



# In the right direction

Consolidated Annual Report 2017

04

# Commitment:

moving toward sustainability.



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**At Quálitas we believe that our philosophy towards excellence should be embraced by all the people that are part of the company, in order to positively impact their professional development and the quality of our services.**

To ensure attracting the best talent onto our team, we implement attraction, development, and personnel retention programs such as the Talent Incubator and Quálitas University. In this way we contribute to generating attractive and stable jobs.

GRI 102-8, 103-2, 103-3, 405-1

## STAFF DESCRIPTION

Recognizing the contribution of employees, ensuring working conditions which promote professional development and contributing to the optimal performance of each employee, is a fundamental part of our management.

In 2017 our staff was integrated as follows:

Country	Total	Women	Men
Mexico	4,799	1,902	2,897
USA	51	23	28
Costa Rica	58	38	20
El Salvador	51	22	29

Except as otherwise indicated, all the information presented below is from Quálitas México, which is accountable for 96.6% of all the employees of the Group.

## QUÁLITAS MÉXICO 2017

### Workforce by age

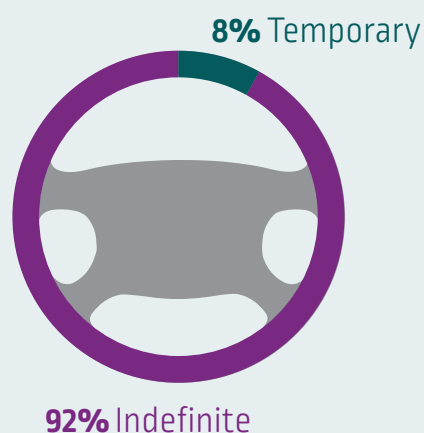


In 2017 we had **12% more personnel** than in 2016

### Workforce by gender



### Workforce by type of contract



### Employees by age group and gender- Q MX

Age range	2017			2016			2015		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
< 30 years	750	716	1,466	632	598	1,230	449	419	868
30 - 50 years	1,088	1,999	3,087	990	1,885	2,875	937	1,803	2,740
> 50 years	64	182	246	44	138	182	47	148	195
<b>Total by gender</b>	<b>1,902</b>	<b>2,897</b>	<b>4,799</b>	<b>1,666</b>	<b>2,621</b>	<b>4,287</b>	<b>1,433</b>	<b>2,370</b>	<b>3,803</b>

**Employees by professional category, age group, and the percentage they represent - Q MX 2017**

Position	<30 years		30 - 50 years		>50 years		Total	
	Women	Men	Women	Men	Women	Men	% Women	% Men
Director	0	0	5	0	4	8	53	47
Assistant director	0	0	12	14	5	8	44	56
Manager	8	3	54	65	2	16	43	57
Coordinator	32	46	175	315	16	31	36	64
Analyst	481	606	730	1,551	29	109	35	65
Assistant	229	61	112	54	8	10	74	26
<b>Total</b>	<b>750</b>	<b>716</b>	<b>1,088</b>	<b>1,999</b>	<b>64</b>	<b>182</b>	<b>40</b>	<b>60</b>

The employees of Quálitas México work full-time. We do not have outsourced personnel in charge of direct business operations; however, we outsource auxiliary services such as cleaning, valet parking and security, totaling 270 outsourced people.

**INTEGRATION OF THE BOARD OF DIRECTORS**

The Board of Directors is composed of 13 Board members and two alternate members appointed by the General Shareholders' Meeting, as per the recommendation of the Corporate Practices Committee.<sup>1</sup>

**Percentage of the 13 Board members by age range and gender**

<sup>1</sup> For more information, refer to Corporate Governance

## RECRUITMENT AND TURNOVER

GRI 401-1

1,534 people joined our amazing team during 2017. At the end of December, 920 of them had signed an indefinite contract after successfully completing their three months trial period, while 250 remained in such trial period.

This year we increased by **25% our recruitment**

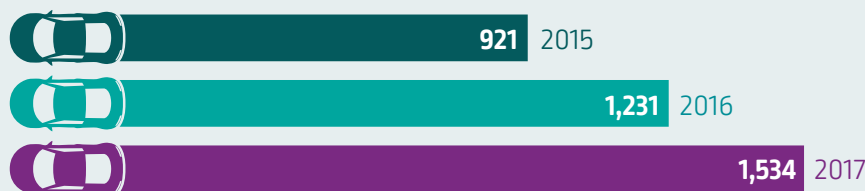
### Recruitment and discharge 2017

Indicator	Total	< 30 years		30 - 50 years		> 50 years	
		Women	Men	Women	Men	Women	Men
Recruitment	1,534	446	396	291	390	4	7
Discharge	996	238	156	248	329	8	17

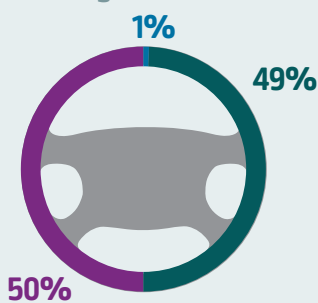
### Recruitment and discharge 2016

Indicator	Total	< 30 years		30 - 50 years		> 50 years	
		Women	Men	Women	Men	Women	Men
Recruitment	1,231	346	298	232	343	3	9
Discharge	757	165	123	178	263	6	22

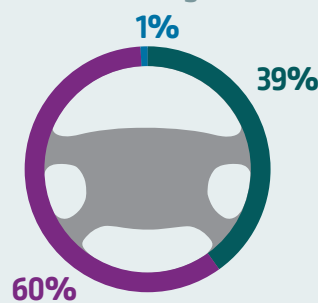
### Employees recruited by year



### 2017 New hirings - men



### 2017 New hirings - women



< 30 years  
30 - 50 years  
> 50 years

As a result of the growth registered by the company in 2017, our workforce increased by 12%, vis-à-vis, 2016. On the other hand, the staff turnover rate, increased by three percentage points during 2017.

In Quálitas we recognize the importance of maintaining our employees, which is why we design strategies promoting the development and growth of our employees through training programs such as talent incubators, training, additional benefits from statutory benefits and various perks described throughout this chapter.

## STAFF TURNOVER

	2017	2016	2015
Staff turnover rate <sup>2</sup>	20.7%	17.7%	17.2%

In Quálitas, 59% of employees have a seniority above 2 years, highlighting the fact that 14% of our employees have more than 10 years working for the company.

The average absenteeism rate was 1.24%, which has maintained a low average rate due to the programs we offer to our employees for their physical, financial, social-occupational and mental-emotional wellbeing.

	2017	2016	2015
Absenteeism rate	1.24%	0.91%	0.69%

## TRAINING

GRI 404-1

As part of our growth strategy, in 2017 we provided **296,326 hours of training** to our employees, agents, employees of service offices and suppliers. \$40.3 million pesos were invested in training, representing an amount 28% higher than the investment made in 2016.

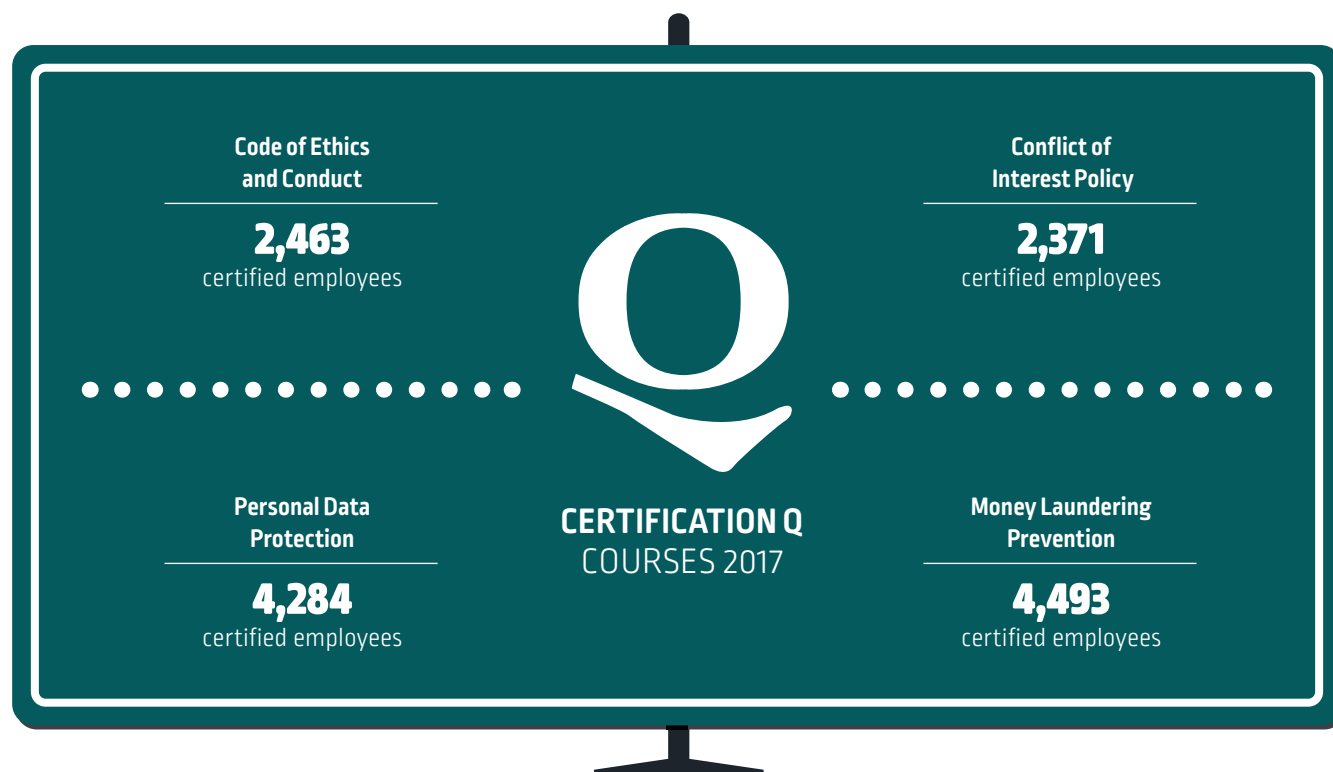
For the employees of Quálitas México, we offered 230,290 hours of face-to-face

<sup>2</sup> The turnover ratio is calculated as follows: Discharge/(Initial employees + recruitment – discharge).

<sup>3</sup> The absenteeism rate is calculated as follows: Number of days absent /Number of working days which should have been effective. All 4,799 employees were considered for purposes of such calculation.



and virtual training through Quálitas University, talent incubator, specific courses to develop competencies and civil protection brigades.



#### Total N° of training hours by labor category

Position	2017		2016	
	Face-to-face	Virtual	Face-to-face	Virtual
Directors	356	327	252	14
Assistant directors	2,193	661	651	33
Managers	4,782	2,782	566	112
Coordinators	5,257	7,314	270	323
Analysts	149,742	44,452	53,440	2,102
Assistants	3,763	8,144	107	353
<b>TOTAL</b>	<b>166,093</b>	<b>63,680</b>	<b>55,286</b>	<b>2,937</b>





## Q CERTIFICATION

GRI 103-2, 103-3

As part of our commitment towards integrity and transparency, in 2017 we implemented the Q Certification initiative. This certification is a mechanism contributing to a comprehensive training on four topics:

- Code of Ethics and Conduct
- Money Laundering Prevention
- Personal Data Protection
- Conflict of Interest Policy

The four subjects that make up this certification program are mandatory for all our employees. The deadline for taking the Q Certification is the end of the first quarter 2018. The figure presented in this report corresponds to the compliance progress as of December 31, 2017.

This certification is extremely important for Quálitas which is evidenced by the fact that the Corporate Practices Committee monitors such certification.

In 2018 we will continue with our Q Certification program as established in our **Code of Ethics and Conduct**.

The employees of the service offices, who are not Quálitas employees, are encouraged and motivated to be voluntarily certified, resulting in 936 of them having taken the money laundering course.

## QUÁLITAS UNIVERSITY

**Quálitas University** is the organizational development strategy which allows us to professionalize the competences of those integrating our value chain, according to the objectives and needs of the business. This excellent initiative is available to the employees of the company, the collaborators of our business partners, agents, and, as of 2017, for our suppliers.

After two years of having launched **Quálitas University**, the results have been highly satisfactory showing exponential benefits. As of December 31, we have 82 available courses while having the participation of 6,835 students.

Among the employees, the person who had a working relationship with Quálitas during 2017 and who attended and/or accredited at least one course was considered a Quálitas University participant.

**1,741 new participants**  
in Quálitas University in 2017<sup>4</sup>

### Number of participants of Quálitas University

Audience	Participants	No. of Hours
<b>Employees</b>		
Mexico	5,125	68,975
Costa Rica	56	308
El Salvador	40	115
<b>Agents</b>	702	15,420
<b>Employees of service offices</b>	901	11,302
<b>Suppliers</b>	11	11
<b>Total</b>	<b>6,835</b>	<b>96,131</b>

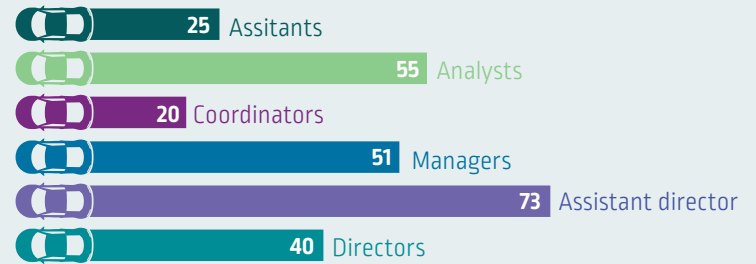
We are happy to share that in 2017 we launched the **Suppliers School** with the purpose of sharing the organizational values and philosophy of Quálitas, and strengthening working skills of the spare parts suppliers, repair shops and tow trucks.

<sup>4</sup> Includes employees, agents, service offices employees and suppliers.

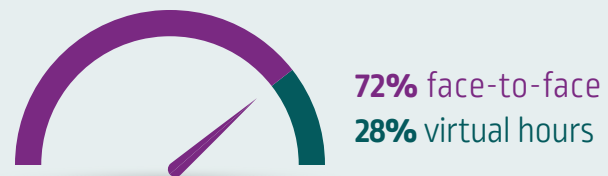
### Quálitas University



### Average training hours by position





### Percentage by type of training





## TALENT INCUBATOR

The talent incubator is the instrument guaranteeing that our staff has specific skills according to their organizational functions. Adapting to the business needs, in addition to the claim officer and cabin incubators, in 2017 we offered four new incubators for lawyers, claims coordinators, valuator, and heavy equipment.

During the year we had 311 participants in our talent incubators.



**Lawyers Incubator**  
Develop skills for claims assistance pursuant to the new criminal accusatory system and Quálitas service philosophy.  
**Approximate length: 141 hours**



**Claims Officers Incubator**  
Develop skills for claims assistance pursuant to the demarcation guide and the applicable regulations, always complying with the service philosophy and the Code of Ethics and Conduct.  
**Approximate length: 472 hours**




**Call Center Incubator**  
Develop necessary capabilities to provide excellent telephone assistance to our policyholders.  
**Approximate length: 170 hours**

**Claims Coordinator Incubator**  
Develop competencies for assisting and monitoring claims.  
**Approximate length: 100 hours**

**Valuator Incubator**  
Develop skills for the correct and timely appraisal of damages.  
**Approximate length: 269 hours**




**Heavy Equipment Incubator**  
Develop competencies for the correct and timely appraisal of heavy equipment damages, in compliance with service and cost standards.  
**Approximate length: 220 hours**

## COURSES FOR THE DEVELOPMENT OF SPECIFIC COMPETENCIES

GRI 404-2

In furtherance to the aforementioned programs, during the year we offered 155 specific courses to develop competences and skills considering different thematic lines covering the requirements of different competences, specialization levels and positions to tackle the needs of the business.

Among these courses we highlight the Telephone etiquette, Service workshop, Receptionist workshop and Communication workshop. In 2018 we will continue working on strengthening our training programs pursuant to our organizational culture.

## TRAINING FOR THE CIVIL PROTECTION BRIGADES

It is extremely important to protect the physical integrity of our employees and those visiting our facilities.

We have 150 volunteers that conform 10 Civil Protection Brigades.

In 2017, training of the Protection Brigades was reinforced through specialized courses and workshops taught by an expert. In total 1,572 hours of face-to-face training was provided about the following topics: first aid, protection and combat against fires and evacuation and communication in the Mexico City, Guadalajara, and Monterrey offices.

We recognize the work carried out by the volunteers with their effort, support, and guidance in emergency situations. Knowing that we have a prepared team gives us security and comfort.

**1,572 training hours** were taught to the Civil Protection Brigades



## CAREER DEVELOPMENT

GRI 102-36, 102-37, 404-3

The performance of the directors and sub-directors is supervised by the CEO considering the result and fulfillment of their strategic projects linked to their compensation.

With respect to the performance evaluation, in 2017 the leaders of each department were invited to evaluate the performance of their team's assessing skills, commitment, efficiency and attitude.

In Quálitas, the employee promotions are defined by fulfilling certain criteria related with level of education, experience, performance, skills, knowledge, attitude, and, in some cases, certifications.

We promote the development of our employees recognizing their talent, commitment, and results. During the year, 333 people had a promotion, 55% of those were women and 45% men. Furthermore, 317 of our employees had the opportunity to acquire new knowledge and face new challenges by making a lateral move; 41% of those employees were women while 59% were men.

In Quálitas compensation is established based upon three criteria:

- 1) The mean of the insurance sector
- 2) The analysis of profiles within the company, ensuring equality among similar positions
- 3) The adjustments associated with the result of the performance assessment

## WORK ENVIRONMENT SURVEY

We want to offer a favorable work environment for our employees that motivates them to generate a sense of belonging to the company. This is the reason why we conduct a yearly Work Environment Survey, with the purpose of knowing the labor environment in Quálitas.

To improve the results obtained in this survey, in 2017 an external provider was selected to carry out this study. The results are confidential.



During the year, 4,242 employees were invited to answer the survey. We obtained 77% participation. This survey is fundamental since, based upon the results, we take actions to improve our work environment.



## EMPLOYEES' WELFARE AND BENEFITS

GRI 401-2

With the firm purpose of contributing to a better quality of life, our employees with indefinite contracts are granted additional benefits than those required by law; we grant them life insurance, purchase option of automobile policies with preferential discounts, among others.

Furthermore, our employees, regardless of their type of contract, have maternity or paternity leave as set forth by law.

The goal of our welfare program is to promote healthy lifestyles among our employees through the Welfare Program, which consist of four areas: physical, financial, social-labor, and emotional health.

**4,236**  
**first-care** and  
 preventive  
 care medical  
 consultations



To promote **physical wellbeing**, we grant major medical insurance for all our employees.

During 2017 we continued implementing preventive activities such as health days in our Mexico City offices, first care consultations and preventive care through our medical service for employees, 50% subsidy in certain gyms and physical activation classes (yoga and functional training) in our offices in Valle, Ajusco, San Ángel, and San Jerónimo.

We aim to contribute to the **financial wellbeing** of our employees by fostering a savings and financial education culture. We have a savings account (caja de ahorro) which provides ordinary and housing loans at preferential rates to its members. Furthermore, we provide assistance for funeral expenses and purchase of school supplies.

We have an alliance with a financial institution with more than 35 years of experience in investments, to offer Quálitas employees an option to invest through a digital platform. We implemented the "How to invest your money?" campaign in 3 offices in the metropolitan area and had the participation of 43 employees.

We have lactation rooms offering a comfortable and private space for those employees needing such facilities.

We carry out reforestation activities in different areas of the country with employees and their families volunteering to contribute to the environment. We have 1,200 participants in Mexico City, 100 in Guadalajara and 85 in Monterrey.

We also carry out reforestation activities with agents and their families. 550 people participated in the reforestation activities in León, Guadalajara, Oaxaca, and Puebla.

At the end of 2017, **the savings account had 3,994 members,** which represents **83% of our total workforce**



We have a summer program allowing our employees' children to attend our offices, perform various learning tasks and carry out activities helping the community.

We know that **emotional wellbeing** is very important which is why we have the program **"Ajusta tus emociones"** (Adjust your emotions), in which, through a third-party, our employees can receive emotional, financial, and legal advice via telephone and in a totally confidential way. If the situation requires it, they can request face-to-face sessions with a specialist.



MEDICAL INSURANCE FOR:

**100%**  
EMPLOYEES

GRI 102-1, 102-3



[www.qualitas.com.mx](http://www.qualitas.com.mx)

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