

ETHIAS SUSTAINABILITY FRAMEWORK



Table of contents

I.	Ethias' vision	3
II.	Sustainability in the corporate strategy	4
III.	Ambitions pillar per pillar and the 10 essentials of sustainability	5
IV.	Standards and frameworks	6
V.	Cross-functional, participatory governance	7
VI.	Environmental transition	8
	V.I Policies and commitments	8
	V.II Projects and actions	8
VII.	Societal impact	9
	VII.I Policies and commitments	9
	VII.II Projects and actions	9
VIII.	Governance	10
	VIII.I Policies and commitments	10
	VIII.II Projects and actions	10
IX.	Local and sustainable investments	11
	IX.I Policies and commitments	11
	IX.II Projects and actions	11
X.	Sustainable products and services	12
	X.I Policies and commitments	12
	X.II Projects and actions	12
XI.	Strategic KPIs	13
XII.	Extra-financial ratings	14

I. ETHIAS' VISION

Ethias' vision is to become the insurer that leaves a positive mark on Belgian society with every one of its footprints. This means that sustainability is at the heart of our insurance business, and permeates all our ambitions and actions.



At Ethias, sustainability is a fundamental pillar of our corporate strategy. It is an integral part of every aspect of our insurance business: in the insurance products and services we develop, in the investments we make, and in the relationship with our customers, partners and shareholders, so that the way we conduct our business has a lasting impact on the society of today and tomorrow.

To contribute to the vision of the world it wants to see, Ethias has comprehensively reshaped its Sustainability strategy at the end of 2021. This strategy is built around a number of guiding principles.

The **purpose of this document** is to provide an overview of these guiding principles, as well as the policies, commitments and actions that make this new strategy concrete and actionable.

For each of the strategic areas (environment, social commitment, corporate governance, investments and sustainable products and services) you'll find a description of ambitions, projects and actions, as well as a table listing the strategic KPIs needed to transparently measure and communicate progress and areas for improvement.

A detailed description of the strategy is available on the Sustainability [page of the Ethias website](#) and in the [annual report](#), which also includes all the actions and progress achieved each year

The **scope of** this document applies to Ethias SA and its subsidiaries included in the scope of consolidation¹. For subsidiaries whose main activity is not insurance or insurance-related services, these framework principles are applied on a « best efforts » basis. Certain projects, policies and actions also apply to these entities, and are marked with a distinctive sign (◆).

¹ In particular Ethias Services, Ethias Ventures, Ethias Lease, the NRB group, but also IMA Benelux as an associated company.

II. SUSTAINABILITY IN THE CORPORATE STRATEGY

Ethias' Sustainability strategy is built around the three main pillars of Environmental - Social - Governance (ESG). This strategy is fully integrated into the company's corporate strategy, as Ethias considers that its activities must naturally be part of a sustainable framework that protects the environment and future generations.

To ensure that sustainability permeates all of the company's operations, Ethias has developed this strategy within a precise framework.

This sustainability framework is based on:

- » a **Sustainability-strategy** approved by the Board of Directors, containing short-, medium- and long-term goals;
- » acknowledged **standards and reference frameworks**;
- » **cross-functional**, participatory **governance**;
- » **policies and commitments**;
- » **projects and actions**;
- » **targets, objectives and indicators (KPIs)**;
- » a **community of committed employees**.



III. AMBITIONS PILLAR PER PILLAR AND THE 10 ESSENTIALS OF SUSTAINABILITY

In order to take a « future-proof » path, Ethias has set itself specific ambitions in relation to environmental protection, social responsibility and the principles of good governance. Our sustainable ambitions are also reflected in our investment activities and in the development of our insurance products.

- » « Environmental » pillar: Ethias is helping to mitigate climate change by adopting a « Net Zero » transition plan for its operations (by 2030) and investments (by 2050).
- » « Social » pillar: Ethias continually seeks to improve the working conditions of its employees and to create a positive impact for Belgian society, a.o. via the Ethias Impact Fund;
- » « Governance » pillar: Ethias is committed to communicating authentically and transparently, and to preserving its reputation as a socially responsible company.
- » Through its investments: Ethias invests in transition and sustainable businesses, while supporting the local economy.
- » In product development: Ethias is gradually transforming its range of insurance products and services to minimize their environmental impact, ensure that no one is excluded, and promote prevention and the adoption of sustainable behaviour.

Its ambitions revolve around the principle of « *being accountable and responsible* ». Ethias carries out a **double materiality assessment** in order to go beyond ESG regulations and determine which of its declared ambitions should be given priority. By doing so, the company informs its internal and external stakeholders of the impact of its actions on society (impact materiality) and the way in which sustainable concerns affect its activities and results (financial materiality). This happens at regular intervals to ensure that strategic ambitions and actions are always well aligned with the vision of stakeholders. Ethias gives them a voice in building its action plan with them.

Ethias also shared with the public its sustainability ambitions in a simplified form, also known as « the 10 essentials of sustainability ».



Transforming and developing **sustainable and innovative products and services**



Focusing on **prevention** to meet the challenges of sustainability



Acting on **climate** and aiming for **Net Zero**



Protecting the **environment** and regenerating **ecosystems** and **biodiversity**



Strengthening the **responsible investment** approach



Creating **impact in society** through the Ethias Impact Fund



Embracing each person in his/her/x **diversity** and **uniqueness**



Bringing sustainability to life within the company thanks to the **#ReGeneration Movement**



Involving stakeholders in implementing the sustainability strategy



Promoting sustainability by joining **networks and communities of experts**

IV. STANDARDS AND FRAMEWORKS

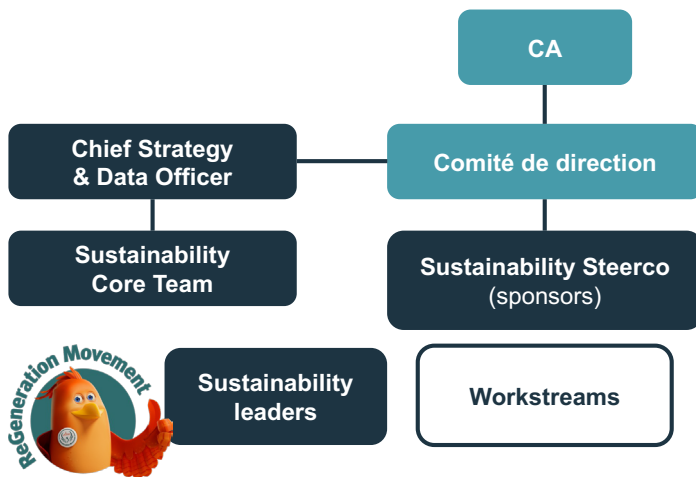
To translate its commitments into concrete actions and assess its progress, Ethias draws on well-known reference frameworks. It uses these benchmarks to set goals, measure progress, identify areas for improvement and ensure that actions taken meet the needs of today's and tomorrow's society.

In addition to the various mandatory regulations that apply to its insurance activities, which enable it to structure its reporting², Ethias also chooses to follow the following reference frameworks, on a voluntary basis.



² The European Sustainability Reporting Standards (ESRS), an integral part of the Sustainability Reporting Directive, and the International Financing Reporting Sustainability Standards (IFRS-S).

V. CROSS-FUNCTIONAL, PARTICIPATORY GOVERNANCE



To build, manage and drive its Sustainability strategy, Ethias relies on **cross-functional, participative governance**. **The central Sustainability team** steers the strategy and ensures its integration into all the company's activities and at group level.

Based on the sustainability impacts identified in the various departments, internal workstreams have been set up. These « **workstreams** » work with the central Sustainability team to draw up action plans for the strategy in line with their business or department, and are responsible for its implementation. These workstreams meet once every six weeks in **Stream Lead Meetings** to discuss progress on the roadmaps and current issues relating to the Sustainability strategy.

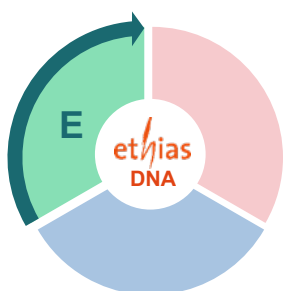
In addition, **ad hoc working groups** are set up if needed in order to deal with cross-functional issues, for better coordinating the company's ongoing Sustainability Strategy projects.

Finally, good governance requires both « top-down » and « bottom-up » involvement. For the strategy to spread throughout the company, it needs the support of both Top and Senior Management, as well as employees. Sustainability strategy, action plans and progress are regularly discussed at various levels within the company:

- » the **Board of Directors** validates the company's strategy, with sustainability at its core, and regularly reviews its progress;
- » the Sustainability strategy is also discussed on a quarterly and ad hoc basis at Executive Committee meetings. In addition, the members of the **Executive Committee** are annually assigned a collective goal to reduce Ethias' carbon footprint. Since 2023, each member of the Executive Committee has also had an individual goal linked to the Sustainability strategy, on which a percentage of their variable remuneration depends;
- » a **Sustainability Steering Committee** meets quarterly with management to review the various workstreams and redirect them where necessary, under the supervision of the Chief Strategy & Data Officer;
- » an **Ethics Committee** was set up in 2003, as an offshoot of the Works Council. It deals with corporate ethics and social responsibility issues, and operates on the basis of shared responsibility between unions and management. The council assesses the progress of the sustainability strategy and can also give opinions or recommendations related to sustainability;
- » **employees** meet within the ReGeneration Movement, an internal community of people committed to and passionate about sustainability. They take on a wide range of initiatives and provide input for internal workgroups.

This well-established structure enables Ethias to make ambitious commitments, develop relevant policies, and implement impactful actions and projects.

VI. ENVIRONMENTAL TRANSITION



Through its ambitious environmental action plan, Ethias is positioning itself as a player in the energy transition. Its environmental and climate ambitions can be summed up as follows:

- (1) adopting a low-carbon transition plan for both its operational activities (scope 1-2, scope 3 excluding investments) and its investments (full scope 3, horizon 2050) by joining SBTi « Net Zero 2050 » ³;
- (2) supporting the restoration of natural areas and biodiversity and factor the benefits of a Nature-Positive approach into its operational and investment activities (in line with the TNFD framework);
- (3) reducing waste and adopt a « zero plastic » policy;
- (4) green IT: measuring the digital CO2 footprint and adopting appropriate reduction and awareness-raising measures ⁴.

VI.I POLICIES AND COMMITMENTS ⁵

- » Ethias describes its environmental and climate strategy in its Environmental Policy;
- » Ethias joined SBTi in December 2022 with a commitment to be « Net Zero 2050 » te zijn ⁶.
- » Since 2008, Ethias has been carrying out a Bilan Carbone on scopes 1-2 and partially on scope 3 ⁷.
- » Ethias has entered into a multi-year partnership with Natuurpunt for the preservation of the Zwarte Beek valley in Lumen.

VI.II PROJECTS AND ACTIONS

The following achievements, commitments and projects are in progress, for example:

- » the Net Zero trajectory on scopes 1 and 2 and partially on scope 3 has already been in place under the Change Over plan since 2020, with a goal of carbon neutrality by 2030;
- » in line with our SBTi Net Zero 2050 commitment, the net zero trajectory on scope 3 includes the decarbonisation of our investment portfolio (SBTi plan);
- » Integrating environmental criteria into our supplier selection processes to develop a sustainable value chain (scope 3) ⁸;
- » zero plastic project. Ethias is committed to eliminating or reducing its consumption and use of plastic in all its activities;
- » Measuring its digital carbon footprint and adopting an action plan in 2024 to take mitigation measures ⁹;
- » ongoing collaboration with DigitalForYouth against digital exclusion ¹⁰.

³ Includes NRB, to a lesser extent IMA.

⁴ Also valid for NRB.

⁵ These documents are available on our corporate website in the « [policies, charters and codes](#) » section.

⁶ Includes NRB, to a lesser extent IMA.

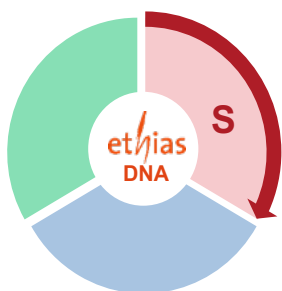
⁷ NRB has also been carrying out a carbon assessment on scopes 1 and 2 since 2016. Scope 3 was measured for the first time in 2019. The exercise will be repeated from 2024.

⁸ NRB has its own sustainable purchasing policy, specific to its value chain.

⁹ Also valid for NRB.

¹⁰ Ibid.

VII. SOCIETAL IMPACT



Ethias takes great pride in its social responsibility and wishes to continue to be an actor of change and support for Belgian society. For Ethias, being a socially responsible insurer means above all:

- (1) cultivating and developing talent by developing « sustainable career » plans in which all employees find their place and are appreciated for their differences (diversity and inclusion);
- (2) taking care of employees and in turn, taking care of the company and its customers;
- (3) supporting young people by giving wings to the next generation (NEXTGEN) and fighting poverty, through the Ethias Impact Fund.

VII.I POLICIES AND COMMITMENTS

Ethias has adopted a series of social policies that reflect the guidelines we apply in all our activities.

» [Ethias' Commitment to the social economy.](#)

» [Diversity and Inclusion Charter.](#)

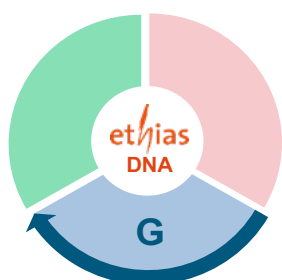
» [Wellbeing Charter.](#)

VII.II PROJECTS AND ACTIONS

The three chosen lines of action are reflected in a wide range of projects and actions, of which the following are the main ones:

- » **Sustainable Career:** Top Employer ♦ label, specific action plan for sustainable careers (Young Development Program, Senior Talent Program, Leadership Program, preventive and proactive management of absenteeism and reintegration, etc.), ReGeneration Movement;
- » **Care for People:** strengthening prevention and customer support, health ecosystem within Ethias Ventures, crisis management assistance and development of inclusive insurance products, support for disadvantaged customers;
- » **Support for young people and fighting against poverty** via the Ethias Impact Fund, a corporate fund housed within the King Baudouin Foundation, which aims to provide annual financial support, via calls for projects or directly, to selected players in the field on social (support for young people, the fight against poverty, etc.) and environmental issues (restoration of ecosystems and biodiversity); partnership with YouthStart to promote the integration of young people into the workforce;
- » **Support for young people's training through a** partnership with BeCode ♦, an active teaching school for digital skills and coding with a social impact.

VIII. GOVERNANCE



Sustainability goes hand in hand with robust governance to enable:

- (1) relationships of trust with all our stakeholders through authentic communication and transparent reporting;
- (2) an active role as a responsible insurer in communities of experts and initiatives to advance sustainability;
- (3) ESG integration at all levels of corporate governance.

VIII.I POLICIES AND COMMITMENTS

Our main policies, charters and codes naturally include those relating to ethics and responsible business conduct. Together, these documents guarantee compliance with sustainability principles

- » Ethias Groupe Code of Ethics
- » [Social-Ethical Code](#)
- » [Responsible procurement policy](#)
- » [Responsible Procurement Charter](#)
- » [Anti-corruption policy](#)
- » [Integrity policy](#)
- » [Whistleblowing Policy](#)
- » Conflict of interest policy
- » Policy on the prevention of money laundering and terrorist financing
- » [Code of ethics](#)

We've also joined a whole series of expert communities, including:

- » [The Shift](#) ;
- » [Women in Finance](#) ;
- » [CEASE](#) ;
- » [Green Deal Achats Circulaires](#).

VIII.II PROJECTS AND ACTIONS

Ethias' ambitions, policies and commitments in terms of governance are concretely reflected in the following projects:

- » since 2022, the members of the Executive Committee of Ethias SA have received a **collective bonus target, linked to the reduction of the company's CO2 emissions**;
- » in addition, since 2023, all members of the Executive Committee have one or more **individual ESG-related goals**, on which a percentage of their variable compensation depends;
- » the inclusion of **sustainability criteria in remuneration policies** for executives and members of the Executive Committee;
- » promoting sustainability throughout the company via the ReGeneration Movement, a **community of committed and passionate employees** who raise awareness and implement a multitude of projects and activities (corporate sustainability challenges);
- » a company-wide **awareness-raising and training** program for all employees and members of the Executive Committee or Board of Directors (Climate Fresco and creation of a network of in-house facilitators, various sustainability training courses, etc.);
- » **suppliers and subcontractors** with whom Ethias works responsibly, in particular through a charter and a selection policy incorporating sustainability criteria;
- » The gradual establishment of a **network of sustainable repairers** and the screening of different partners according to sustainability criteria.

IX. LOCAL AND SUSTAINABLE INVESTMENTS

Ethias also makes a positive contribution to today's major societal and environmental challenges by taking ESG factors into account in its investment decisions, so that the analysis goes far beyond risk/return. This role as responsible investor comes with a long-term responsibility in life-insurance policies, particularly in the management of legal and supplementary pensions and in supporting the economy.

IX.I POLICIES AND COMMITMENTS ¹¹

Ethias has adopted a series of specific policies that specify the criteria to be used in the selection of different asset classes in order to make our investment portfolio more sustainable.

- » **Sustainable and responsible investment policy**, implemented through two main principles: the inclusion of ESG criteria in the investment portfolio and active shareholding.
- » **Impact investment policy**, which aims to define the criteria applicable to investment decisions designed to create a real societal or environmental impact...
- » **Exclusion Policy**, in force since 2005 and reinforced in 2021 to take into account the requirements of Febelfin's « Towards Sustainability » label. Excluded from our investments are thermal coal, oil and gas, tobacco, non-green electricity production and conventional and non-conventional weapons production;
- » **Main negative impacts of investment decisions on sustainability factors (PAI)**;
- » **Voting Policy** and **engagement Policy**, both developed to actively engage with the companies and issuers in our portfolio;
- » **UNGC (UN Global Compact)** ;
- » **UN PRI (UN Principles for Responsible Investments)** ;
- » **UN PSI (UN Principles for Sustainable Insurance)** ;
- » **Partnership for Biodiversity Accounting Financials (PBAF)** ;
- » **Belgian Alliance for Climate Action (BACA)** ;
- » **Climate Action 100+** ;
- » **Science-Based Targets Initiative (SBTi)**.

IX.II PROJECTS AND ACTIONS

- » The « Net Zero » trajectory on scope 3 and the decarbonisation of our portfolio in accordance with our SBTi Net Zero 2050 commitment by developing a plan containing our goals and based on recognised scientific methods ¹².
- » Strengthening our role as a sustainable insurer by joining the BACA (*Belgian Association for Climate Action*), Climate Action 100+ and PBAF (*Partnership for Biodiversity Accounting Financials*) initiatives.
- » Integrating ESG criteria into all asset classes.
- » Issuing its first Green Bond in 2023.
- » A range of sustainable investment products linked to life insurance policies for individuals, companies and local authorities.
- » Diversification of its investments to support the Belgian economy through various local, regional and federal players.
- » The creation of **Ethias Ventures**, a subsidiary to invest in start-ups offering innovative solutions with added social value. Ethias is targeting European start-ups active in insurtech and involved in several ecosystems of the future: mobility, health and housing, as well as prevention, energy and climate.

¹¹ *Ibid*

¹² Includes NRB, to a lesser extent IMA.

X. SUSTAINABLE PRODUCTS AND SERVICES

Ethias is working on setting up a reference framework to develop its range of products and services. The aim is to gradually transform products and services in both Life and Non-Life, so as to:

- » understand and measure their environmental and/or social impact;
- » where possible, encourage insured customers to adopt more environmentally-friendly behavior through price reductions and other measures;
- » take climate risks into account in our pricing policies;
- » implement preventive measures to support our customers and further prevent risks;
- » identify ways of transforming product ranges to take greater account of sustainability criteria in their design (ESG by design), distribution/marketing, follow-up in the event of a claim, etc.

X.I. POLICIES AND COMMITMENTS

Existing regulations guide our work in this area. These are mainly the European Taxonomy and the Sustainable *Finance Disclosure Regulation*. However, these are not always sufficiently advanced to make the desired changes. That's why Ethias is taking the lead in developing concrete projects and actions.

X.II. PROJECTS AND ACTIONS

Among Ethias' flagship cross-functional projects is **the transformation of insurance products towards greater sustainability** by developing its own sustainability framework for products and services.

- » **The transformation of the range of non-life products and services** based on the goals of the European Taxonomy. A sustainability framework has been drawn up to determine the degree of sustainability of each product and service, enabling regular automated monitoring of Ethias' sustainable income, which sets increasing goals in this respect. This framework is, by its very nature, evolving in line with future regulatory developments.
- » **The transformation of life insurance products** in line with SFDR (*Sustainable Finance Disclosure Regulation*), with the aim of switching the entire range to Article 8 SFDR products.
Built in this way, Ethias' sustainability framework for products and services provides the company with its own frame of reference, making it possible to evaluate our products and services' degree of sustainability, to set goals for the coming years, and to establish clear sustainability criteria, thus avoiding any risk of greenwashing.
- » **Analysis of the carbon impact of our portfolio at subscription level.**
- » **The development of preventive services and solutions** to support our customers in their transition, via the range offered by Ethias Services.
- » **A specific customer opt-in procedure** for all non-life insurance policies (property, liability, all risks) in so-called controversial sectors, to the exclusion of personal insurance, in which Ethias refuses to invest.

XI. STRATEGIC KPIS

In order to monitor the progress of its sustainability strategy, set realistic goals and report on its progress, Ethias has developed a **centralised ESG dashboard which lists all the KPIs it considers important in relation to its Sustainability strategy**. These KPIs are necessary to publish complete, robust and quantified ESG information.

Ethias shall monitor the quantitative and qualitative indicators (of a strategic and/or regulatory nature) presented in the dashboard below. Metrics and trends will be communicated in our annual reports.

KPI LIST
<p>TAXONOMY</p> <p>Green asset ratio</p> <p>Underwriting</p>
<p>ENVIRONMENT</p> <p>Carbon footprint</p> <ul style="list-style-type: none"> • Scope 1 & 2 • Scope 3 <p>Share of renewable electricity</p> <p>Fleet electrification</p> <p>Circular economy - Number of recycled laptops (Digital4Youth stats)</p> <p>Training/awareness-raising on climate issues for Ethias staff (Fresco)</p>
<p>SOCIAL</p> <p>Allocation to the Ethias Impact Fund (€)</p> <p>Gender : % men-women</p> <p>Gender : % M/F in management functions</p> <p>Gender – Pay Gap</p> <p>Ethias Engagement survey (score) (employee Net Promoter Score)</p>
<p>GOVERNANCE</p> <p>Number of Executive Committee members whose remuneration is ESG-related</p> <p>Rating/score (BCorp, Ecovadis, etc.)</p>
<p>INVESTMENTS</p> <p>Carbon intensity</p> <p>PTF warming potential in C°</p> <p>Green investments</p>

XII. EXTRA-FINANCIAL RATINGS

Ethias also undertakes to have its progress in relation to its Sustainability strategy assessed annually by independent and objective external rating agencies. The selection of external ESG rating agencies may change over time. The aim is to have an objective opinion on the progress of its sustainable ambitions and to identify areas for improvement.

