

Second-Party Opinion

Ethias Sustainable Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Ethias Sustainable Financing Framework is credible, impactful and aligned with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Green Buildings, Clean Transportation, Energy and Resource Efficiency, Pollution Prevention and Control, Living Natural Resources and Land Use, Affordable Housing and Access to Essential Services – are aligned with those recognized by the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 7, 9, 11 and 12.



PROJECT EVALUATION AND SELECTION Ethias’ Sustainable and Responsible Investment Committee is responsible for evaluating and selecting eligible projects in line with the Framework’s eligibility criteria. Ethias will identify, evaluate and manage environmental and social risks associated with the eligible assets in line with its Social and Responsible Investment Policy and due diligence procedures. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Ethias’ Sustainable and Responsible Investment Committee will manage the allocation of proceeds on a portfolio basis and track allocations to eligible assets using an internal project tracking tool. Ethias intends to allocate all proceeds to eligible projects within three financial years of issuance. Pending full allocation, unallocated proceeds will be invested, managed or held in cash or government treasury securities. This is in line with market practice.



REPORTING Ethias will report on the allocation of proceeds and the corresponding impacts on its website on an annual basis until full allocation. Allocation reporting will include the total amount of proceeds allocated to eligible projects, the total number of eligible projects, the balance of unallocated proceeds and the amount or share of financing versus refinancing. Sustainalytics views Ethias’ allocation and impact reporting as aligned with market practice.

Evaluation Date

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Issuer Location

Liège, Belgium

Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3

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Introduction

Ethias SA (“Ethias” or the “Company”) is an insurance company headquartered in Liège, Belgium. Ethias offers a variety of life and non-life insurance products to public and private customers. As of December 2023, the Company had 5,000 employees and reported a total income of EUR 3.37 billion for the year.¹

Ethias has developed the Ethias Sustainable Financing Framework dated April 2025 (the “Framework”), under which it intends to issue green bonds and private placements,² and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are expected to deliver positive environmental or social outcomes in Belgium and other countries in the EU.

The Framework defines eligibility criteria under the following environmental categories:

1. Renewable Energy
2. Green Buildings
3. Clean Transportation
4. Energy Efficiency
5. Pollution Prevention and Control
6. Environmentally Sustainable Management of Living Natural Resources and Land Use

The Framework defines eligibility criteria under the following social categories:

7. Affordable Housing
8. Access to Essential Services

Ethias engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP) and Social Bond Principles 2023 (SBP).³ The Framework has been published in a separate document.⁴

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2023, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Ethias’ management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Ethias representatives have confirmed (1) they understand it is the sole responsibility of Ethias to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

¹ Ethias, “Consolidated Annual Report”, (2023), at:

https://www.ethias.be/content/dam/corporate/publications/reports/2023_reports/2023_Ethias_consolidated_Annual_Report.pdf

² Ethias has communicated to Sustainalytics that private placements are limited to debt instruments and will not include the sale of stock shares to investors.

³ The Sustainability Bond Guidelines, Green Bond Principles and Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

⁴ The Ethias Sustainable Financing Framework is available on Ethias’ website at: <https://www.ethias.be/corporate/en/investors.html>

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Ethias.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Ethias has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Ethias Sustainable Financing Framework

Sustainalytics considers the Ethias Sustainable Financing Framework to be credible, impactful and aligned with the SBG and the four core components of the GBP and SBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Green Buildings, Clean Transportation, Energy Efficiency, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Affordable Housing and Access to Essential Services – are aligned with those recognized by the GBP and SBP.
 - The Framework does not include a look-back period for refinancing, as Ethias will use a portfolio approach to allocate the proceeds, which Sustainalytics considers to be in line with market practice.
 - Sustainalytics notes that financing will be offered for eligible projects and general corporate purpose financing of pure play entities that derive 90% or more of their revenue from activities that meet the eligibility criteria in the Framework. Sustainalytics acknowledges that allocating proceeds to pure play companies through green and social financing transactions is a commonly accepted approach that is likely to generate positive impacts, but project- and activity-based lending generally results in more direct environmental benefits and enhanced compliance with eligibility criteria.
 - Under the Renewable Energy category, Ethias may finance or refinance the production and development of renewable-energy-related products, infrastructure and technologies, including wind, solar, ocean energy and green hydrogen, in accordance with the following criteria:
 - Solar energy will be limited to solar photovoltaic projects.
 - Ocean thermal projects where the fossil fuel back-up is limited to power monitoring, operating and maintenance equipment, resilience or protection measures and restart capabilities.
 - Green hydrogen will be produced via electrolysis powered by renewables.
 - Sustainalytics considers expenditures under this category to be aligned with market practice.
 - Under the Green Buildings category, the Ethias may finance or refinance residential or commercial buildings in Belgium, other EU countries and the UK in accordance with the following criteria:

- Construction of new residential and commercial buildings that meet one of the following criteria:
 - Buildings with primary energy demand (PED) at least 10% lower than the nearly zero-energy building (NZEB) requirements.⁶
 - Buildings that have achieved one of the following minimum certification levels: energy performance certificate (EPC) A, BREEAM Excellent⁷ or DGNB Gold.⁸
 - Buildings that have achieved a minimum level of WELL Gold⁹ along with one of the aforementioned certifications with their respective minimum levels.
- Acquisition of residential and commercial buildings built before 2021 that meet one of the following criteria:
 - Buildings that have obtained a minimum level of EPC A, BREEAM Excellent or DGNB Gold.
 - Buildings that have obtained a minimum level of WELL Gold along with one of the aforementioned certifications with their respective minimum levels.
 - Buildings that belong to the national top 15% of energy-efficient buildings based on PED.
 - In addition to the above criteria, large non-residential buildings with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of more than 290 kW are subject to energy performance monitoring and assessments.
- Renovation of residential and office buildings that: i) leads to at least 30% in energy savings compared to pre-renovation levels; or ii) fulfils the cost-optimal minimum energy performance requirements as defined by the Energy Performance of Building Directive (EPBD).¹⁰ Sustainalytics notes that the EU Taxonomy¹¹ requires meeting the relevant cost-optimal minimum energy performance requirements in accordance with the EPBD, which vary among EU Member States. Therefore, Sustainalytics encourages Ethias to report on the actual PED improvement or energy savings achieved in comparison with the existing building stock in the region.
 - Ethias has confirmed that financing will be limited to the renovation costs and not the total asset value of the building.
- Ethias has confirmed to Sustainalytics that it will exclude the financing of buildings designed or intended for the extraction, storage, transportation or production of fossil fuels, in line with its Exclusion Policy.¹²
- Sustainalytics considers expenditures under this category to be aligned with market practice.
- Under the Clean Transportation category, Ethias may finance or refinance the following types of vehicles and associated infrastructure:
 - Public passenger transport, including metros, trams, trains, buses and ferries; commercial vehicles; and private transportation, including passenger cars, mopeds and motorbikes with zero tailpipe emissions, such as hydrogen fuel cell vehicles and electric vehicles (EVs).
 - Zero direct tailpipe emissions freight transportation, such as rail, road and water transport vehicles, including hydrogen fuel cell vehicles and EVs.
 - The Framework excludes financing of vehicles used for the transportation of fossil fuels or fossil fuels blended with alternative fuels. In addition, Ethias will limit the

⁶ European Commission, "Nearly zero-energy buildings", at: https://ec.europa.eu/energy/topics/energy-efficiency/energy-efficient-buildings/nearly-zero-energy-buildings_en

⁷ BREEAM: <https://bregroup.com/products/breeam/>

⁸ DGNB: <https://www.dgnb-system.de/en/index.php>

⁹ WELL: <https://v2.wellcertified.com/en/wellv2/overview>

¹⁰ European Commission, "Energy Performance of Buildings Directive", at:

https://energy.ec.europa.eu/topics/energy-efficiency/energy-efficient-buildings/energy-performance-buildings-directive_en

¹¹ European Commission, EU Taxonomy, at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

¹² Ethias, "Exclusion Policy", (2022), at: https://www.ethias.be/content/dam/ethias-investors/INVESTORS/PDF/rapports-ethias/2021_12_Exclusion_Policy_ENG.pdf

- financing of rail and water transportation to vehicles where the transportation of fossil fuels does not exceed 25% of the mass transported.
- Ethias may also finance: i) associated infrastructure for zero direct emissions transport, such as electric charging stations, electricity grid connection upgrades, hydrogen fuelling stations or bicycle paths; and ii) infrastructure for zero direct emissions public passenger transport, such as signalling systems for metros, trams and rail networks.
 - Ethias has confirmed that it will exclude the financing of new construction and retrofits of existing road infrastructure, including roads, bridges and parking facilities.
 - Sustainalytics considers expenditures under this category to be aligned with market practice.
- Under the Energy Efficiency category, Ethias may finance or refinance the following projects:
- Infrastructure projects that support or connect to renewables or grids with life cycle emissions below 100 gCO₂e/kWh over a rolling five-year period, including:
 - Transmission infrastructure and projects that support the integration of renewable energy into power systems and improving the efficiency of the grid, such as smart grid technologies, including smart meters, advanced metering infrastructure, distribution automation, demand response technologies, grid sensors and monitoring devices, microgrids, advanced data analytics, cybersecurity technologies. Ethias has confirmed that smart grid solutions will not be applied to transmission lines connected or dedicated to fossil fuel power.
 - Construction and operation of facilities for thermal and electric energy storage systems that will be used for electricity, heat and cooling.
 - Development, manufacture and installation of energy efficiency technologies, including, Energy-efficient appliances that belong to the top two classes of the relevant EU Energy Label in accordance with Regulation (EU) 2017/1369 and EU Taxonomy criteria¹³ of the European Parliament,^{14,15} as well as smart electric meters.
 - Energy-efficient machinery, products, appliances and meters that monitor energy performance in industrial, manufacturing or utility processes, including projects related to reduction of heat loss and increase of waste heat recovery. Ethias has confirmed that it will not finance gas smart meters and equipment primarily driven or powered by fossil fuels.
 - Construction and operation of pipelines and associated infrastructure for district heating and cooling. Heating and cooling systems financed will be powered by at least: i) 50% renewable energy; ii) 50% waste heat; iii) 75% cogenerated heat; or iv) a combination of renewable energy, waste heat or cogenerated heat making up 50%. Ethias has confirmed to Sustainalytics that where cogenerated heat involves combustion of gas, only biogas in accordance with the EU Taxonomy criteria will be considered, and waste heat from fossil fuel production and operations will be excluded.
 - Ethias has confirmed that it will not finance projects intended to improve energy efficiency in hard-to-abate industries, including oil and gas, chemicals, steel, cement, aluminium, aviation and shipping. In addition, Ethias has confirmed the exclusion of technologies and equipment powered by fossil fuels.
 - Sustainalytics considers expenditures under this category to be aligned with market practice.
- Under the Pollution Prevention and Control category, the Company may finance or refinance: i) waste recycling projects; and ii) biogas production from waste sourced from the agricultural and brewing industries, in accordance with the following criteria:
- Recycling projects or facilities for material recovery from non-hazardous waste, where the activity converts at least 50% of the weight of the processed, separately collected

¹³ European Commission, "EU Taxonomy Climate Delegated Act", (2021), at: https://ec.europa.eu/finance/docs/level-2-measures/taxonomy-regulation-delegated-act-2021-2800-annex-1_en.pdf

¹⁴ European Commission, "Ecodesign and Energy Label", at: https://commission.europa.eu/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/energy-label-and-ecodesign/about_en#Energylabels

¹⁵ European Parliament, "Regulation (EU) 2017/1369", at: <https://eur-lex.europa.eu/eli/reg/2017/1369/oj>

- non-hazardous waste into secondary raw materials that are suitable for the substitution of virgin materials in production processes.¹⁶
- Sustainalytics notes that the e-waste recycling will be limited to facilities that have robust waste management processes to mitigate associated risks.
 - Biogas generation from anaerobic digestions, where feedstock will include waste from the agricultural, dairy farming and brewing industries, wood chips, sawdust straw, cane trash, sugarcane bagasse, corn cobs, nut shells, soybean hulls, palm kernel shells from RSPO-certified¹⁷ operations, waste sewage sludge (excluding sewage derived from fossil fuel operations) and the animal manure from small-scale livestock farms. Sustainalytics notes that livestock farming has a significant carbon and water footprint that is not addressed using livestock by-products in energy generation. Furthermore, such livestock farming activities may contribute to land degradation, biodiversity loss and deforestation. Nevertheless, Sustainalytics considers that the use of residues from day-to-day operations of existing facilities for energy generation provides positive impacts in the short term.
 - Eligible projects financed under this category will exclude financing of animal manure from industrial-scale livestock operations, animal fats, oil and other animal processes byproducts.
 - Sustainalytics considers expenditures under this category to be in line with market practice.
- Under the Environmentally Sustainable Management of Living Natural Resources and Land Use category, Ethias may finance or refinance the following projects:
- Reforestation and afforestation projects that are certified under the Forest Stewardship Council (FSC)¹⁸ or the Programme for the Endorsement of Forest Certification (PEFC)¹⁹ and meet the requirements of applicable government or national guidance on the establishment of sustainable forests. Ethias has confirmed that tree species that are well adapted to site conditions will be used for reforestation and afforestation projects.
 - Conservation of terrestrial areas, such as native forests, biodiversity reserves, national parks and aquatic biodiversity, including the protection of coastal, marine and watershed environments.
 - Rehabilitation, restoration and conservation of degraded ecosystems. Ethias has confirmed that financing will not be used for projects where the degradation of land or ecosystems has been caused by the Company's or its borrowers' activities.
 - Sustainable aquaculture and fisheries projects certified by the Marine Stewardship Council (MSC)²⁰ or Aquaculture Stewardship Council (ASC).²¹
 - Sustainalytics considers expenditures under this category to be aligned with market practice.
- Under the Access to Affordable Housing category, Ethias may finance or refinance the construction, development, operation, upgrade and mortgage funding of social or affordable housing for low-income groups, unemployed individuals, migrants or displaced individuals in Belgium and other EU countries. This includes assets and projects that meet the requirements of the following national or state government housing programs:
- Agencies in Wallonia, including the Société Wallonne du Logement and associated public housing providers, Sociétés de Logement de Service Public, which target the low-income population that meets the annual income thresholds of EUR 69,800 for a single applicant and EUR 85,100 for a household, with an additional EUR 3,200 per dependent child.²²
 - Agencies in Brussels, including the Brussels-Capital Region Housing Company, which targets the low-income population that meets the annual income thresholds of

¹⁶ Ethias has confirmed that in the case of recycling of electronic waste, the facilities should have an environmental and social risk mitigation plan.

¹⁷ RSPO: <https://rspo.org/>

¹⁸ FSC: <https://ca.fsc.org/ca-en/what-is-fsc/fsc-certified-forests>

¹⁹ PEFC: <https://www.pefc.org/standards-implementation>

²⁰ MSC: <https://www.msc.org/standards-and-certification/fisheries-standard>

²¹ ASC: <https://www.asc-aqua.org/what-we-do/our-standards/>

²² Société Wallonne du Logement, "Obtenir un logement public", at: <https://www.swl.be/index.php/accueil-particulier/louer>

- EUR 28,379.07, for a person living alone, EUR 31,532.33 for a single-income household and EUR 36,037.00 for a household with several incomes.²³
- Agencies in Flanders, including Social Housing Associations and Social Rental Agencies, which target the low-income population that meets the annual income thresholds of EUR 30,636 for a single person, EUR 33,202 for a single person with a disability and EUR 45,952 in all other cases, along with EUR 2,569 per dependent.²⁴
 - Sustainalytics notes that the regional eligibility thresholds are higher than the median annual incomes of EUR 26,496 in Wallonia, EUR 22,790 in Brussels, and EUR 30,106 in Flanders. Sustainalytics considers it good practice to prioritize low-income populations, such as those that earn less than 80% of the area median income, or marginalized populations for affordable housing projects. However, Sustainalytics notes that Ethias' role is limited to financing housing through government affordable housing schemes and that the Company does not have control over the detailed criteria that determine the low-income groups deemed eligible for public housing schemes. Hence, Sustainalytics encourages the Company to report on the positive social impacts of its financing allocated to below-median income populations, where possible.
 - Registered social or affordable housing providers in the EU, accredited as such in the jurisdiction in which they operate. In Sustainalytics' opinion, in order to ensure a contribution to increasing access to affordable housing, it is best practice to: i) define a target population with an upper threshold at or below the annual median income at the municipal or regional level; and ii) ensure that a strong rent control or mortgage payment mechanism is in place in which the rents or payments are reasonably capped for the target populations. However, Sustainalytics notes that Ethias' role is limited to financing housing through registered social or affordable housing providers and that the Company does not have control over the detailed criteria that determine the low-income income groups deemed eligible for public housing schemes and the corresponding affordability or rent control mechanisms. Hence, Sustainalytics encourages the Company to report on the positive social impacts of its financing allocated to below-median income populations, where possible.
- Under the Access to Essential Services category, Ethias may finance, or refinance projects aimed at improving access to healthcare, education and financial services, subject to the following criteria:
- Healthcare expenditures include:
 - Construction, expansion, upgrade and renovation of hospitals, medical clinics, outpatient facilities, facilities engaged in healthcare services, and general-purpose financing for healthcare facilities as well as entities operating them.²⁵
 - Ethias has confirmed to Sustainalytics that financing under this category will be limited to facilities and services that are accessible to all, regardless of the ability to pay.
 - Education expenditures include:
 - Acquisition, construction, expansion, upgrade and renovation of educational facilities, including schools and universities, adult education and vocational training establishments and general-purpose financing for education facilities as well as entities operating them.²⁶
 - Ethias has confirmed to Sustainalytics that financing under this category will be limited to facilities and services that are accessible to all, regardless of the ability to pay.
 - Financial service expenditures include:
 - Financial service specialists that grant microcredits and co-financing facilities to social economy players, entrepreneurs or populations in need which meet the definitions of low-income groups or historically marginalised groups

²³Brusselse Gewestelijke Huisvestingsmaatschappij, "Huurtoelage" at: <https://slrb-bghm.brussels/fr/devenir-locataire/conditions-dadmission>

²⁴ Government of Flanders, "Een sociale woning huren bij een woonmaatschappij", at: <https://www.vlaanderen.be/een-sociale-woning-huren-bij-een-woonmaatschappij#procedure/en>

²⁵ A medical facility which derives 90% revenues or more from the eligible healthcare activities under this category

²⁶ General corporate purpose financing will be limited to facilities that derive 90% or more of their revenue from eligible activities related to education under this category

- based on the official Government policy definitions. Ethias has confirmed: i) the financed specialists will provide below market-interest rate financing, and ii) Ethias will conduct due diligence to ensure mitigation of potential risks related to credit lending.
- Sustainalytics notes that Ethias will exclude financing in the following sectors: weapons, thermal coal, tobacco and power generation from non-renewable energy sources, including nuclear. Projects directly connected to fossil fuel-based energy sectors will also be excluded under the Framework.
 - **Project Evaluation and Selection:**
 - Ethias has established the Sustainable and Responsible Investment Committee (SRIC), which is responsible for evaluating, selecting and monitoring assets against the eligibility criteria in the Framework. The SRIC is chaired by the Head of Asset Management and consists of representatives from the Asset Management, Risk Management, Legal, Life Insurance, Sustainability and Corporate Finance departments.
 - Ethias has established a due diligence procedure to identify and manage environmental and social risks associated with the eligible projects. The due diligence process is aligned with the Company's Social and Responsible Investment Policy and is applicable to all allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate. For additional detail, see Section 2.
 - Based on the established process for project evaluation and selection and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.
 - **Management of Proceeds:**
 - The SRIC will manage proceeds using a portfolio approach and will track their allocation using an internal project tracking tool.
 - Ethias intends to allocate all proceeds to eligible assets and projects within three financial years of issuance. Pending full allocation, unallocated proceeds will be invested, managed or held in cash or government treasury securities. The Company has confirmed that it will exclude temporary allocations to carbon-intensive activities in line with its Exclusion Policy.²⁷
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
 - **Reporting:**
 - Ethias will report on the allocation of proceeds and corresponding environmental or social impacts on its website on an annual basis until full allocation or on a timely basis in case of material development.
 - Allocation reporting will include the number of eligible projects, the total amount of proceeds allocated to eligible projects, the balance of unallocated proceeds and the amount or share of financing versus refinancing.
 - Impact reporting will include metrics as per the ICMA Handbook on Harmonized Framework for Impact Reporting,²⁸ such as annual GHG emissions reduced or avoided (measured in tCO₂e), green building certifications, the number of EVs deployed and the number of affordable housing units financed.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Ethias Sustainable Financing Framework aligns with the SBG and the four core components of the GBP and SBP.

²⁷ Ethias, "Exclusion Policy", (2022), at: https://www.ethias.be/content/dam/ethias-investors/INVESTORS/PDF/rapports-ethias/2021_12_Exclusion_Policy_ENG.pdf

²⁸ ICMA, "Handbook: Harmonised Framework for Impact Reporting", (2022), at: https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Section 2: Sustainability Strategy of Ethias

Contribution to Ethias' sustainability strategy

Ethias' sustainability strategy, is underpinned by three pillars: i) environmental; ii) social; and iii) governance.²⁹ The Company's sustainability strategy is driven by key commitments, including: i) sustainable products and services; ii) prevention to address sustainability challenges; iii) climate action and a net zero target; iv) environmental protection and ecosystems and biodiversity regeneration; and v) strengthening its responsible investment approach.³⁰

Under the environmental pillar, Ethias has set a target to achieve carbon neutrality for its scope 1 and 2 emissions by 2030 and net zero by 2050. To validate this target, the Company joined the Science Based Targets initiative (SBTi) in 2022 and is in the process of finalizing its near-term scope 1, 2 and 3 emissions reduction targets to submit by the end of 2025. To eliminate fossil fuels in its operations and its purchasing by 2030, the Company follows a four-step framework: i) reduction of unnecessary energy consumption; ii) energy efficiency improvement; iii) transformation of energy generation to eliminate the use of fossil fuels; and iv) carbon capture. Ethias reported that renewable electricity accounted for 26.5% of its total energy consumption in 2023. Additionally, since 2021, Ethias has been a signatory to the Belgian Alliance for Climate Action, an organization that supports companies in defining their intermediate climate targets in alignment with the SBTi, as well as Climate Action 100+, which aims to ensure that companies take the necessary actions on climate change.³¹ Ethias also became a signatory to the UN Global Compact in 2014 and Principles for Responsible Investment (PRI) in 2021. Aligned with its PRI commitment, Ethias has established a Sustainable and Responsible Investment Policy, which aims to integrate ESG into the company policies;³² In order to strengthen its sustainable investment portfolio, Ethias has increased its sustainability bonds, from EUR 111 million in 2018 to EUR 1139 million in 2023.³³

Under its social pillar, in 2022, Ethias set up the Ethias Impact Fund, through which it aims to have a measurable impact on Belgian society and focuses on the following themes: i) fight against poverty among young people; and ii) health and environment. To integrate sustainability into its governance, Ethias has embedded sustainability criteria into its Executive Committee remuneration policies. Since 2022, the Company's Executive Committee members have had a collective bonus target linked to CO₂ emission reductions, and since 2023, each member has had one or more individual ESG-related goals influencing a percentage of their variable compensation.³⁴

Sustainalytics is of the opinion that the Ethias Sustainable Financing Framework is aligned with the Company's overall sustainability strategy and initiatives and will further Ethias' action on its key environmental and social priorities.

²⁹ Ethias, "Consolidated Annual Report", (2023), at:

https://www.ethias.be/content/dam/corporate/publications/reports/2023_reports/2023_Ethias_consolidated_Annual_Report.pdf

³⁰ Ibid.

³¹ Ibid.

³² Ethias, "Sustainable and Responsible Investment Policy", (2024), at:

https://www.ethias.be/content/dam/corporate/publications/sustainability/sustainability_invest/PIDR_2024_ENG.pdf

³³ Ibid.

³⁴ Ethias, "Sustainability Framework", (2023), at:

https://www.ethias.be/content/dam/corporate/publications/sustainability/2023_12_Sustainability_Framework_ENG.pdf

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to generate positive environmental and social impacts. Sustainalytics notes that Ethias plays a limited role in the development of projects and the assets being financed, but it remains exposed to risks associated with the projects it may finance by offering lending and financial services. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues involving emissions: i) effluents and waste generated in construction; ii) land use and biodiversity loss associated with large-scale infrastructure development; iii) occupational health and safety; iv) business ethics; and v) stakeholder engagement.

Sustainalytics is of the opinion that Ethias is able to manage or mitigate potential risks through implementation of the following:

- To address emissions, effluents and waste generated in construction, and land use and biodiversity loss associated with large-scale infrastructure development, Ethias has developed the Sustainable and Responsible Investment Policy.³⁵ The Sustainable and Responsible Investment Committee oversees the implementation of this policy and conducts due diligence on sustainability risks, such as biodiversity loss, water discharges and hazardous waste, before any investment. In order to support and restore natural areas and biodiversity, Ethias factors a nature-positive approach into its operational and investment activities in line with the Taskforce on Nature-related Financial Disclosures' recommendations.³⁶ Additionally, Ethias complies with Directive 2014/52/EU,³⁷ which requires projects to have appropriate measures to avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, with a focus on species and habitats. For land-intensive projects, the directive also requires projects to obtain an environmental impact assessment to identify, describe and assess land-related impacts.³⁸ Furthermore, the EU Habitats Directive and Birds Directive, which are part of the EU Biodiversity Strategy for 2030, require projects in the EU to support the conservation of biodiversity, particularly threatened and endemic species.^{39,40} To manage construction and demolition waste, hazardous waste, non-hazardous waste and e-waste without endangering human health or harming the environment, Ethias adheres to EU Directive 2008/98/EC,⁴¹ EU Construction and Demolition Waste Protocol and Guidelines,⁴² the EU Waste Framework Directive⁴³ and the Waste Electrical and Electronic Equipment Directive.⁴⁴
- Regarding occupational health and safety, Ethias' Well-Being Charter outlines its commitment to occupational health and safety through preventive actions, information sharing and training on topics such as addiction prevention, vitality, ergonomics and resilience.⁴⁵ Additionally, the Company does not allow financing to companies or suppliers involved in controversies related to health and security at work, human rights and labour rights, in line with the International Labour Organization's conventions.^{46,47}
- Regarding business ethics, Ethias' Ethics Charter establishes guidelines on business ethics, regulatory compliance and overall corporate responsibility, including matters related to conflicts of

³⁵ Ethias, "Sustainable And Responsible Investment Policy", (2024), at:

https://www.ethias.be/content/dam/corporate/publications/sustainability/sustainability_invest/PIDR_2024_ENG.pdf

³⁶ Ethias, "Sustainability Framework", (2023), at:

https://www.ethias.be/content/dam/corporate/publications/sustainability/2023_12_Sustainability_Framework_ENG.pdf

³⁷ European Parliament, "Directive 2014/52/EU of the European Parliament and of the Council", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

³⁸ Ibid.

³⁹ European Commission, "Biodiversity strategy for 2030", at: https://environment.ec.europa.eu/strategy/biodiversity-strategy-2030_en

⁴⁰ European Parliament, "Directive 2009/147/EC of the European Parliament and of the Council", (2009), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02009L0147-20190626>

⁴¹ European Commission, "Directive 2008/98/EC on waste", (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098>

⁴² European Commission, "EU Construction and Demolition Waste Protocol and Guidelines", (2018), at: https://single-market-economy.ec.europa.eu/news/eu-construction-and-demolition-waste-protocol-2018-09-18_en

⁴³ European Parliament, "Directive 2008/98/EC", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0098>

⁴⁴ European Parliament, "Directive 2012/19/EU (WEEE)", (2012), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012L0019>

⁴⁵ Ethias, "Consolidated Annual Report 2023", at:

https://www.ethias.be/content/dam/corporate/publications/reports/2023_reports/2023_Ethias_consolidated_Annual_Report.pdf

⁴⁶ Ibid.

⁴⁷ International Labour Organization, "Conventions, Protocols and Recommendations", at: <https://www.ilo.org/international-labour-standards/conventions-protocols-and-recommendations>

interest, confidentiality of information, whistle-blowing system, intellectual property rights and labour relations.⁴⁸ Additionally, the Ethics Charter establishes guidelines on data protection in alignment with Regulation (EU) 2016/679 on General Data Protection Regulation.^{49,50} Furthermore, Ethias' Anti-Corruption Policy defines a comprehensive programme that encompasses management's commitment, risk management and control measures, in compliance with the UN Convention Against Corruption.⁵¹

- To address stakeholder engagement risks, Ethias relies on internal and external stakeholder participation to conduct its double materiality assessment, enhance community participation and incorporate stakeholders' insights to understand risks and opportunities relevant to its decision-making and operations.⁵²
- Sustainalytics further notes that the majority of the funding under the Framework will be in Belgium, which is recognized as a designated country under the Equator Principles, demonstrating robust environmental and social governance systems, legislation and institutional capacity to mitigate common environment and social risks associated with the projects financed under the Framework.⁵³

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Ethias has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All eight use of proceeds categories are aligned with those recognized by the GBP and SBP. Sustainalytics has focused on the category below where the impact is specifically relevant in the local context.

Importance of affordable housing in Belgium and the EU

In the EU, the shortage of affordable housing is a considerable challenge, as housing prices and rents have been increasing relative to income since 2015.⁵⁴ In many EU countries, the lack of affordable housing is viewed as an important issue, due to factors such as the disparity between the demand for and supply of social housing stock, increased housing prices and rents relative to incomes and the privatization of social housing units in recent years.⁵⁵ In 2023, 10% of the EU population spent up to 40% of their disposable income on housing and related costs.⁵⁶ In 2024, the European Economic and Social Committee hosted the first-ever European Housing Forum, stating that "housing must be treated as a fundamental right, ensuring decent and sustainable accommodation for all Europeans, including young people and vulnerable groups".⁵⁷

In Belgium, social housing makes up 6.5% of the country's dwelling stock, which is below the European average of 9.5%.⁵⁸ In the Brussels region, apartment prices have almost tripled from 1996 to 2020, intensifying the need for social housing. Half of the region's households qualify for social housing, and the demand for it rose by 27% between 2019 and 2024.⁵⁹ The waiting list for social housing grew by 9% to 53,801 households in 2023.⁶⁰ Furthermore, 31% of the population in the region lives in overcrowded accommodation, and 10%

⁴⁸ Ethias, "Consolidated Annual Report 2023", at:

https://www.ethias.be/content/dam/corporate/publications/reports/2023_reports/2023_Ethias_consolidated_Annual_Report.pdf

⁴⁹ Ibid.

⁵⁰ European Parliament, "Regulation (EU) 2016/679 of the European Parliament and of the Council", (2016), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32016R0679>

⁵¹ Ethias, "Consolidated Annual Report", (2023), at:

https://www.ethias.be/content/dam/corporate/publications/reports/2023_reports/2023_Ethias_consolidated_Annual_Report.pdf

⁵² Ibid.

⁵³ Equator Principles, "Designated and Non-Designated Countries", at: <https://equator-principles.com/about-the-equator-principles/>

⁵⁴ OECD, "Housing prices" at: <https://data.oecd.org/price/housing-prices.htm>

⁵⁵ European Commission, "How cohesion policy helps solve Europe's housing crisis", (2025), at: https://ec.europa.eu/regional_policy/whats-new/panorama/2024/03/03-12-2025-how-cohesion-policy-helps-solve-europe-s-housing-crisis_en

⁵⁶ Ibid.

⁵⁷ European Parliament, "The EESC's first-ever Housing Forum, advocating housing as a fundamental right", (2024), at:

<https://www.eesc.europa.eu/en/news-media/press-releases/eescs-first-ever-housing-forum-advocating-housing-fundamental-right>

⁵⁸ Walker, L, (2025), "Belgian social housing supply below European average", Brussels Times, at: <https://www.brusselstimes.com/1440742/belgian-social-housing-supply-below-european-average>

⁵⁹ OECD, "OECD Economic Surveys BELGIUM", (2024), at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/09/oecd-economic-surveys-belgium-2024_578fb44b/c671124e-en.pdf

⁶⁰ The Brussels Times, "Over 50,000 Brussels households awaiting social housing", (2024), at: <https://www.brusselstimes.com/1339871/over-50000-households-in-brussels-are-waiting-for-social-housing>

experiences housing deprivation.⁶¹ In Wallonia, people spend 31.7% of their income on rent or mortgage payments, while in Flanders, they spend 33.8%.⁶²

Belgium's three regional governments independently manage social housing, each implementing policies and initiatives to address affordable housing challenges in their respective regions. In 2025, the Flanders government announced its goal to build 450,000 affordable homes by 2050. It will allocate EUR 6 billion and prioritize social housing, repurpose existing buildings and streamline regulations.⁶³ Wallonia's affordable housing plan aims to allocate EUR 100 million, which will be used by public housing companies, municipalities and CPAS⁶⁴ to acquire and repurpose homes built by private operators into social housing. Additionally, with EUR 35 million in additional funding, a separate committee will manage land preparation and offer legal assistance.⁶⁵ To address the lack of affordable housing, the federal Belgian government has signed an agreement for the 2025-29 period, underpinned by the following initiatives: i) creating legal structures designed to avoid registration duties on real estate transactions; ii) granting full exemption for capital gains up to EUR 1 million for small investors; iii) abolishing the tax deduction on interest for real estate investment loans to reduce the profitability of rental properties; iv) reducing the VAT rate to 6% from 21% for the construction and renovation of social housing; and v) expanding social housing programmes to increase the social housing stock by 10% by 2030.^{66,67}

Given this context, Sustainalytics is of the opinion that Ethias' financing of the development, renovation and maintenance of social housing in Belgium is expected to generate a positive social impact by increasing the availability and accessibility of affordable housing for low-income populations.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Ethias Sustainable Financing Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

⁶¹ Ibid.

⁶² ITINERA, "Future Cities. Housing affordability and sustainable urban environments in Belgium", (2023), at: <https://www.itinera.team/en/news/future-cities-housing-affordability-and-sustainable-urban-environments-belgium>

⁶³ European Commission, "Flanders launches task force for affordable and sustainable housing by 2050", (2025), at: <https://build-up.ec.europa.eu/en/news-and-events/news/flanders-launches-task-force-affordable-and-sustainable-housing-2050>

⁶⁴ Centre Public d'Action Sociale (Public Social Action Centre) of a town or municipality

⁶⁵ The Brussels Times, "Wallonia brings in new measure to quickly create public housing", (2023), at: <https://www.brusselstimes.com/358150/wallonia-brings-in-new-measure-to-quickly-create-public-housing>

⁶⁶ European Housing Coop, "Housing Landscape in Belgium", at: <https://housingcoop.eu/resources/countries-in-europe/belgium>

⁶⁷ LexGO, "Belgian government agreement 2025-2029: key measures impacting the real estate sector", (2025), at: <https://www.lexgo.be/en/news-and-articles/14000-belgian-government-agreement-2025-2029-key-measures-impacting-the-real-estate-sector>

	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Pollution Prevention & Control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Environmentally Sustainable Management of Living Natural Resources and Land Use	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Access to Essential Services	3. Good Health and Well-Being	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

Conclusion

Ethias has developed the Ethias Sustainable Finance Framework under which it may issue sustainability green bonds and private placements, and use the proceeds to finance or refinance, in whole or in part, existing and future projects that are expected to deliver positive environmental or social outcomes in Belgium and other countries in the EU. Sustainalytics considers that the eligible projects are expected to provide positive environmental and social impacts.

The Ethias Sustainable Finance Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Ethias Sustainable Finance Framework is aligned with the overall sustainability strategy of Ethias and that the use of proceeds will contribute to advance the UN Sustainable Development Goal 3, 7, 9, 11, 12. Additionally, Sustainalytics is of the opinion that Ethias has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Ethias is well positioned to issue sustainability bonds and that that Ethias Sustainable Finance Framework is robust, transparent and in alignment with the Sustainability Bond Guidelines 2021 and the four core components of the Green Bond Principles 2021, Social Bond Principles 2023, Green Loan Principles 2023 and Social Loan Principles 2023.

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