, km traveled, calculation with FE from DEFRA, 2021. **4.** Hotel stays by QCS and QIC (Primary information, calculation with country-specific FE from DEFRA 2021 set).	• QCS • QS • QIC • QCR • QP • Flekk

Category of Scope 3	Description	Considered Items	Scope of operations
Category 7. Employee commuting	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the final consumer (if not paid for by the reporting company), including retail sale and storage (in vehicles and facilities that are not owned or controlled by the report)	**1.** QCS employee commuting (Secondary information, calculation through a sample, only the zip codes of where employees live were available, the distance traveled was determined through *Google maps*. Assumptions: 35% office capacity, 95% of employees transportation by bus, 5% by own car, calculation with FE from DEFRA 2021 set).	• (QCS).
Category 8. Upstream leased assets	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the final consumer (if not paid for by the reporting company), including retail sale and storage (in vehicles and facilities that are not owned or controlled by the report)	**1.** Electricity consumption of external offices in Mexico (Secondary information, calculation of electricity consumption through the payment made for this service, calculation of emissions through the EF for the National Electric System (SEN) published by CRE). **2.** Electricity and fuel consumption of external offices in the United States (Primary data, calculation of emissions through specific EFs for that country).	• QCS • QIC
Category 9. *Downstream*transportation and distribution	Transportation and distribution of products sold by the reporting company in the reporting year between the reporting company's operations and the final consumer (if not paid for by the reporting company), including retail sale and storage (in vehicles and facilities that are notowned or controlled by the report)	Not applicable	Not applicable
Category 10. Processing of sold products	Processing of intermediate products sold in the reporting year by intermediate companies.	Not applicable	Not applicable
Category 11. Use of sold products	Final use of goods and services sold by the reporting company in the reporting year.	Not applicable	Not applicable
Category 12. End of life of sold products	Disposal and waste treatment of products sold by the reporting company (in the reporting year) at the end of their shelf life.	Not applicable.	Not applicable
Category 13. Downstream leased assets	Operation of assets owned by the reporting company (lessor) and leased to other entities in the reporting year, not included in Scope 1 and Scope 2.	**1.** Electricity consumption of Quálitas' offices leased to a third party, Guadalajara Arcos and Colima buildings (Primary information, calculated through the FE for SEN published by CRE).	• QCS
Category 14. Franchises	Franchise operation in the reporting year, not included in Scope 1 and Scope 2.	**1.** Electricity consumption in Crista Fácil (Flekk) Franchises (Secondary information, calculation of electricity consumption through the	• Flekk

Category of Scope 3	Description	Considered Items	Scope of operations
		amount paid for this service, FE for SEN published by CRE).	
Category 14. Investments	Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in Scope 1 or Scope 2,	Not available.	Not available

3. Calculation Methodology

The inventory calculations are composed of the sum of emissions of the three 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 (e.g. consumption of fossil fuels or electricity) is multiplied by an applicable emission factor. In other words, the following general formula is used: In other words, the following general formula is used:

$$\text{GHG Emissions}(tCO_2e) = \text{Activity data} \times \text{Emission factor (EF)}$$

For refrigerant emissions (HCFCs and HFCs), the calculation incorporates the warming potential of the compound(s) that comprise it; the formula is as follows:

$$\text{GHG Emissions } (tCO_2e) = \text{Activity data } (kg) \times \text{Global warming potential } (PCG)$$

Emissions are always reported as tons of CO_2e.

The emission factors and global warming potentials used for the calculation of Quálitas' GHG inventory are specified in Exhibit 2.

4. Inventory results

4.1 General summary

According to the inventory developed for Scopes 1, 2 and 3, in 2021 the company emitted **23,767.25 tons of CO_2equivalent (tCO2e)**, according to the following breakdown:

Table 2. GHG emissions per QC scope.

GHG emissions of Quálitas				
Scope	2018 (tCO_2e)	2019 (tCO_2e)	2020 (tCO_2e)	2021 (tCO_2e)
Scope 1	14,269.73	13,535.94	11,246.12	10,958.35
Scope 2	3,513.11	3,770.24	3,512.28	2,871.93
Scope 3	704.40	1,366.49	562.37	9,936.96
TOTAL	**18,487.24**	**18,672.67**	**15,320.77**	**23,767.25**

As can be seen in Figure 1, most emissions (46%) are concentrated in Scope 1, i.e., emissions generated by the use of transportation units and stationary sources; 12% are attributed to electricity consumption, while indirect emissions in the rest of the value chain, or those not controlled by the company, represent 42%. The details of this information will be addressed in the following sections.

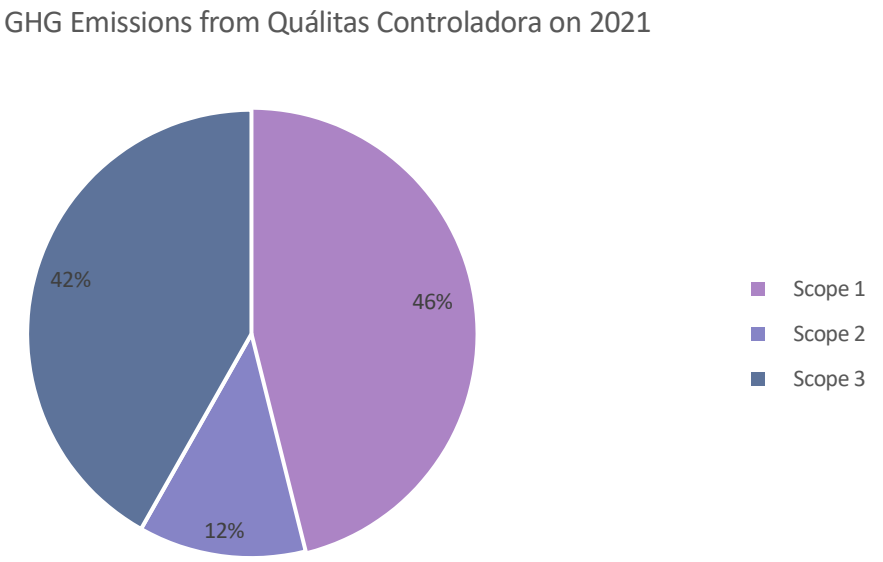

Figure 1. GHG Emissions by Scope.

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

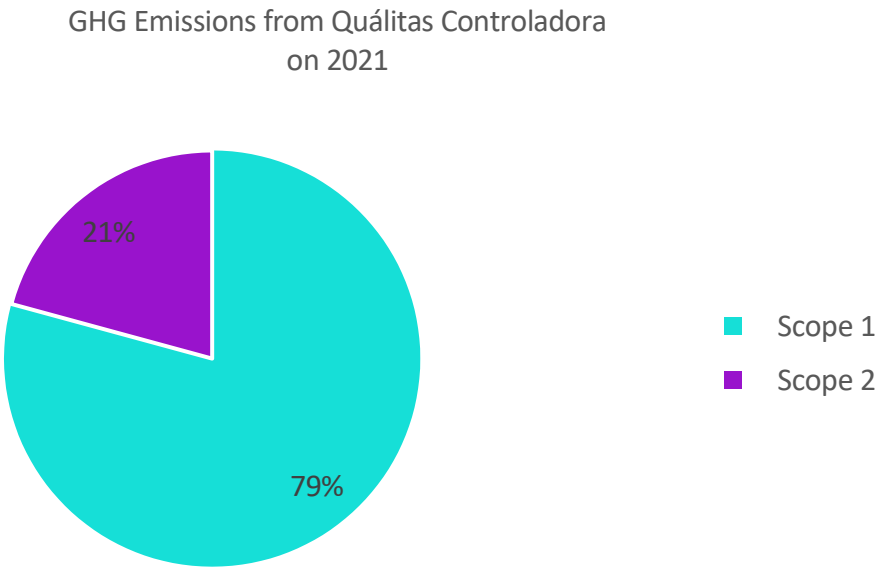

Figure 2. GHG emissions (Scope 1 and 2).

The values presented in Table 2 consider all the information included in the 2021 emissions inventory; however, it should be noted that this year Scope 3 categories were calculated that had not previously been calculated, i.e., the coverage of Scope 3 has been increased.

Therefore, it would not be appropriate to analyze the evolution of emissions with this data since the same scope of information is not being considered. For this reason, Table 3 presents the same breakdown as Table 2 with a focus on QCS, since it is the subsidiary for which the most information is available.

Table 3. QCS GHG Emissions by Scope.

GHG emissions of Quálitas Compañía de Seguros (QCS)				
Scope	2018 (tCO_2e)	2019 (tCO_2e)	2020 (tCO_2e)	2021 (tCO_2e)
Scope 1	14,269.73	13,531.70	10,608.89	9,425.75
Scope 2	3,398.19	3,476.35	2,992.96	2,635.38
Scope 3	704.40	1,366.49	547.81	4,647.50
TOTAL	**18,372.32**	**18,374.54**	**14,149.66**	**16,708.64**

It is possible to see that most of the company's emissions correspond to the activities developed by QCS; this subsidiary represented 86.01% of the emissions in Scope 1, 94.73% in Scope 2 and 46.77% in Scope 3 and 70.30% in the total value of Scope 1, 2 and 3 emissions in 2021.

On the other hand, in Figure 3 it is possible to analyze the evolution of emissions between 2018 and 2021 for QCS, observing that in Scopes 1 and 2 there has been a decrease in emissions, mainly due to the effects of the COVID-19 pandemic in operations, during 2021 there was a significant increase in Scope 3 emissions with respect to 2020 due to the fact that in the reporting year a greater number of information is being considered due to the expansion of categories considered in the scope.

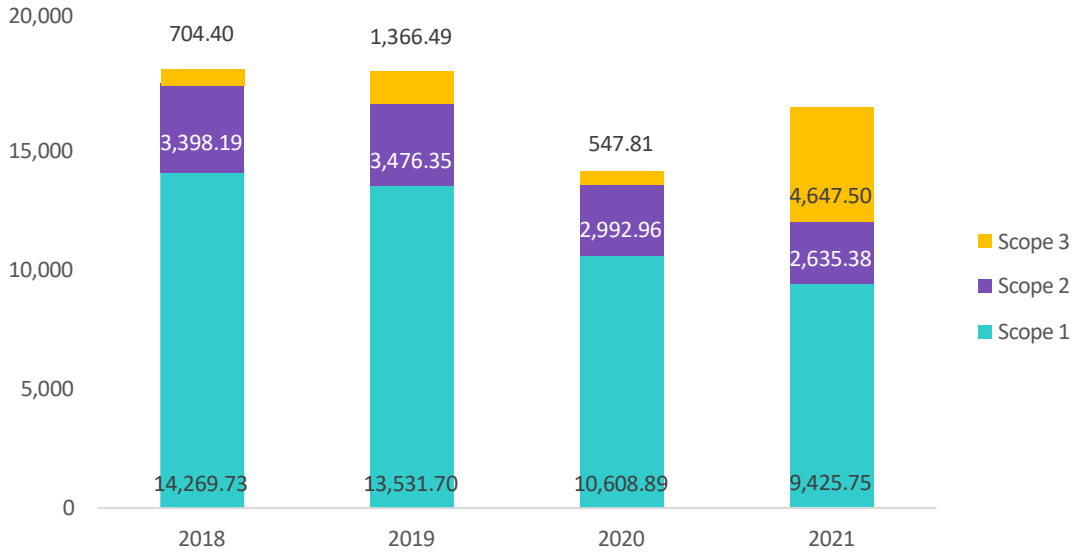

Figure 3. Evolution of GHG emissions by Scope for the period 2018-2021, QCS

Note. The breakdown for QCS is made only to have a point of comparison of the company's emissions. In the rest of this report the analysis is performed for all of the company's subsidiaries.

4.2 Emissions breakdown

The following is a detail of the emissions within each Scope.

Direct or Scope 1 emissions are broken down in tables 3, 4 and 5 by type of source (stationary or mobile), fuel and subsidiary, respectively. Scope 2 emissions are reported by subsidiary in Table 6. For each Scope, a chart with the breakdown for QCS, non-insurance subsidiary and insurers outside Mexico is also presented (Figures 4 and 5). In addition, the consolidated Scope 1 and 2 is presented broken down 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

Table 4. Breakdown of direct emissions by type of source

Scope 1				
Source	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
Fixed sources	665.09	117.43	126.82	195.10
Mobile sources	13,604.64	13,418.50	11,119.30	10,763.25
Total	**14,269.73**	**13,535.94**	**11,246.12**	**10,958.35**

As can be seen in the table above, the majority of Scope 1 emissions (98.22%) 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 due to the fact that the latter also carry out transportation activities for the products they market (also complemented with transportation by third parties, which does not correspond to this scope and will be integrated in subsequent exercises).

Fixed sources include diesel consumption in emergency plants at QCS and Consignee 2, and LP gas consumption in the cafeterias of the San Jerónimo and San Ángel facilities, also at QCS. Additionally, as part of the fixed sources, emissions from water treatment at San Jerónimo and Maguey of QCS are reported.

By fuel

Table 5. Breakdown of direct emissions by fuel and wastewater treatment.

Scope 1				
Fuel/Activity	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
1. Gasoline	13,604.64	13,418.50	10,788.14	10,760.57
2. Diesel	105.77	95.24	437.57	117.12
3. LP Gas	14.85	21.75	19.39	8.19
4. Wastewater Treatment Plants	544.47	0.45	1.01	0.32
TOTAL	**14,269.73**	**13,535.94**	**11,246.12**	**10,886.19**

When analyzing the above table by fuel, it can be seen that most (98.85%) of Scope 1 emissions are due to gasoline consumption. It should be noted that the consumption of this fuel by Qualicoches (adjuster vehicles), considered the sum of QCS consignees 1 and 2, represents 85.78% of Scope 1 emissions.

Additionally, Table 5 shows the $_{CO2}$ equivalent emissions attributable to the San Jeronimo and Maguey treatment plants that are under the operational control of QCS and therefore of the company.

By subsidiary

Table 6. Breakdown of direct emissions by subsidiary.

Scope 1				
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
Quálitas Compañía de Seguros	14,269.73	13,531.70	10,608.89	9,425.75
Easy Car Glass	-	-	321.66	752.04
CristaFácil	-	-	20.20	
Outlet de refacciones	-	4.23	27.50	
Quálitas Peru	-	-	197.47	695.72
Quálitas El Salvador	-	-	68.71	79.05
Quálitas Insurance Company	-	-	1.32	3.10
Quálitas Costa Rica	-	-	0.37	2.68
Total	**14,269.73**	**13,535.94**	**11,246.12**	**10,958.35**

Note. For 2021, Flekk comprises the subsidiaries *Easy Car Glass*, CristaFácil and *Outlet* de refacciones.

The last breakdown of Scope 1 emissions is made by subsidiary in order to be able to dimension the contribution of each company's operation in this category of emissions. Table 6 shows that this year the scope of information for non-insurance subsidiaries has been extended and the scope of emissions from subsidiaries outside Mexico (in Scope 1), which was included for the first time in 2020, has been maintained. Our objective is to continue to maintain this scope in the following years.

As previously mentioned, QCS is the subsidiary that generates the most Scope 1 emissions (86.01%) and is therefore where Quálitas' main areas of opportunity for direct emissions reduction are located.

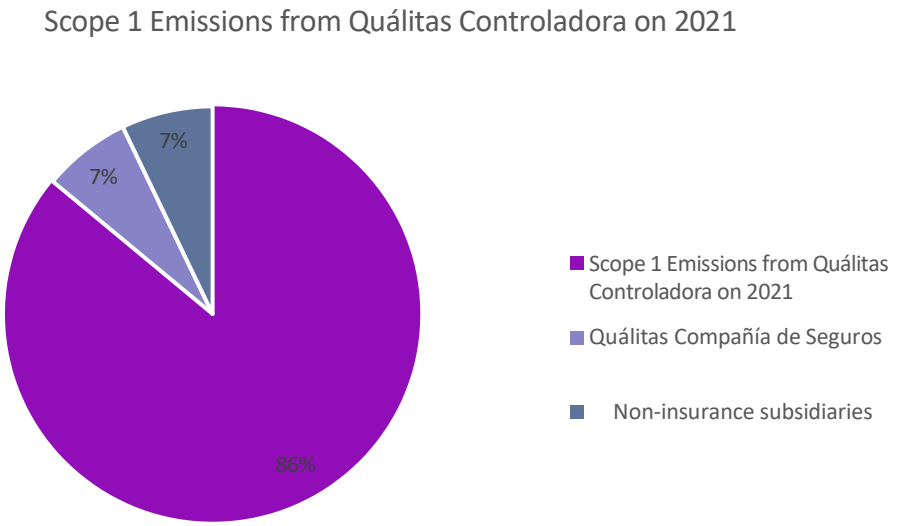

Figure 4. Composition of Quálitas Scope 1 emissions.

b) Indirect emissions - Scope 2

Emissions corresponding to the supply of electricity contribute almost a quarter of the emissions that Quálitas can control, i.e. Scope 1 and 2 emissions. It is therefore 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 perform the analysis at the subsidiary level as shown in Table 7. In order to interpret the information, the size of each subsidiary's operations, the emission factor, or carbon impact, of each country's electricity grid, as well as the scope of the information considered, must be taken into account.

Table 7. Breakdown of Scope 2 emissions by subsidiary.

Scope 2				
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
Quálitas Compañía de Seguros	3,398.19	3,476.35	2,992.96	2,635.38
Easy Car Glass	-	7.06	242.66	68.81
CristaFácil	-	38.50	10.97	
Outlet de refacciones	-	82.77	98.42	
Quálitas Peru (QP)	-	24.95	49.60	0.03
Quálitas El Salvador (QS)	100.29	112.52	102.21	101.41
Quálitas Insurance Company	5.30	18.04	10.70	62.76
Quálitas Costa Rica	9.32	10.04	4.75	3.54
Total	**3,513.11**	**3,770.24**	**3,512.28**	**2,901.52**

Note. For 2021, Flekk comprises the subsidiaries *Easy Car Glass*, CristaFácil and *Outlet* de refacciones.

Table 7 and Figure 5 again show that QCS is the subsidiary with the largest amount of emissions. In addition, Quálitas El Salvador is the second most important subsidiary in this Scope. On the other hand, Quálitas Perú is by far the operation with the lowest generation of Scope 2 emissions.

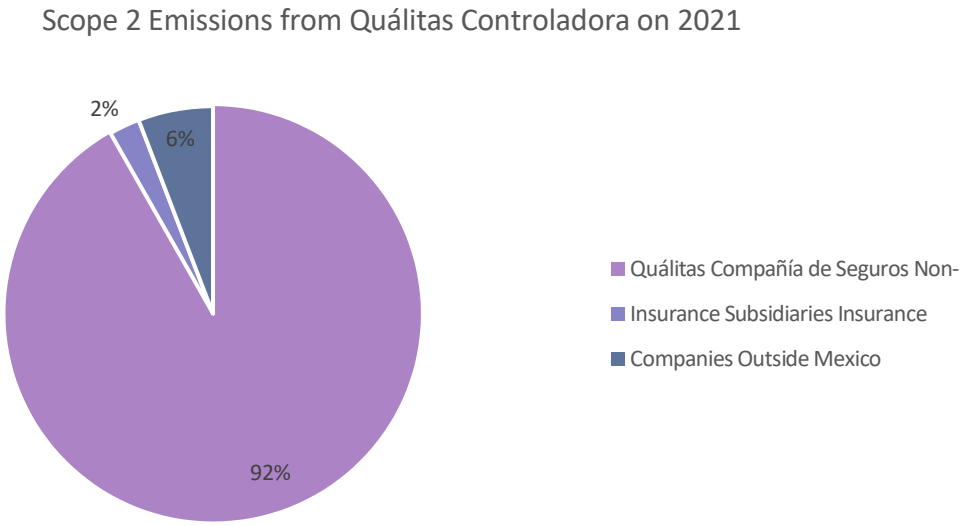

Figure 5. Composition of Quálitas Scope 2 emissions.

c) Scope 1 and 2 emissions

Quálitas has operational control of Scope 1 and 2 emission sources, i.e. it is able to develop measures to reduce the carbon impacts of these Scopes.

It is therefore the priority set of emissions for the approach of energy efficiency measures and the supply of cleaner and/or renewable sources, which together allow for the reduction of energy consumption and the generation of GHG emissions.

By subsidiary

Table 8. Breakdown of Scope 1 and 2 emissions by subsidiary.

Scope 1+2				
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
Quálitas Compañía de Seguros	17,667.92	17,008.05	13,601.85	12,061.13
Easy Car Glass (Flekk)	-	7.06	721.41	820.86
CristaFácil (Flekk)	-	38.50		
Outlet de refacciones (Flekk)	-	87.01		
Quálitas Peru (QP)	-	24.95	247.07	695.75
Quálitas El Salvador (QS)	100.29	112.52	170.92	180.46
Quálitas Insurance Company	5.30	18.04	12.02	65.86
Quálitas Costa Rica	9.32	10.04	5.12	6.22
Total	**17,782.84**	**17,306.18**	**14,758.40**	**13,830.29**

Note. For 2020 and 2021, Flekk comprises the subsidiaries *Easy Car Glass*, CristaFácil and *Outlet* de refacciones.

In Scope 1 and 2 emissions as a whole, a 6.29% reduction in emissions was observed. This is due to the role played by QCS and the reduction that occurred in it, due to its high weight in the company's total, since even though there was an increase in the emissions of the rest of the subsidiaries, there was a reduction in the total amount of emissions generated.

On the other hand, it is observed that the scope of the information has been increasing over time, making the calculation of emissions at the Quálitas Controladora level more and more representative, with the information of the emissions of non-insurance subsidiaries and the rest of the insurers outside Mexico. In 2021 they represent 13% of Scope 1 and 2 emissions (Figure 6).

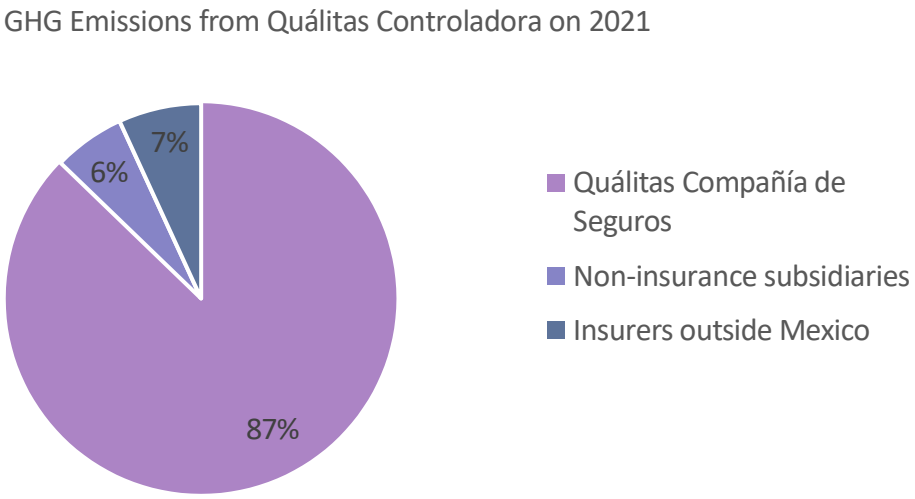

Figure 6. Breakdown of Scope 1 and 2 emissions by category

d) Other indirect emissions - Scope 3

Scope 3 emissions correspond to those that cannot be controlled by the company but are generated as a consequence of its operations in the rest of the value chain. They are gaining increasing importance in companies due to the attention paid to them by stakeholders and their incorporation into strategies for responding to climate change risks and opportunities.

The first category corresponds to goods and **services purchased** that considers the recharge of refrigerant gases performed 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 perform this operation directly but through a third party to whom it pays for the service, which is why it has been re-categorized as part of Scope 3 emissions. During 2021 this activity was not carried out. This year, for the first time, emissions from the purchase of paper and cardboard by QCS and the purchase of glass and radiators by Flekk were included in this category.

This year, emissions were calculated for the first time for the following categories: Category 2: Acquisition of Capital assets, Category 4: Upstream transportation and distribution, Category 7: Employee commuting, Category 8: Upstream leased assets, Category 13: Downstream leased assets, and Category 14: Franchises. Regarding Category 3:

Activities related to energy and fuel, the scope was expanded, incorporating WTT emissions from the production of fuels and electricity considered in Scope 1 and 2.

Table 9 shows the breakdown of Scope 3 emissions by category, where the numbering corresponds to the category established by the *GHG Protocol*. A distinction has also been made between flights and hotel stays in category 6: Business travel, to provide more detailed information.

Table 9. Breakdown of Scope 3 emissions by emissions category.

Scope 3				
Category	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
1. Acquired goods and services	-	18.34	33.94	3,341.76
2. Capital assets	-	-	-	1,490.34
3. Activities related to fuel and power	248.31	220.51	145.45	778.38
4. Upstream T&D	-	-	-	1,983.79
5. Waste generated in operations	N.D.	N.D.	0.64	1.57
6. Business travel (flights)	456.09	971.98	338.66	607.12
6.Business travel (overland trips less than and more than 50 km)	N.D.	N.D.	N.D.	54.47
6. Business travel (hotel stay)	N.D.	155.67	43.68	47.70
7. Employee commuting	-	-	-	544.66
8. Upstream leased assets	-	-	-	1,050.94
13. Downstream leased assets	-	-	-	31.67
14. Franchises	-	-	-	6.55
Total	**704.40**	**1,366.49**	**562.37**	**9,936.96**

Emissions from flights of Quálitas Controladora employees represent 6% of Scope 3 emissions (Figure 7). The category that contributes the most is purchased goods and services with a 33.6% contribution, Flekk has the highest representation in this category with a 89.45% contribution. Likewise, the second largest contributing category to Scope 3 emissions is upstream T&D.

Scope 3 Emissions from Quálitas Controladora on 2021

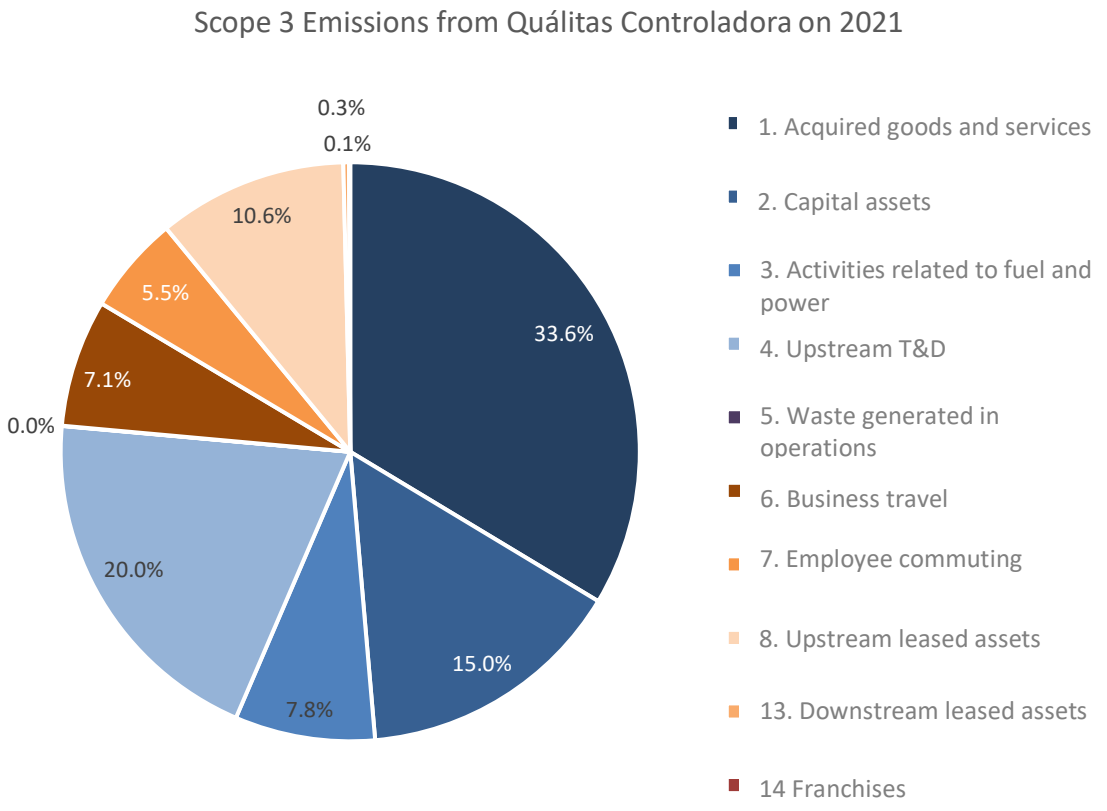

Figure 7. Breakdown of emissions from outsourced transportation by fuel.

Finally, Table 10 shows the increase in the scope of the information collected for the 2021 inventory, confirming that QCS accounts for most of the company's emissions.

Table 10. Breakdown of Scope 3 emissions by subsidiary.

Category				
Subsidiary	**GHG 2018 (tCO_2e)**	**GHG 2019 (tCO_2e)**	**GHG 2020 (tCO_2e)**	**GHG 2021 (tCO_2e)**
Quálitas Compañía de Seguros	704.40	1,366.49	547.81	4,647.50
Easy Car Glass	N.D.	N.D.	0.92	5,081.72
CristaFácil	N.D.	N.D.	4.01	
Outlet de refacciones	N.A.	N.A.	2.71	
Quálitas Peru (QP)	N.D.	N.A.	0.20	12.52
Quálitas El Salvador (QS)	N.A.	N.A.	-	5.91
Quálitas Insurance Company	N.D.	N.D.	6.52	184.40
Quálitas Costa Rica	N.D.	N.A.	0.21	4.91
Total	**704.40**	**1,366.49**	**562.37**	**9,936.96**

For 2021, Flekk comprises the subsidiaries **Easy Car Glass**, CristaFácil and *Outlet* de refacciones.

4.3 Emissions intensity

Table 11 shows the ratio of Scope 1 and 2 emissions divided by written premium, both for Quálitas Compañía de Seguros and for Quálitas Controladora as a whole. In this way, it is possible to observe the impact of efficiency measures between years and to make a comparison with industry peers.

Table 11. Emissions intensity indicator.

Emissions intensity				
Approach	**Year**	**Issued premium (million pesos)**	**Indicator**	**Units**
Quálitas Compañía de Seguros	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
	2021	**$35,171**	**0.34**	**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
	2021	**$38,224**	**0.32**	**tCO_2e/issued premium in MDP**

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

Between 2018 and 2021 there has been a decrease in this indicator, which is due to the general behavior of emissions during 2021.

Exhibit 1. Consumption considered

The activity data that constitute the basis for the referenced emissions are presented below.

1. Direct emissions consumption (Scope 1)

1.1 Gasoline

Table 12. QCS direct consumption of gasoline.

Gasoline - QCS 2021		
Month	**Consignee 1 (GJ)**	**Consignee 2 (GJ)**
January	10,356.25	163.35
February	10,058.43	145.48
March	10,573.60	198.33
April	10,405.81	197.92
May	10,665.59	212.80
June	10,539.30	208.31
July	10,462.10	271.73
August	10,331.62	248.37
September	10,288.28	260.09
October	10,610.99	280.32
November	10,413.76	274.50
December	10,526.41	296.81
Grand total	**125,232.12**	**2,758.00**

Table 13. Direct gasoline consumption of other subsidiaries.

Gasoline - rest of operations 2021	
Subsidiary	**Consumption (GJ)**
Non-insurance subsidiaries	**10,427.69**
Subsidiaries outside Mexico	**10,785.84**
Grand total	**21,213.53**

1.2 Diesel

Table 14. QC direct diesel consumption.

Diesel 2021		
Subsidiary	**Type of Source**	**Consumption (GJ)**
QCS	Fixed sources	1,222.75
Consignee 2	Fixed sources	316.503
Subsidiaries outside Mexico	Mobile sources	35.652
Grand total		**1,574.90**

1.3 LP Gas

Table 15. QC direct consumption of LP gas

LP Gas 2021		
Subsidiary	**Type of Source**	**Consumption (GJ)**
San Jerónimo – Cafeteria	Fixed sources	76.379
San Ángel – Cafeteria	Fixed sources	53.37
Grand total		**129.75**

1.4 Wastewater treatment plants (WWTP's)

Table 16. QCS wastewater treatment.

WWTP's 2021 – QCS	
Installation	**Treated volume (m^3)**
San Jerónimo	336.75
Maguey	1,912.49
Grand total	**2,249.24**

1.5 Refrigerant consumption per QC

Table 17. Leakage of refrigerant gases

Refrigerants - QCS 2021	
Installation	**Refrigerant R-22 (kg)**
Ajusco	41
Grand total	**41**

2. Indirect emission consumption (Scope 2)

Table 18. Electricity consumption by subsidiary

Electricity 2021	
Subsidiary	**Consumption (kWh)**
Quálitas Compañía de Seguros	6,230,217.86
Flekk	162,678
Quálitas Peru (QP)	65,498
Quálitas El Salvador (QS)	149,177
Quálitas Insurance Company	250,979.81
Quálitas Costa Rica	125,402
Grand total	**6,983,952.83**

3. Indirect emissions (Scope 3)

3.1 Acquired goods and services

Table 19. Assets acquired by QCS and Flekk

Subsidiary	Type of acquired asset	Item	Quantity purchased	
			kg	t
QCS	Paper	Recycled or ecologic sheets of paper, letter size	35,316.00	35.32
QCS	Paper	Glossy couche 130 g / 57x87	19,206.90	19.21
QCS	Paper	Glossy couche 130 g / 61x90	12,859.95	12.86
QCS	Paper	Bond 75 g / 57x87	249,610.95	249.61
QCS	Paper	Sulfated 14 pts / 70x95	56,202.20	56.20
QCS	Cardboard	Dead file box, legal size, printed Kraft	9,600.00	9.60
QCS	Cardboard	Regular box 32cm x 30cm x 18cm Kraft color	360.00	0.36
QCS	Cardboard	Small box 45cm x 30cm x 30cm	1,292.00	1.29
QCS	Cardboard	BOX 53cm x 53cm x 53cm	200.00	0.20
Flekk	Electrical items - small	Radiators		70.40
Flekk	Glass	Glass pane		1847.51
Total			384,648.00	384.65

3.2 Capital assets

Table 20. Vehicles acquired by QCS during 2021

Product: cars			Weight per unit	
Number of units acquired	Make	Model	Kg	t
4	KIA	RIO SEDAN L AUT	1,135.00	1.14
10		RIO SEDAN L STD 1	1,103.00	1.10
1	NISSAN	VERSA ADVANCE AUT	1,126.00	1.13
1		VERSA SENSE AUT	1,126.00	1.13
90		VERSA SENSE TM	1,104.00	1.10
3	SUZUKI	SUZUKI MOTORCYCLE GSX 750	213.00	0.21
28	TOYOTA	PRIUS BASIC	1,380.00	1.38
93		PRIUS C	1,150.00	1.15
2	VW	POLO COMFORTLINE PLUS TM	1,141.00	1.14
9		POLO STARTLINE STD	1,141.00	1.14
5		VENTO COMFORTLINE STD	1,191.00	1.19
139		VENTO COMFORTLINE STD	1,191.00	1.19
7		VENTO COMFORTLINE STD	1,245.00	1.25

3.3 Other emissions (Consignees 3 and 4)

Table 21. QCS indirect gasoline consumption

Gasoline - QCS 2021		
Month	Consignee 3 (GJ)	Consignee 4 (GJ)
January	28.78	90.62
February	34.75	87.72
March	35.66	100.92
April	27.09	97.81
May	21.97	100.83
June	20.91	99.46
July	18.24	87.62
August	22.58	73.43
September	17.85	71.51
October	20.10	75.90
November	18.40	80.93
December	12.06	87.95
Grand total	**278.41**	**1,054.69**

3.4 Upstream transport and distribution

Table 22. Origin, destination and number of containers of goods purchased by Flekk

Supplier	Type of purchased supplies (glass, urethane and radiators)	Quantity purchased (tons)	Supply origin	Supply destination	Type of transport	Number of times purchased per year
Xinyi	Glass	1,589.00	Manzanillo Port	Naucalpan Warehouse	Terrestrial	80.00
Fuyao	Glass	101.79	Manzanillo Port	Naucalpan Warehouse	Terrestrial	6.00
Benson	Glass	156.32	Manzanillo Port	Naucalpan Warehouse	Terrestrial	8.00
TONGSHI	Radiators	70.40	Manzanillo Port	Naucalpan Warehouse	Terrestrial	10.00
Xinyi	Glass	1,589.00	China	Manzanillo Port	Maritime	80.00
Fuyao	Glass	101.79	China	Manzanillo Port	Maritime	6.00
Benson	Glass	156.32	China	Manzanillo Port	Maritime	8.00
TONGSHI	Radiators	70.40	China	Manzanillo Port	Maritime	10.00
Total		1,917.51	-	-	-	104.00

3.5 Waste generated in operations

Table 23. Waste generated in QC operations

Waste - 2021			
Subsidiary	**Type of waste**	**Destination**	**Generation (kg)**
QCS	Sludge	Unspecified	168,000.00
QCS	Aluminum cans	Recycling	-
QCS	Paper and cardboard	Recycling	2,482.00
QCS	PET	Recycling	41.00
Flekk	Glass-I	Landfill	29,133.10
Flekk	Glass-II	Recycling	35,988.00
QCS	Electronics-I	Recycling	4,640.00
QCS	Sanitary pads	Landfill	-
QCS	Electronics-II	Landfill	-
Flekk	Metal	Recycling	18,600.00
Total			**72,284.10**

3.6 Business Travel

Table 24. QC flights performed in 2020

Flights – 2021		
Subsidiary	**Number of flights**	**Total distance traveled (Mi)**
QCS	629	735,236
Quálitas Costa Rica	-	-
Quálitas Peru (QP)	25	16,820
QIC	43	73,088
Flekk	409	17,820

Table 25. Hotel stays by QC personnel.

Hotel stays - 2021	
Subsidiary	**Nights of stay**
QCS	1807
Quálitas Costa Rica	0
Quálitas Peru (QP)	0
Quálitas Colombia	0
Quálitas El Salvador (QS)	0
QIC	53
Flekk	0

3.7 Employee commuting

Due to the amount of data for this category, it was not included in this section, however, it can be consulted in the carbon footprint calculation tool on which this report is based.

3.8 Upstream leased assets

In this category, electricity and fuel consumption of external offices in Mexico and outside of Mexico were considered; the activity data of external offices in Mexico are not included, since electricity consumption was estimated through the cost of supply for this service.

Table 26. Electricity consumption of external field offices in the United States

Office	Energy source	Consumption (kWh)	Supplier
Quálitas McAllen	Renewable	16,886.00	Reliant
Kronos Insurance Services, Inc.	Non-renewable	403.00	SDGE
RIMAQ Insurance Services	NA	NA	NA

Table 27. Fuel consumption of external field offices in the United States

Office	Type of Source	Fuel	Consumption (L)
Quálitas McAllen	Mobile	Gasoline	1,492.04

3.9 Downstream leased assets

Table 28. Electricity consumption of Quálitas' offices leased by a third party

Property	Consumption (kWh)	Supplier
Guadalajara Arcos	45,599.00	CFE
Colima	29,271.00	CFE

3.10 Franchises

Table 29. Electricity consumption of Crista Fácil (Flekk) franchises

Office	Amount per service delivery	Average cost $/kWh	Consumption (kWh)	Supplier	GHG Emissions (tCO_2e)
Crista Fácil	52,180.15	3.37	15,481.04	CFE	6.55

Exhibit 2. Emission factors

1. Direct emissions (Scope 1)

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

1.1 Fixed sources[3]

Consumption data is obtained for emergency plants and canteens, broken down by type of fuel (gasoline, diesel, etc). Consumption is converted to energy units (GJ) in those cases that require it in order to apply the following emission factor.

Table 30. Emission factors for stationary sources per GHG

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

1.2 Mobile sources[14]

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

Table 31. Emission factors for mobile sources per GHG

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

1.3 Calorific value and Global Warming Potential (GWP)

Table 32. Calorific value per fuel.

Fuel	Calorific value 4	Units
Gasoline	0.0331	GJ/L
Diesel	0.0377	GJ/L
LP Gas	0.0261	GJ/L

Table 33. GHG GWPs.

GHG	PCG[5]	Units
CO_2	1	tCO_2e/tCO_2
CH_4	28	tCO_2e/tCH_4
N_2O	265	tCO_2e/tN_2O

[3] Adapted from the AGREEMENT that establishes the technical particularities and formulas for the application of methodologies for the calculation of greenhouse gas or compound emissions. SEMARNAT (2015)

[4] Adapted from the 2021 list of fuels to be considered for identifying users with a high consumption pattern, as well as the factors for determining equivalents in terms of barrels of oil equivalent. [5] Global Warming Potential Values. Greenhouse Gas Protocol. Fifth Assessment Report (AR5) (2016).

2. Indirect emissions (Scope 2)

2.1 Electricity consumption

The electricity consumed by Quálitas is supplied by different domestic suppliers depending on the country of operation; in Mexico, in addition, electricity is generated for self-consumption with solar panels; however, since it is clean energy, the emission factor is zero.

Table 34. Electricity emission factors by country - 2021

Country	Description	EF (tCO_2e/kWh)
Mexico	CFE	0.000423[6]
USA	CAMX (WECC California)	2.06E-04
USA	ERCT (ERCOT All)	3.96E-04
Costa Rica	-	2.82E-05[7]
El Salvador	-	6.80E-04[8]
Peru	-	4.52E-04[9]

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

3.1 Acquired goods and services

Table 35. Emission factors for purchased goods and services

Emission factors for purchased goods and services [10]			
Supplies	**Material**	**tCO_2e/ unit**	**Units**
Cardboard	Cardboard	0.82123	Ton of product
Glass pane	Glass	1.40277	Ton of product
Radiators	Electrical items - small	5.64795	Ton of product
Paper	Paper	0.91940	Ton of product

3.2 Capital assets

Table 36. Emission factors for the Capital assets considered [11]

Emission factors for purchased goods and services: automobiles			
Supplies	**Name (DEFRA)**	**tCO_2e/ unit**	**Units**
Cars	Electrical items - large	3.27	Ton of product

[6] CRE. Emission factor of the National Electric System 2021.
[7] Meteorological Institute of Costa Rica. Emission Factors for Costa Rica given by the IMN 2021 edition.
[8] Ministry of Environment and Natural Resources. Network emission factors 2017.
[9] Ministry of Environment 2022. Peru 2020.
[10] DEFRA.UK Government GHG Conversion Factors for Company Reporting, 2021.
[11] DEFRA.UK Government GHG Conversion Factors for Company Reporting, 2021.

3.3 Other emissions (Consignees 3 and 4)

Emissions related to the fuel consumption of consignees 3 and 4 were grouped in this category, i.e. gasoline and diesel consumption for transportation activities that are not directly linked to the company's operation. In this way, the emission factors in Table 31 (Emission factors for *mobile sources by GHG)* in section 1.2 of this annex were considered for the calculation.

Table 37. WTT emission factors per electricity purchases[11]

Emission factors for energy and fuel related activities			
Activity	**Country**	**tCO_2e/ unit**	**Units**
Upstream by purchased electricity	Mexico	9.8892E-05	kWh
	Peru	3.91261E-05	kWh
	El Salvador	3.91261E-05	kWh
	United States	0.000106571	kWh
	Costa Rica	3.91261E-05	kWh

Table 38. WTT emission factors for the acquisition of fuels[11]

Emission factors for energy and fuel related activities			
Fuel	**Name (DEFRA)**	**tCO_2e/ unit**	**Units**
Diesel	Diesel (average biofuel blend)	0.00219352	Liters
LP Gas	(LPG)	0.00155709	Liters
Gasoline	Gasoline (average biofuel blend)	0.00219352	Liters

3.4 Upstream transport and distribution

Table 39. Emission factors for cargo goods[12]

Emission factors for cargo goods			
Type of transport	**Characteristic**	**tCO_2e/unit**	**Units**
Cargo ship/ container ship	Average	0.000016142	ton.km
Heavy goods vehicle	All heavy goods vehicle/ 100% laden	0.00007375	ton.km

3.5 Waste generated in operations

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

Table 40. Emission factors for waste according to destination

Type of waste	Final Destination	EF (tCO_2e/kg of waste)[12]
Aluminum cans	Recycling	2.13E-05
Paper and cardboard	Recycling	2.13E-05
PET	Recycling	2.13E-05
Glass-I	Landfill	8.90E-06
Glass-II	Recycling	2.13E-05
Electronics-I	Recycling	2.13E-05
Metal	Recycling	2.13E-05
Sanitary pads	Landfill	4.46E-04
Electronics-II	Landfill	8.90E-06

3.6 Business Travel

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

Table 41. Emission factors for flights.

Distance traveled	Type of flight	EF (tCO_2e/mi-passenger)[13]
Greater than or equal to 2300 miles	Long	**0.00057259**
Greater than or equal to 300 miles	Medium	**0.00045396**
Less than 300 miles	Short	**0.00073195**

Table 42. Emission factors for hotel stays.

Country	EF (tCO_2e/ night of stay)[13]
Mexico	0.0259
Colombia	0.0135
Peru	0.0225
United States	0.0197
El Salvador	0.0259

Note. In the case of El Salvador, the value for Mexico was used because there are no data for that country.

[11] DEFRA.UK Government GHG Conversion Factors for Company Reporting, 2021.

Exhibit 3. Databases and data on activity estimates

This exhibit contains the documents of the databases used to obtain the activity data of the different energy and input consumptions, as well as a description of the activity data estimates made.

1. Databases

The databases in Excel format and PDF documents provided by QC subsidiaries and used for the preparation of the GHG inventory are as follows:

- Ficha Ambiental_Qualitas Compañía de Seguros 1_2021.xlsx
- Ficha Ambiental_Qualitas Compañía de Seguros_202_Jaime Tovar_completa.xlsx
- Informa Anual 2021Jaime Tovar.xlsx
- Ficha Ambiental_Qualitas El Salvador_2021_vV.xlsx
- Ficha Ambiental_Qualitas Perú-2021-vV VF.xlsx
- Ficha Ambiental_Qualitas Costa Rica-2021_vV.xlsx
- Environmental Datasheet_QIC_2021_vV.xlsx
- Ficha Ambiental_Flekk_2021_vV.xlsx
- Ficha Ambiental_Franquicias CristaFácil_2021_vV.xlsx
- Environmental Datasheet_External Service Offices_2021_vV.xlsx
- Ficha Ambiental_Oficinas de servicio externas_2021_vV.xlsx
- Kronos Environmental Datasheet_External Service Offices_2021_vV.xlsx
- McAllen Environmental Datasheet_External Service Offices_2021_vV (1) .xlsx
- RIMAQ Environmental Datasheet_External Service Offices_2021_vV.xlsx
- Copia de Inventario de emisiones_Alcance3_Screening_7.xlsx
- CFE 2020 - 2021 - Oficinas de servicio.xlsx
- Vuelos y hospedaje Qualitas Ene Dic 21 FINAL 17 01 22.xlsx
- Viajes de negocio menores a 50km.xlsx
- RELACION QUALICOCHES 2021 POR PESO.xlsx
- ODQs-2021_Susana Gil.xlsx
- consumo gasolina 2021.xlsx
- Maguey NOM 001.pdf
- Maguey NOM 003.pdf
- San Jerónimo NOM 001.pdf
- San Jerónimo NOM 003.pdf

2. Estimation of electric power consumption;

For the estimation of electricity consumption (kWh/year) by Quálitas' external offices considered in Category 8 of Scope 3, a ratio was made using the following data.

1. Annual amount in Mexican pesos for electricity consumption for each office.
2. Average annual 2021 kWh cost per kWh according to office location ($/kWh per CFE rate division).

   To obtain the annual average, the monthly cost per kWh for each tariff division in which the different offices are located was used.

The offices under consideration are the following:

- San Jerónimo 02
- San Jerónimo 03
- Del Valle
- Cuajimalpa
- Polanco
- Xochimilco
- Iztapalapa Norte
- Mochis Norte
- Chapala
- Obregón
- San Luis Potosí
- Tijuana Rio
- Irapuato
- Coatzacoalcos
- Matamoros
- Mexicali
- Tecate
- Monterrey
- Iguala
- Ensenada
- Hermosillo
- Saltillo
- Durango
- Toluca
- Juárez
- Chihuahua
- Reynosa
- Nuevo Laredo
- Oaxaca
- Tijuana
- León
- Piedras Negras
- Tampico
- Nogales
- Cancún
- Rosarito
- Monclova
- Cd. Victoria
- Tehuantepec.
- La Paz
- Campeche
- Comitán
- Tuxpan
- Tampico Hidalgo
- Neza
- Cd. Valles
- San Juan del Río
- Guanajuato
- Chilpancingo
- Guasave
- Cd. Cuauhtémoc
- Playa del Carmen
- Tonalá
- Monterrey Sur
- Mante
- Chetumal
- Huatulco
- Ixtapa
- Huejutla
- Allende Manantiales
- León Norte
- Tuxtla Polyforum
- Cancún Norte
- San Luis Rio Colorado
- Polanco N.E.
- Salina Cruz
- Echegaray
- NaiNari
- Juriquilla
- Jiutepec
- Tapachula Sur
- Miramontes Sur
- Interlomas
- Coatzacoalcos Centro
- Boca Del Rio
- Villahermosa Centro
- Roma Sur
- Cholula
- Xallitic
- Metepec
- Guaymas Norte
- Mexicali Centro
- Puerto Escondido
- Querétaro Arcos
- Juchitán De Zaragoza
- Soledad De Graciano Sanchez
- Perisur II

The CFE tariff divisions for where these offices are located are the following:

- Baja California
- Baja California Sur
- Bajío
- Bajío
- Bajío y Golfo Centro
- Centro Oriente
- Centro Sur
- Golfo Centro
- Golfo Centro y Oriente
- Golfo Norte
- Jalisco
- Noroeste
- Norte
- Oriente
- Peninsular
- Southeast
- Valle de México Centro
- Valle de México Centro y Sur
- Valle de México Norte y Centro
- Valle de México Norte, Centro y Sur
- Valle de México Sur

For the estimation of electric energy consumption (kWh/year) by Flekk's offices (scope 2), a relation was made using the following data, considering that it is made up of *Easy Car Glass (it has three offices)*, Cristafácil and *Outlet* de Refacciones (each *one has four offices*).

1. Annual amount for electricity consumption of each facility that is part of Flekk.
2. Average annual 2021 kWh cost per kWh according to facility location ($/kWh per CFE rate division).

   To obtain the annual average, the monthly cost per kWh for each tariff division in which the different offices are located was used.

   This same procedure was used to calculate the electricity consumption of the Cristafácil franchises for category 14 of Scope 3.

The facilities that are part of Flekk are:

- *Easy Car Glass* Naucalpan
- *Easy Car Glass* Tuxtla
- *Easy Car Glass* Monterrey
- Cristafácil Circuito
- Cristafácil Naucalpan
- Cristafácil Toluca
- Cristafácil Chihuahua
- *Outlet* de refacciones Monterrey
- *Outlet* de refacciones Guadalajara
- *Outlet* de refacciones Circuito Bicentenario
- *Outlet* de refacciones Naucalpan

The CFE tariff divisions for where these offices are located are the following:

- Valle de México Norte y Centro
- Sureste
- Golfo Norte
- Valle de México Norte y Centro
- Valle de México Norte y Centro
- Centro Sur
- Norte
- Golfo Norte
- Jalisco
- Valle de México Norte y Centro
- Valle de México Norte y Centro.

3. Estimated gasoline consumption.

For the estimation of gasoline consumption by Flekk (scope 1), as with electric energy, a relationship was made considering the following data:

1. Annual amount in Mexican pesos for gasoline consumption of each facility.
2. Average annual cost per L of 87 octane Magna gasoline in 2021 according to the location of each office ($/L per State). These data were obtained from the official website of the Energy Regulatory Commission, the cost of this type of gasoline was considered because they are lower than 92 octane gasoline and therefore the L consumed would be overestimated, which is conservative in terms of emissions.

For the estimation of gasoline consumption by the QIC offices in Tijuana and San Diego, California (scope 1), the following data was considered:

1. Annual amount in U.S. dollars for gasoline consumption of each company and its conversion to Mexican pesos (considering the average dollar cost at year-end 2021).
2. Average annual cost per L and gal of regular gasoline in 2021 according to the location of each office ($/L in Baja California and $/gal in San Diego, California). These data were obtained from *Petro Intelligence* and*Gas Buddy*, respectively.

4. Upstream transmission and distribution calculation (category 4 of Scope 3).

The calculation of the transportation of glass and radiators acquired by Flekk, both by sea and land, was performed. For the calculation of maritime transportation, the origin from China to the Port of Manzanillo was considered, and for land transportation, the origin from the Port of Manzanillo to the warehouse in Naucalpan was considered for both supplies. The data used for the calculation are as follows:

1. Quantity of purchased supplies in tons.
2. Origin and destination of the supplies.
3. Type of transport
4. Number of times the supplies were purchased per year.
5. Distance traveled in kilometers.

With the data on the amount of supplies purchased and the number of times it was purchased during the reporting period, the weight of the shipment was obtained, and then the amount of CO_2e emitted was determined considering the emission factors corresponding to the type of transport.

5. Calculation of business air travel (category 6 of Scope 3).

For Flekk's business air travel during 2021, the conversion of mileage to miles was made considering the equivalence of 1.60934 km per mile. For the missing data of distance traveled in km during Mexico City-Dallas Tx, Monterrey-Dallas Tx and Monterrey-San Antonio flights, obtained from the official ICAO website.

6. Estimated employee commuting (category 7 of Scope 3).

The following procedure was used to estimate the displacement of employees of Quálitas Controladora:

Considering that QC had 5,014 employees during 2021, of which, Consignee 1 and 4 employees were not considered, since the gasoline consumption of these employees is calculated in Scope 1, 3,4671 remaining employees were obtained. From this total, sampling was performed based on the stipulations of NMX-Z-012/2-1987. Sampling for inspection by attributes-Part 2: Sampling methods, tables and graphs. Likewise, it was considered that during the reporting year there was a 35% capacity in offices in compliance with the stipulations of the health authorities as a sanitary measure due to the COVID-19 pandemic, likewise, it was considered that 95% of the employees are transported by bus and the remaining 5% by car.

The sampling was carried out taking the number of remaining employees (3,467) and the general inspection level indicated in Table I of the standard as the starting point, as shown below.

Table 43. Extract from Table I of Standard NMX-Z-012/2-198734

Lot or batch size	General inspection level			Sample size	
	I	II	III	A	B
3,201 to 10,000	J	L	N	L: 200	N: 315

The standard suggests using general inspection level II as the sample size; however, it was decided to be more rigorous and level III was chosen for sampling, so the final sample size was 315 employees.

With this data, we proceeded to make a random selection of numbers in Excel to obtain the employee number and, based on this, estimate the distance traveled by car. Employees for whom the zip code of residence was not found and those with trips of more than 1,000 km were discarded and replaced by other employees.

Subsequently, with the help of the *Google Maps* platform, the greatest distance traveled was estimated using the selected employee's location data and the location of the office where they work. To obtain the total mileage, the distance found was multiplied by 588 (two trips per day for the 294 days worked during the reporting period).

Exhibit 4. Exclusions

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

In this reporting period, the availability of information for category 15 emissions from investments has not yet been assessed.

This year there was no information on the transportation and distribution of paper and cardboard purchased by QCS.

Emissions derived from the operations of subsidiaries outside Mexico have not been considered for categories 1, 4 and 7, but are expected to be incorporated in the following years.

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