



NON-FINANCIAL REPORT

2017



ethias



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INTRODUCTION

Ethias, a mutual insurance company and a player in the social economy, has always practised corporate social responsibility (CSR), often without knowing or letting it be known.

For Ethias, CSR is much more than a popular concept or a mere communication tool. Above all, it is a management tool that enables the company not only to position its activities in line with its values and specificities, but also to evaluate - within the framework of an ongoing dialogue with all its stakeholders - the progress that is made in the social, societal and environmental fields.

To this end, a joint Ethics Committee was set up in 2003 to support the development, monitoring and evaluation of CSR approaches, initiatives and projects undertaken within Ethias, since CSR is a transversal competence that concerns all our businesses.

The non-financial report is fully in line with this approach. It is the result of the collaboration of the members within the Ethias Ethics Committee, and more generally of all its employees, as well as of good relations with the various stakeholders.

In the interest of a better, fairer, more ecological and more inclusive world, the report presents the results of Ethias as

- Trustworthy insurer
- Sustainable company
- Responsible investor.

At Ethias, we want to bring CSR to life throughout the company. We want to combine the energy and creativity of our employees in order to make our company's success last for all our policyholders, while aspiring to our new corporate values: human, commitment, client satisfaction and enthusiasm.

The insurer of tomorrow will be the one that brings more added value to society. He has a duty to get involved in social, ethical and environmental causes.

Ethias' mission is clear: "Making insurance easier so as to bring you security, peace of mind and freedom of initiative, with innovative services and products. As partner of your daily life, we put our expertise and our dynamism at your service."

We wish you a pleasant reading.

Philippe LALLEMAND

Chairman of the
Executive Committee -
Chief Executive Officer

Myriam VAN VARENBERGH

Chair of
the Board of Directors

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1. GENERAL FRAMEWORK

1.1 KEY TRENDS

The insurance sector is being confronted with numerous challenges.

Some examples:

Changing consumption habits of clients

- New risks
- New distribution models
- Price Comparators
- Client experience
- Search for the shortest and simplest possible relationship
- Shared economy
- ...

Regulatory context

- Solvency II
- General Data Protection Regulation (GDPR)
- Insurance Distribution Directive (IDD)
- IFRS17 Accounting Standards
- Markets in Financial Instruments Directive (MiFID)
- ...

Technological and digital evolution

- Internet of Things (IoT)
- Big Data
- Social networks
- Digitalization
- Robotization
- New insurance models
 - » P2P
 - » Micro segmentation
 - » On-demand insurance
 - » ...
- ...

Macroeconomic and demographic environment

- Low rate environment
- New actors
- Ageing population
- ...

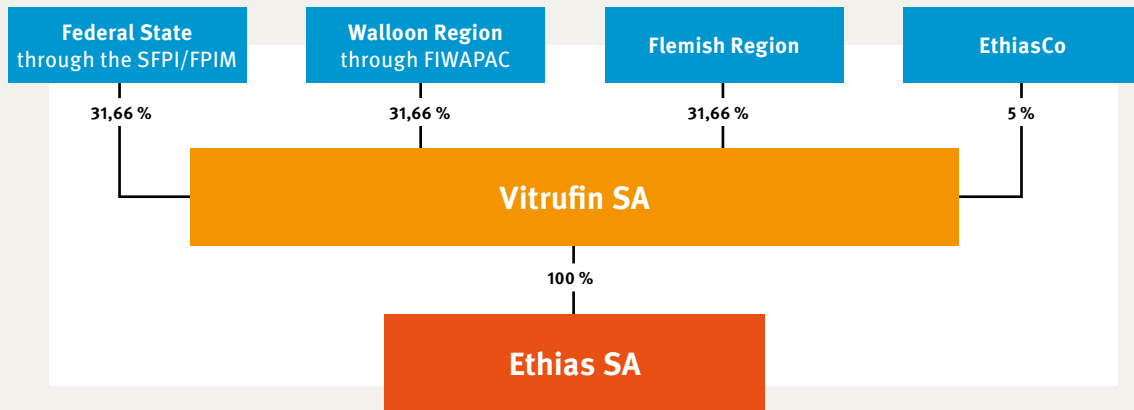


These are all opportunities that Ethias intends to seize in an organized way.

It is within this framework that the Executive Committee initiated in 2017 the “Ethias 2.0” programme, which concerns the entire company, with the aim of strengthening our structures, our organisation, our governance and our processes, to the benefit of **client satisfaction**.

1.2 THE ETHIAS MODEL

Ethias is a Belgian insurance company, created in 1919 by public authorities.



Ethias is the country's **4th largest insurer** for all activities combined, with a market share of 9%.

Ethias is a **multi-branch Life and Non-Life insurer**, for **public, social profit and corporate clients** as well as for **private individuals**.

Ethias is the premier insurer of the public sector and its agents.

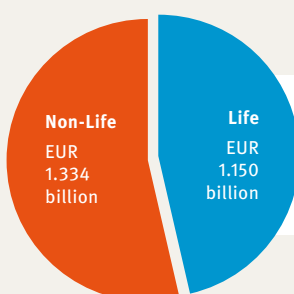
Its insured parties include the **Federal State, Regions and Communities, local public authorities** (provinces, cities and municipalities, public social welfare centres ...), **public companies** as well as thousands of **intercommunity and semi-public bodies, schools, hospitals, public interest organizations and miscellaneous associations ...**

More than one million men and women put their trust in Ethias.

Ethias is the only major direct insurer in Belgium.

It has the following **distribution channels**:

- A network of **42 regional offices** throughout Belgium
- Two **customer centres**
- The **website** www.ethias.be and its **applications**
- A team of **inspectors, technical sales representatives and prevention specialists** for public authorities
- A **network of brokers** for corporate clients



INCOME

Ethias' premium income at December 31, 2017 amounts to **EUR 2.484 billion**

1.3 THE STRATEGIC FOUNDATIONS OF ETHIAS

2017 was a pivotal year for Ethias!

New organisation Ethias 2.0

Ethias 2.0 reflects the new internal organisation of Ethias, with the objective of greater coherence, efficiency and agility, to put the clients at the centre of all our activities.

(see point 3.2)

Shareholders' agreement

The Ethias shareholders have concluded an agreement to stabilize shareholding for a period of 2 years. This commitment enables the company to refocus on its insurance business by further strengthening its business model for the benefit of all stakeholders and at the service of its clients.

New governance

New organisation, strengthening and simplification of management bodies and structures.

The **Executive Committee** is now composed of 4 men and 2 women.

Philippe Lallemand

Chairman of the Executive Committee
Chief Executive Officer

Benoît Verwilghen

Vice-Chairman of the Executive Committee
Chief Client Officer

Brigitte Buyle

Chief Digital Transformation Officer

Cécile Flandre

Chief Financial Officer

Frank Jeusette

Chief Risk Officer

Luc Kranzen

Chief Services Officer

The composition of the **Board of Directors** was also reviewed:

Myriam Van Varenbergh

Chair

Jacques Braggaar

Director

Marc Descheemaeker

Director

Kathleen Desmedt

Director

Philippe Donnay

Director (Independent)

Olivier Henin

Director

Ingrid Loos

Director (Independent)

Marc Meurant

Director

Philip Neyt

Director

Anne-Marie Seeuws

Director (Independent)

Karl Van Borm

Director

Bruno van Lierde

Director (Independent)

Philippe Lallemand

Director

Benoît Verwilghen

Director

Cécile Flandre

Director

Frank Jeusette

Director

On March 20, 2017, the Board of Directors appointed a new **CEO**, Philippe Lallemand. The Executive Committee was also strengthened by the appointment of a new **CFO**, Cécile Flandre.

The gender repartition in the company is balanced.

Since 2017, at least one third of the Executive Committee and of the Board of Directors are women. For the first time, a woman is Chair of the Board of Directors.



In this context of changes in our internal and external environment, we have begun a process of reviewing and strengthening our strategic fundamentals, with an update of:

- our **values**
- our **mission**
- our **vision**
- our **strategy**

The **mission** statement is the company's *raison d'être*.

It illustrates what the company does, what it offers and how it positions itself.

Our mission:

Making insurance easier so as to bring you security, peace of mind and freedom of initiative, with innovative services and products.

As partner of your daily life, we put our expertise and our energy at your service.

The company's **vision** is being updated and will be finalized in 2018.

It will then be implemented through the updating of the strategic plan.

#ProudOfOurValues

Values are the foundation of a company's identity, culture and personality. They must guide all employees in their daily work, irrespective of their activity.

To update these values, we have decided to give a voice to all employees, through an online survey on the company's values and their translation into different attributes.

The **present values** as they emerged from the survey are as follows:



#Human

Humanity is at the heart of all our relationships which we treat with respect and empathy.

We are a true partner for each of our interlocutors. For us, proximity and solidarity are no empty words.

#Empathy #Respect
#Proximity #Team #Solidarity

#Commitment

For nearly 100 years, we are daily committed to our clients, to our colleagues and to society.

We are reliable, trustworthy and purposeful. This commitment also relates to ethics, which remains at the root of all our actions, and to our social responsibility.

#Confidence #Trustworthy #Ethics #100years
#Responsible #SocialResponsibility #Proactive

#ClientSatisfaction

This is the driving force of our activities and of all our actions. Driven by our mutualist origins, we emphasize on client contact possibilities and on exemplary service quality. Our accessibility, our efficiency, our flexibility speak for themselves and clearly contribute to the satisfaction of our clients.

#Accessible #Partner #Flexibility
#Adaptability #Efficiency #Simplicity #Agile

#Enthusiasm

Because whatever happens, a heart beats within Ethias.

Every day, we show energy, vitality, optimism and dynamism.

This enthusiasm leads us to be creative and to undertake innovative projects.

#Innovation #Vitality #Creativity
#Energy #Dynamism #Optimism

1.4 RISKS AND OPPORTUNITIES

Some examples of non-financial risks:

Cyber crime risks

The risk of hacking and computer attacks is one of the major risks of the 21st century.

In order to protect society from the materialization of this risk, Ethias has developed a new insurance product against cybercrime. This comprehensive and innovative insurance covers civil liability and data protection. It is coupled with prevention, monitoring and intervention in the event of a disaster.

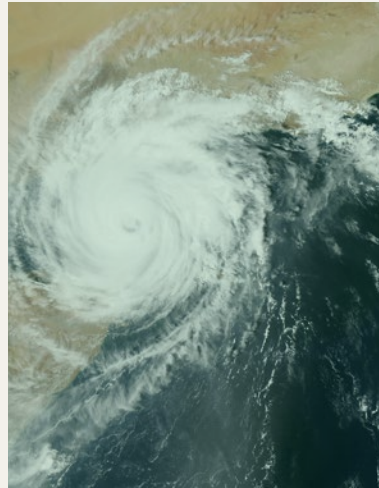


Ethias, like any insurance company that processes a mass of data, is obviously concerned by the new **general regulation on the protection of personal data** adopted by the European Union (GDPR).

A GDPR training programme was initiated in 2017. Several communication and training actions are planned throughout 2018 for all employees. Ethias is also involved in raising awareness amongst its clients in the public and corporate sector so that they are fully aware of these risks and the usefulness of protection against these risks by offering them adequate insurance cover.

Environmental risks

As part of the development of its continuity plan, Ethias regularly conducts business continuity tests to determine its resilience capacity to risks of a catastrophic nature.



Energy risks

As part of its continuity plan, Ethias regularly conducts blackout tests to determine its resilience capacity on the basis of its energy autonomy.



* **The General Data Protection Regulation (GDPR)** is the European reference text for the protection of personal data. It strengthens and unifies data protection for individuals within the European Union. Its provisions are directly applicable in all 28 member states of the European Union as of May 25, 2018.

Other non-financial risks are detailed later in this report.

1.5 METHODOLOGY

For Ethias, the realization of the non-financial report represents much more than a legal obligation.

This is not only a matter of continuity, since Ethias has been drawing a corporate social responsibility report since 2007, but also an opportunity to take stock of the insurer's approach as a precursor in corporate social responsibility.

Hence, this report is an opportunity to identify any shortcomings and to update the CSR strategy, defining the objectives that Ethias wishes to achieve in 2018 as well as the measurement elements (KPI). This report is intended to be a unifying document, since it reflects the collaboration between the different entities to achieve a common objective: to be and remain a socially responsible insurer.

At end-2017, the various entities (HR, Finance, Sales & Customer, Risk, Facilities, Vendor Management, IT, etc.) were invited to participate in workshops dedicated to describing the aspects of their business and responsibilities related to CSR.

At each workshop, a framework of topics to be addressed was presented and discussed with representatives of the participating entities. The points to be developed have been identified for integration into a multi-year action plan.

Following these workshops, **the three roles of Ethias in society were structured as follows:**

- Ethias as a **trustworthy insurer**
- Ethias as a **sustainable company**
- Ethias as a **responsible investor**.

Based on this process, the report was produced under the aegis of the **Ethics Committee**, which was set up within Ethias in 2003. A special feature of the Ethics Committee is that it is a joint body composed of as many representatives of the employer as of the employees. Its mission is to deploy CSR within the company and to ensure compliance with the rules of social ethics.

To produce this report, Ethias has based itself on **the 10 principles of the United Nations Global Compact**. Each of Ethias' actions is guided by an overall strategy based on this responsibility and the resulting commitments. The United Nations Global Compact is the guiding thread of the company's CSR approach.

A summary of Ethias' actions responding to these 10 principles can be found at the end of the document.



2. ETHIAS AS A TRUSTWORTHY INSURER

For Ethias, recent years have been marked by numerous innovations, both serving the public and corporate sector as well as private individuals.

These innovations all respond to the same need: to provide better service to policyholders, with a view to serving the public interest, protecting the environment and promoting social responsibility. This is Ethias' policy as a trustworthy insurer.

This policy has resulted in a very high level of satisfaction among Ethias clients (93% of individual clients and 98% of clients in the public/corporate sector say they are satisfied): this shows the confidence that clients have in the company.

(see point 2.3)

2.1 INSURANCE PRODUCTS WITH SUSTAINABLE IMPACT

Ethias' CSR approach aims not only to influence the behaviour of the company, its stakeholders and its employees, but also to promote responsible behaviour on a sustainable basis.

Ethias has decided to reward the responsible behaviour of its policyholders by creating specific advantageous rates, viz. the **eco tariffs**.



- **Insurance “less than 10,000 km”**: low-mileage drivers whose bonus-malus level is between 0 and 2 benefit from an advantageous rate for their car insurance.
- **Specific tariff for green vehicles**: drivers of electric cars or hybrid vehicles whose CO₂ emissions do not exceed 100 grams also benefit from reduced tariffs.
- **Reward for responsible driving behaviour**: system of commercial discounts and “trump cards” for drivers who have not had an accident at fault for several years.
- **Starter 29/29 Contract**: young drivers under 26 years of age having a driving licence for at least 3 years and who are committed to demonstrating a responsible driving behaviour are rewarded.
- **Electric bike insurance** : at end-2017, a study on the offer of new “Soft Mobility” products was launched. New products will be launched in spring 2018.
- **Solar panel coverage** included in home insurance. This is a unique coverage on the market.
- **Ethias Cyber Protection**: cyber attack risks are among the most important threats of the 21st century. This product combines insurance coverage and prevention.
- **Autonomia** : an insurance whose objective is to promote autonomy, via a framework contract for companies for the attention of their employees. Designed for people aged 50 to 70 who now have a certain amount of capital, Autonomia allows these people to receive this capital at a later stage in their lives, in the form of a life annuity.
- **Guaranteed Income Insurance**: insurance in case of illness or private accident for contractual and/or statutory civil servants.
- **A Heart for Sports**: covers heart diseases and cerebrovascular accidents that occur while playing sports.
- ...

2.2 PARTNERSHIP



Since 2015, Ethias has been a partner of **Bluebike**. These are rental bicycles available at SNCB/NMBS railway stations. Ethias insures the bikes and provides assistance coverage to people who borrow them. This partnership was renewed in 2017.



2.3 CLIENTS

Ethias has identified three major trends in new customer needs.

- **Do better with less:** clients see their resources (staff, budget,...) decreasing and are looking for efficiency. They expect from Ethias, as a long-standing partner of the public sector, win-win solutions (co-creation) at a fair price. New technologies and digitization can also help to address this problem.
- **Knowledge:** clients want to be informed more quickly and this through proactive communication being directly addressed to the right person. This implies access to clear information and advice at any time and through any channel.
- **Understand:** clients want to better understand their environment and expect their partner to simplify the matter. A more formative and educational approach would therefore be appreciated.

Ethias responds to these needs with a strategy of services, digitization, proximity and prevention.

In view of client satisfaction, this approach seems adequate.

Private Individuals

Studies conducted in 2017 show an overall satisfaction rate of 93%¹.



Following a contact with Ethias, **2 out of 3 clients would recommend Ethias to their family and friends.**



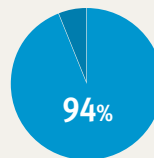
8 out of 10 clients have already recommended Ethias to their family and friends.



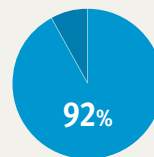
9 out of 10 customers would choose Ethias again for their insurance.

Public & Corporate Sector

The general satisfaction of Ethias' customers is very high and reaches 98%².



94% of our clients consider Ethias as their **preferred partner in the insurance field.**



92% of clients have a **positive or very positive image of Ethias** as an easily accessible, solution-oriented company offering an efficient service.

¹ These indicators come from the NPS (Net Promoter Score) project, a tool set up in 2014 to measure the satisfaction and recommendation rate of private individuals (customers & prospects) who have had contact with Ethias. Sample: 23,344 clients.

² Study conducted during the last quarter of 2016 with clients from the public and corporate sector.

PREVENTION

The protection of people's health and physical integrity as well as the preservation of clients' property is the primary goal of Ethias.

To achieve this objective, Ethias undertakes multiple actions in prevention:

- Advice
- Tools
- Applications

Ethias also offers **personalized support through prevention experts** in various fields:

- protection of individuals (accidents at work, well-being at work, school accidents)
- protection of goods and services (car, theft, fire, floods ...)
- protection of data (cyber risk)



Some prevention services



IRM Prevention: free service for local administrations: text message alerts on the main risks of bad weather: wind, rain, snowfall/ice and storms. Prevention tips and tricks for optimal protection.



Ethias Prevention Reporter: application that offers digital assistance to improve prevention reporting (geolocation, risk/claim classification, voice recorder/recognition system, photo and video recording, etc.). The Ethias Prevention Reporter underwent a new facelift in 2017 to provide rapid on-site prevention reporting.



Fleet Reporting: analytical tool for claims related to a car fleet. This tool helps to raise awareness among fleet managers and beneficiaries of a vehicle and to implement an appropriate prevention policy.



On the **website**, which is aimed at local authorities and companies, online magazines, a news blog (prevention, pensions, finance, etc.) and client testimonials help to create a direct link with policyholders, while remaining attentive to their needs. Here are some of the topics covered.

- Colloquium on well-being at work
- 5 tips for more exercise at work
- Road risk prevention
- Preventing traffic accidents near schools
- Household help safety
- What costs do you avoid by investing in prevention?

BLOG

A blog is dedicated to prevention on the Ethias website:
www.ethias.be/blog-fr



DIGITAL TRANSFORMATION

Ethias has embarked on a major technological transformation programme to support its ambitions.

This includes the acquisition of **new IT tools** to meet **the future needs of our customers** and to **improve overall performance**.

These tools will particularly support the deployment of the **omnichannel strategy** (e-commerce, social media, etc.).

This programme also includes the **modernization of the IT architecture** supporting the Non-Life business through the Guidewire application, the development of robots enabling the automation of certain tasks and the deployment of supplementary CRM tools.



To prepare for the integration and use of Guidewire within Ethias, an implementation programme called **“Century”** has started in December 2015.

The aim of Century is to make every effort so that Guidewire will be fully operational in 2019. The programme also focuses on accompanying measures and training needed to facilitate this transformation.

DIGITAL SERVICES



Ethias launched **myethias healthcare** in 2017, a free and secure online service that allows clients' employees and their family members to track and manage their health care records.



AssurPharma: a partnership between insurers and pharmacists to make life easier for users. The transmission of pharmaceutical costs is carried out electronically for both health care and work accident files!



AssurKINE: launched in 2017, it is a third-party payment system for physiotherapy care within the frame of an accident at work. Ethias reimburses the physiotherapist directly.



Ethias Pension Corner is an online platform specialised in pension information which has extended its content to the 2nd pillar.

PROXIMITY

Ethias has the particularity of being a **direct insurer**.



Insurants can visit the **offices** (also by appointment) and contact Ethias by **telephone** or **e-mail** (Contact and Services Center).

For the public, private and social profit sectors: a **network of inspectors** is available to local authorities and **large brokers** are available to companies.

Mathias, a **virtual assistant**, helps Internet users during their searches on Ethias.be.

2.4 RISK MANAGEMENT

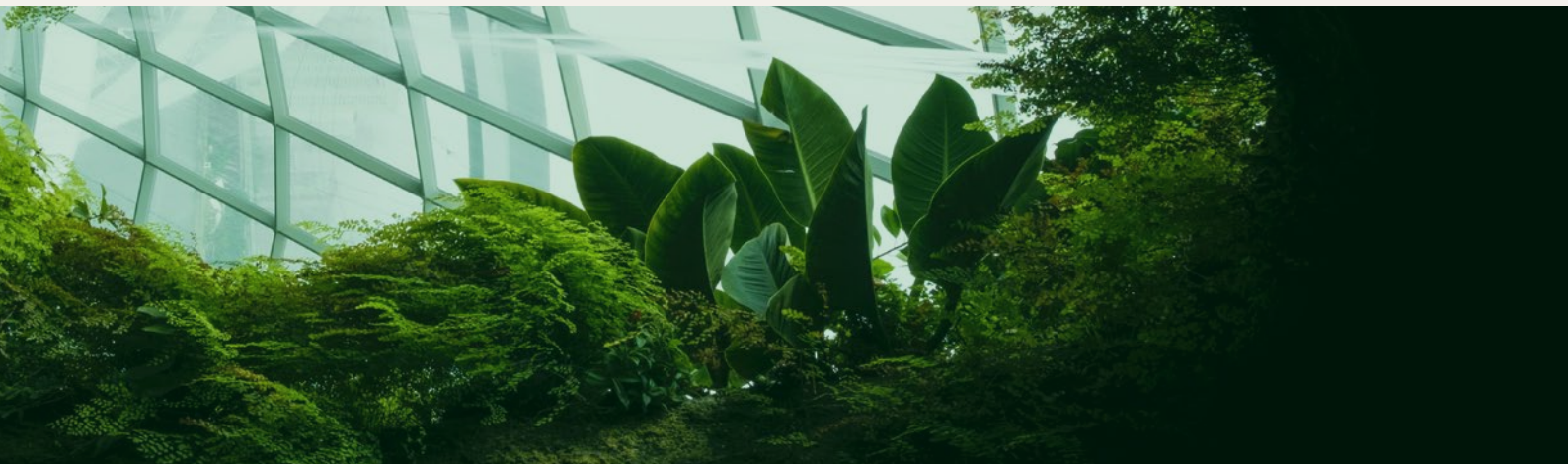
For **private individuals**, non-financial risks are checked by employees when underwriting a policy, on the basis of a synopsis available on the intranet.

The refusal to underwrite a car policy insurance may be due, for example, to an excessive claims experience, a vehicle too powerful for a young driver, a litigation ...

For the **public and corporate sector**, there is an underwriting guide in each branch.

Various controls (Underwriting Files Reviews) are carried out periodically, after the underwriting process.

Risks related to corruption and human rights are not taken into consideration.



2.5 COMPLAINTS MANAGEMENT

Ethias complies with the Assuralia Code of Conduct for complaint management.

Any interested party, be it a candidate policyholder, a policyholder, an insured, a beneficiary or an injured third party, may address his dissatisfaction concerning an insurance contract or service.

Complaints may be lodged:

- via the form online
- via e-mail
- by post

An independent Complaints Correspondent will review the file objectively.

The correspondent will prepare a final response and send it to the complainant within 20 working days of receiving the complaint. If it is not possible to meet this deadline, the complainant will receive a detailed letter.

COMPLAINTS LODGED



1,348 complaints were lodged in 2017, compared with 1,574 in 2016

An annual report on complaint management is produced each year.

3. ETHIAS AS A SUSTAINABLE COMPANY

3.1 SOCIAL COHESION

Ethias considers the social cohesion and well-being of its employees as an absolute priority, in direct connection with its values and as an extension of its CSR commitments.

1799

AT DECEMBER 31, 2017,
THE COMPANY HAD
1,799 EMPLOYEES
(886 women / 913 men)

A respectful, collaborative and responsible social dialogue has always been part of Ethias' corporate culture. This social cohesion has allowed the company to go through a century of existence. The quality of its social dialogue has become one of the assets for the company's stability, growth and future.

Like all insurance companies, Ethias faces many challenges resulting from global changes. The company's objectives are therefore adapted to the changing situation and to the needs of our society and those of the labour market.

3.2 ETHIAS 2.0

In order to support the strategy Ethias 2.0 aimed at making Ethias more dynamic, more agile and even more responsive to its clients, major transformations were initiated in 2017 within the Human Resources Department. They will be implemented from 2018 onwards. The ambition of these transformations is to create a stimulating work environment for each employee.



They mainly consist of

- A **new remuneration policy** (called "Reward"), simpler, fairer and more unifying. It aims to correctly position the remuneration of each colleague in relation to the market reference remuneration and to value the individual and collective performance of each employee.
- A **new simplified evaluation process** (called "Review") that will offer more dynamism, objectivity and speed.
- A **new administrative and payroll management system** that simplifies administrative processes.
- Flex@Ethias: this Cafeteria Plan introduces **flexibility into each employee's salary package**.



3.3 DIVERSITY

In 2006, Ethias adopted an internal diversity charter.

In 2007, this approach earned the company a Diversity label.

The charter aims to **ban all forms of direct or indirect discrimination** but also **to have a proactive attitude in this field** (recruitment, career management, fair reflection of the diversity of Belgian society among employees, enriching the social dialogue in the company by promoting the expression of the various actors on the topic of discrimination in a climate of confidence, tolerance and openness).

The diversity charter remains relevant and is published on the company's intranet.

Diversity has translated into many concrete actions:

- The **Top Skills Project**, which aimed to encourage women to apply for managerial positions (several sessions, from 2012 to 2014)
- **Intergenerational dynamics**: solidarity between generations (portraits of employees aged 50 and over that were published on the intranet, a "45 Plus Day" providing a practical kit on how to approach the rest of one's career with enthusiasm and optimism)
- **Sponsorship of new recruits** by employees aged 45 and over, to transmit the corporate culture and to promote integration
- **Welcoming new employees**
- Three editions of the **Duo Day** (integrating a disabled person into the workplace)
- **Integration of young people from disadvantaged backgrounds** as job-seeking students

Diversity covers several aspects:

- man/woman
- abled/disabled
- ethnic and cultural diversity
- ...



In 2017, as part of the continuation and strengthening of Ethias' CSR approach, the Executive Committee gave the green light to relaunch new projects promoting diversity in 2018:

- **On Boarding** (welcoming of new employees and coaching by Talent Managers) + mentoring (with training of future sponsors)
- **Care4Vitality** (support for people at the end of their careers)
- **Organisation of working time and end of career**
- In 2015, **Flexitime** (variable working hours) was generalised, for a better harmony between private and professional life.
- **Homeworking** is still being tested and will be accessible to a number of employees in 2018.
- **Duo for a job**: sponsorship of disadvantaged students by senior volunteer employees
- **Be Face**: sponsorship of students from disadvantaged backgrounds and job seekers by volunteer employees.

95

IN 2017, 95 PEOPLE WERE HIRED
(47 women and 48 men)

3.4 OPERATIONAL EXCELLENCE FOR EVERYONE

The approach focuses on client service.



It is based on:

- **Performance management:** the quality of services is constantly monitored and improved
- **Process improvement,** to increase efficiency, to standardize activities, to increase client satisfaction
- **Organizing the skills** of managers and employees to be effective and to assume their current and future responsibilities
- **Stimulating the state of mind,** so that all teams work together to satisfy policyholders.

To ensure maximum consistency in this approach, standard tools have been implemented in the various entities, adapted to the needs of each team: dashboard/capacity management, whiteboard, platform for exchanging best practices, cascading meetings ...

The process will continue in 2018, with the objective of extending operational excellence throughout the company.

Talent Management Policy

A talent management policy was also implemented in 2017 and will be formalised in 2018.

142

142 INTERNAL JOB CHANGES HAVE BEEN IMPLEMENTED thanks to the talent management policy in order to better meet the needs of Ethias and its clients (including the reorganisation of Ethias 2.0).

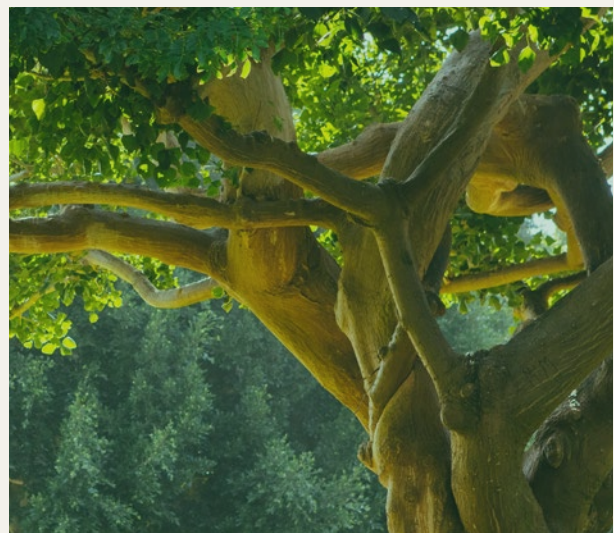
Investments in training have been intensified: a **specific change support programme** was set up in 2017 without losing sight of technical training.

Indeed, in response to market developments, it is important to maintain a very high level of technical (insurance), commercial and management expertise, while being attractive to young talents who respond to new insurance professions.

863

863 EMPLOYEES RECEIVED TRAINING (not specifically in operational excellence), viz. 8.623,48 hours.

The 1,799 Ethias employees received informal training for a total of 7,535.5 hours.



3.5 RE-ENCHANTMENT PROCESS

In 2017, as part of **change management**, a process of re-enchantment was launched within the company to promote **well-being** and a **sense of company belonging**.

Various actions have been proposed to the employees, such as **“Casual Fridays”** (with a more relaxed dress code on Fridays throughout the summer, breakfast offered at the company restaurant, etc.).

In June, the **Staff Day** (called “Ethias Get2gether”) was an opportunity to share, within a convivial atmosphere, a corporate vision of a renewed and forward-looking team spirit. >>>



3.6 PREVENTION OF PSYCHOSOCIAL RISKS

In 2017, managers received training on **burnout prevention**. At Ethias, there is an ongoing analysis of psychosocial risks

103

This procedure resulted in the **REINTEGRATION OF 103 PERSONS IN 2017** and will be continued in 2018.

A formal and informal procedure, called “win-win-win”, for the **reintegration of people with long-term illness** has been launched, with the support of staff representatives’ organisations.



SOCIAL CELL

The Social Cell has existed since 1997. There is one at the head office in Liège and one at the office for Flanders in Hasselt. Its main missions are: listening to staff members with private problems, ensuring a follow-up, accompanying people suffering from long-term illnesses (visits and contacts) and facilitating their reintegration when they return to work, organizing blood drives, etc.

129

In 2017, the Social Cell took care of **72 PEOPLE DURING 129 INTERVIEWS**

PERSONS OF CONFIDENCE

A person of confidence is competent to manage all psychosocial risks related to work. Their role is broad since they can help employees with all issues related to violence at work, moral or sexual harassment, but also those related to stress, burn-out, conflicts ... **A team of 5 people** (Liège and Hasselt) **is at the disposal of all employees.**

87

87 PEOPLE CALLED ON A PERSON OF CONFIDENCE in 2017

FIRST AIDERS

About fifty first aiders trained by SPMT-Arista are located throughout the company: forty in Liège and ten in Hasselt. They intervene to provide first aid in case of illness, injury, etc. Each year, they follow a refresher training in first aid.

101

101 PEOPLE WERE TAKEN CARE OF BY THE FIRST AID TEAM in 2017

During the summer of 2017, a series of articles on first aid were published on the company’s intranet (stroke detection, burns, wounds, poisoning, etc.).

283

283 PEOPLE WERE VACCINATED (free of charge) against influenza.

336

336 BLOOD DONORS

Two additional AEDs (automated external defibrillators) **were installed in the Ethias buildings in 2017.**



3.7 INTEGRITY

Good corporate governance is not limited to organizational structures, procedures and control mechanisms.

It is also based on the irreproachable behaviour and commitment of all its employees.

Integrity and honesty are essential to the conduct of business; they are the foundation of the trust that our stakeholders place in us.

INTEGRITY POLICY

Ethias' integrity policy, approved by the Board of Directors, contains the strategic objectives, corporate values and rules of conduct that the company's employees undertake to respect and which guide their day-to-day behaviour.

It covers topics such as corruption, conflicts of interest, accepting and granting gifts, a code of conduct for the Finance Department ...

UNITED NATIONS GLOBAL COMPACT

Since 2006, Ethias has adhered to the United Nations Global Compact. In 2017, Ethias lost membership due to a lack of progress reporting but will reapply for membership in 2018. The Global Compact remains fully integrated into the company's strategy.

This pact defines a global framework in terms of ethics, respect for human rights, respect for labour law and environmental policy (see the table at the end of the document).

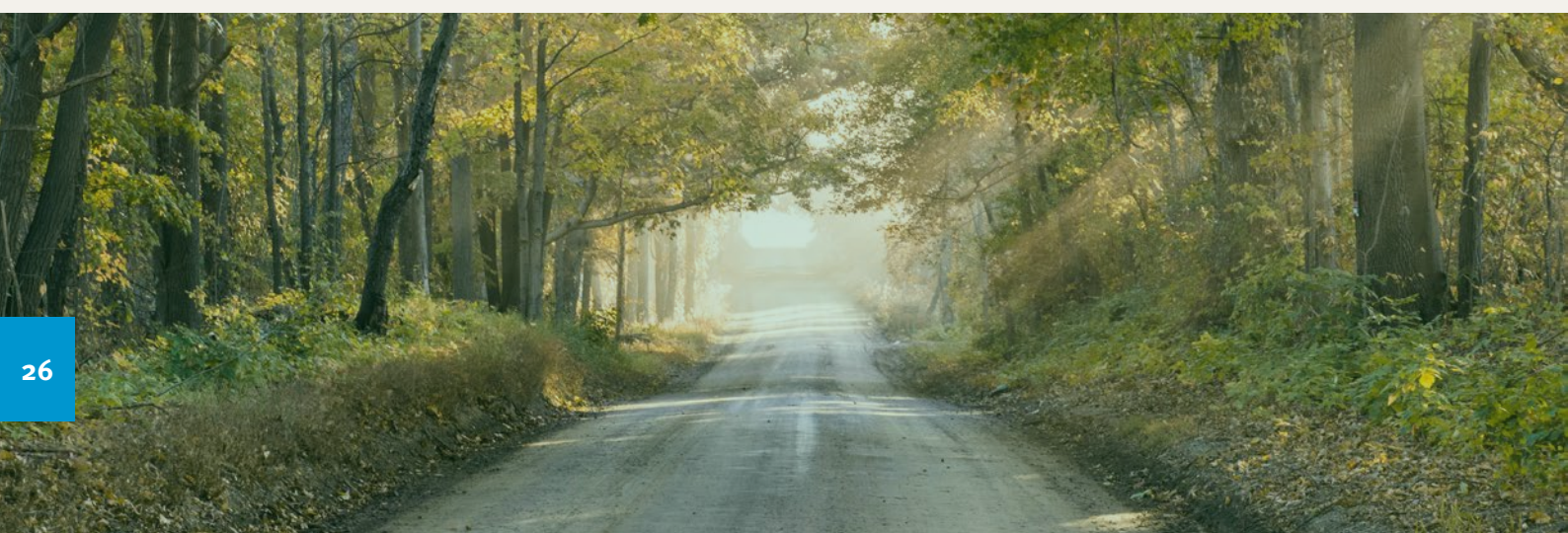
On a daily basis, Ethias translates this global framework into concrete actions, while involving all its stakeholders and promoting these values.

Human rights: promotion and respect of the protection of Human Rights, in Ethias' fields of competence.

Labour rights

The four principles relating to labour law are concretely applied in

- the Social-Ethical Code
- the Ethical Investment Code
- the contracts of Ethias with its suppliers.



SOCIAL-ETHICAL CODE

This code recalls the company's values and commitments, including the basic principles of the International Labour Organization (ILO), and provides for the establishment of the Ethics Committee. It reaffirms its commitment, in the field of labour relations, to the founding values of the social economy, which seeks to reconcile profitable economic activity with a people-centred social policy, to which primacy is given.

There is a procedure for reporting non-compliance with the Social-Ethical Code.

Core values of the company included in the Social-Ethical Code

- Respect for the dignity of individuals and their private lives
- Freedom of association and the right to collective bargaining
- Prohibition of discrimination in employment relations on the grounds of sex, race, nationality, beliefs (religious, philosophical or political) or social origin, individual physical characteristics or state of health
- Equal treatment and equal opportunities
- Professional training and development of employee qualifications
- Encouraging an internal communication policy
- Prohibition of psychological harassment, sexual harassment and all forms of violence
- Compliance with laws and regulations, individual and collective labour agreements
- Compliance with company procedures and guidelines
- Preserving excellent safety, hygiene and well-being at work.

Charter on Ethias' commitment to the social economy

Built on values of solidarity and social progress, Ethias intends to fully assume its social, societal and environmental responsibility.

This charter includes considerations such as:

- Respect for freedom of association and recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Abolition of child labour
- Elimination of discrimination in respect of employment and occupation
- Fight against corruption
- Action against corruption in all its forms, including extortion and bribery

CODE OF CONDUCT FOR THE FINANCIAL DEPARTMENT

This code of conduct defines a set of professional and ethical rules and specific procedures allowing to ensure that the staff members of the company's Finance Department carry out their mission in compliance with the values of Ethias.

ETHICS COMMITTEE

Established in 2003, as part of the Social-Ethical Code, its objective is **to ensure the implementation of ethical and corporate social responsibility (CSR) tools**, to monitor and evaluate them and to make any necessary corrections.

Together with Compliance, it is the guarantor of professional codes of ethics, which regulate insider trading and corporate gifts in particular.

The Ethics Committee is the interlocutor of the representatives of the company's stakeholders for all requests, proposals and complaints relating to its field of competence. It is composed equally of 25 members, employee and employer representatives.

3.8 PROTECTION OF THE ENVIRONMENT

ENVIRONMENTAL GOVERNANCE

Even if the service activities of Ethias do not in themselves seem polluting, the company and its employees still represent an “environmental impact” through their travel, energy consumption, waste and CO₂ emissions, or even water and paper consumption.

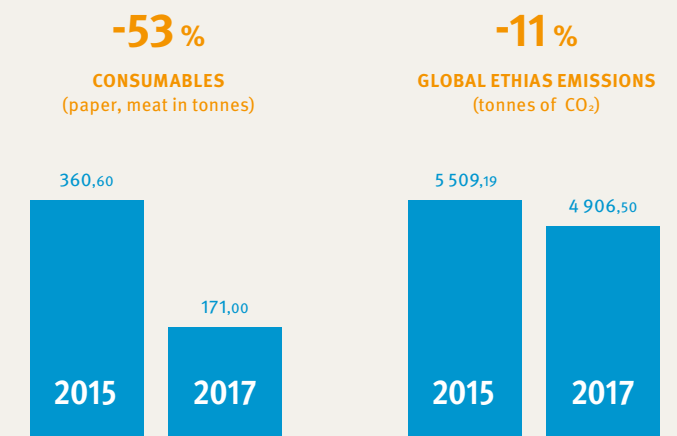
Ethias has taken the lead by deciding to quantify the ecological impact in order to better reduce this impact through numerous actions on the ground.

Since 2009, Ethias has implemented a resolute policy in the following 4 areas:

- Reduction of CO₂ emissions
- Waste reduction
- Responsible suppliers
- Mobility

REDUCTION OF CO₂ EMISSIONS

When measuring its carbon footprint by CO₂Logic (every two years), Ethias was able to demonstrate the following*:



In detail, the actions undertaken in 2012-2013 continue in 2017:

- Conclusion of electricity supply contracts favouring the “green label with guarantee of origin”. This guarantees the supply of energy produced by hydroelectric power, wind, cogeneration or solar means (energy 2030)
- In partnership with CO₂Logic: measurement of the carbon footprint resulting in proposals for actions to reduce the footprint;
- Partnership with bpost for the CO₂ compensation of postal mailings;
- Modernization of production equipment and management of heating/air conditioning;
- Implementation of corrective and/or innovative measures in order to reduce our emissions (installation of energy metering modules, presence detectors)

WASTE REDUCTION

Ethias’ action concerns:

- Management of waste, packaging and used consumables
- Management of suppliers in accordance with ethical standards and with sustainability and proximity criteria.
- Quantification of the reduction in consumption (energy, water, paper, waste), particularly upon the conclusion of a collective labour agreement (CCT 90). This led to a 5 % reduction in the consumption of white paper and cardboard cups over a three-month period in 2017 (compared to the same period in 2015).
- Setting-up of a “slow food” policy in the company restaurant (98,000 meals per year) and selection of local suppliers adhering to the “Ethias Food Charter” and presenting sustainability/bio labels. Our company restaurant favours local and seasonal products with organic label. It aims for “zero waste” thanks to the system for ordering meals the day before they are consumed. In addition, organic waste is sorted.

* See also the PwC’s assurance statement on page 42.

Method of CO₂Logic

CO₂Logic carried out the eighth “Carbon Footprint” for Ethias (fiscal year 2017). The method used to carry out the CO₂ audit is based on the “Bilan Carbone®” tool. Developed by ADEME (French Agency for Energy and Environmental Management), this tool allows the accounting of greenhouse gas (GHG) emissions based on data easily available within the organization. It complies with the Greenhouse Gas Accounting Principles used by the United Nations (UNFCCC) and ISO 14064.

The “Bilan Carbone®” method is an effective solution for identifying the various sources of emissions linked to Ethias’ activities, on the one hand, and prioritising them in order to identify priority areas and draw practical conclusions, on the other hand. The results of the study are presented in such a way as to give an overall view of the carbon footprint. They may involve some degree of uncertainty inherent in their complexity. The results of the study are also compatible with the GHG Protocol Initiative and the terms of the CO₂ Emissions Trading Directive 2003/87/EC.

The “Bilan Carbone®” method remains a tool that aims to give orders of magnitude. The main objective is not to compare the results obtained with other companies, but is an essential prerequisite for developing an action plan to reduce GHG emissions. It is intended as an environmental management and sustainable development tool and gives a complete picture of the company’s carbon footprint and enables actions to be prioritized according to the relative importance of the emission sources.

CO₂ measurement parameters

The “Bilan Carbone®” method and the ISO 14064-1 standard define three distinct perimeters:

The **first scope** covers direct GHG emissions related to energy combustion within the company (production processes, internal transportation, building heating), emissions related to vehicles owned or controlled, and emissions associated with refrigerant gas leaks.

The **second scope** includes indirect emissions related to the use of energy carriers (electricity and heating). Although the company is not directly responsible for them, these emissions (coming from power plants or steam) are intimately linked to the consumption of these energy carriers by the company.

The **third scope** includes other indirect emissions. This includes emissions generated by the movements of workers (commuter traffic, business trips, etc.) and of visitors, freight (incoming and outgoing), consumables (paper, equipment) and food (company restaurant). For companies that want to go even further, it is possible to take into account the emissions generated by the purchase of services, the use of the product by the customer, waste, equipment, machinery, buildings, etc.

The scope is identical to that of 2015.



RESPONSIBLE SUPPLIERS

In 2017, Ethias set up a Vendor Management Department in charge of purchasing material goods and services, in order to obtain the best guarantees under the best conditions.

Ethias ensures that the general terms of all purchase orders include an article according to which suppliers commit themselves (as well as their potential subcontractors and manufacturers) to respect the basic principles of the International Labour Organization (ILO):

- prohibition of child labour
- respect for freedom of association
- elimination of all forms of forced labour, prohibition of discrimination in employment and occupation.

The company also makes its subcontractors aware of this problem.

Since 2014, Ethias has continued in this direction by integrating variants of “eco sustainable” labelled products and techniques into its works tenders. This reflection should allow to offer a genuine “responsible” alternative. This should be implemented in 2018 for all Ethias suppliers.

Strategic choice of renovation

- Ethias’ consultations in terms of equipment and infrastructure naturally take into account environmental criteria when selecting its suppliers and partners (choice of recyclable material, low energy consumption, ecological and biodegradable products).
- Implementation of the “sustainable commercial agency” concept: the **Concept Store** targets a company that is close to its clients (proximity). The products used for furniture and construction/renovation are either recycled materials or recyclable materials. A framework contract was signed with the design office to develop this environmental spirit
 - » 6 new agencies were implemented in 2017
 - » 7 other new agencies are planned for 2018



Purchases

- Definition of selection criteria for suppliers (proximity, sustainability criteria, ethical standards, ILO, etc.)
- Ethias’ purchasing policy in terms of equipment and infrastructure naturally takes into account environmental criteria when selecting its suppliers and partners (choice of recyclable material, low energy consumption, ecological and biodegradable products).
- Introduction of “sustainable, societal and proximity” criteria in the selection of goods and suppliers.
- Purchases through suppliers from fair trade, organic production and local sectors to supply the **company restaurants**.
- **Nutrition and health:** Ethias is one of the few companies offering bio and fair trade meals in its restaurant every day. This policy has earned Ethias a “Fairtrade@Work Award” from Max Havelaar. Alongside this company restaurant, Ethias promotes healthy, organic, sustainable and fair food to its employees.
- **Buy-Aid Coffee Week:** Ethias participates in this annual operation. In 2012, it joined UNICEF in supporting children in developing countries. This action is carried out every year.

MOBILITY

CO₂ emissions linked to commuter traffic have a particularly significant environmental impact:

Ethias has developed a mobility plan that focuses on several axes.

A working group composed of representatives of various departments and staff representatives has been continuing the work since 2013.

Ethias, pioneer in soft mobility

- The use of public transport and carpooling have thus been the subject of an internal awareness policy. Ethias applies the “third-party payment” (a complimentary subscription to public transport for employees).
- Ethias, in partnership with the Walloon Region, has also supported and participated in “**Tous vélos actifs**”, an initiative to promote cycling as a commuting alternative. For its action, Ethias obtained at end-2017, and for the second year in a row, the **5-star label** of “Tous Vélos Actifs”. In a period of 5 years, the number of daily cyclists at Ethias has increased fivefold (14.12 % of the workforce in 2017, a percentage well above the national average).
- Ethias has also supported alternative mobility programs set by public authorities, such as the “**Covoit-stop**” initiative.
- Since 2014, Ethias provides its employees for their personal trips (during lunch time, after work) with a fleet of 10 business bikes (including an electric one). Part of this fleet was renewed in 2017.
- Since 2013, around 20 employees have benefited from an electric bicycle for their commute to work (pilot project subsidized at 50% by the Walloon Region).
- A free electric charging station for bicycles is installed in its car parking.
- Since 2015, Ethias has been organising “**The Bicycle Spring**” and offering employees who come to work by bicycle free maintenance/overhaul of their bikes: an important preventive measure for an insurance company.
- In 2017, Ethias was invited to present its strategy for promoting soft mobility at various occasions, in particular to the Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE), the interface “Companies - University of Liège” and the Walloon Mobility Managers Network.
- A brochure “**Safe and Well-insured on Your Bike**” was produced by Ethias, in collaboration with the Walloon Public Service for Mobility and “Tous vélo actifs”. It offers a simple overview of covers for cyclists, in the most common situations of daily life, for citizens, public bodies (schools, youth movements) and companies. **This is a first**, which responds to a request often addressed to the Walloon Public Service for Mobility by citizens and public bodies. The brochure is available in French and in Dutch and can be downloaded from the Ethias website and from the website of the Walloon Public Service for Mobility.
- Since 2008, the company applies an environmental measure to its company vehicles: a carbon emission limit rate has namely been set for each category of company cars. The control of carbon emissions is a priority action plan for Ethias.
- Since 2015, from spring to autumn, Ethias has been installing a “**Green Mile Counter**” on its intranet: cyclists and pedestrians are invited to enter their carbon neutral mileage. In 2017, 68,030 kilometres were covered, which symbolically represent 13.6 tonnes of CO₂ being saved.



Ethias’ mobility policy is not formalised in a general mobility plan. Nevertheless, **a section of the company’ intranet is dedicated to mobility and is regularly updated.**

All actions in favour of soft mobility are highlighted on the company’s intranet and on its internal television circuit.

GREEN MOVEMENT

In 2016, a group of Ethias employees created the “Green Movement”.

Its ambitions:

- To be a focal point for measures and ideas, a reference point for environmental initiatives and above all an engine for changing the habits and behaviours of every Ethias employee
- To provide tools, tips and tricks as well as local information so as to become or continue to be “environmentally responsible” on a professional and/or private basis, today and for future generations

In 2017, the Green Movement has among others

- Published, twice a month, environmental tips and advice on the company’s intranet (promotion of Repairs Cafés, selective collections, the relay point at Ethias of “La Coopérative Ardente” (small local producers), promotion of the Fairtrade Challenge, etc.)
- Organized the collection of empty batteries for recycling.



3.9 SPONSORING

Ethias has a long-standing sponsorship policy: **its main objective is to translate the company's values into action.**

Ethias is an active sponsor in 4 main areas:

- **Sport**, via sports federations or umbrella sports organisations
- **Culture**, mainly music and also a number of important cultural players
- **Projects with a human dimension**: citizenship education, sustainable projects and organizations
- **Prevention**: road safety, prevention in the sporting community, etc.

Ethias sponsors via financial contributions or via advertising support (through its own communication channels). **It attaches much importance to its involvement in each project as a sponsor.**

Ethias excludes any sponsorship of organisations that could associate its name with

- doping
- corruption
- violence
- racism
- incitement to hatred
- addiction
- discrimination on the basis of race, sex, age, sexual orientation or conviction (for example homophobia, anti-Semitism, Islamophobia, etc.)

or that would be contrary to morality or public order.

Its sporting, cultural and civic partners share its values: human, commitment, client satisfaction and enthusiasm.

For example, Ethias supports:



- **“Article 27”**, a non-profit organisation that facilitates access to culture for people in difficult social/ economic situations



- **“Mnema”** (Cité Miroir), an education centre for tolerance and citizenship



- **The Belgian Red Cross**: social grocery stores and the “Fortnight of the Red Cross” (Quinzaine de la Croix Rouge)



- **Sports federations**: more than twenty federations such as tennis, volleyball, handball, judo... as well as institutional umbrella organisations (Sport Vlaanderen, Adeps, ISB, AES and AISF).



- **Culture**: Walloon Heritage Days, Brussels Summer festival, Ghent Jazz Festival, major philharmonic orchestras (Belgian National Orchestra, Royal Philharmonic Orchestra of Liège, Antwerp Symphony Orchestra)



- **Education for responsible citizenship and promotion of democracy** (Creccide)



- Awareness of **children's rights and duties** (Houtopia).

4. ETHIAS AS A RESPONSIBLE INVESTOR

Within the frame of its financial investments, Ethias believes it has a duty to act in the long-term interests of its policyholders.

This long-term vision is crucial in the management of statutory and supplementary pensions in particular. All investments (except investments in external funds not managed by Ethias) are governed by the ethical investment code.

Ethias' responsible investment policy is based on **two pillars**:

- excluding investments in companies and countries (for government bonds) **on the basis of social, environmental and governance criteria**
- investment with **environmental, social and societal impact**

4.1 ETHIAS' ETHICAL INVESTMENT CODE

This code has existed since 2005 and is reviewed annually since 2012 with the help of an external partner. This ethical code includes a list of prohibited investments which has been validated by the Ethical Investment Committee and by the Executive Committee of Ethias. It is an asset towards policyholders and applies to all of Ethias' direct investments. The methodology and scope of the code are continually evolving to keep pace with societal trends.

Since 2017, Ethias has excluded from its investments thermal coal, which is the fossil energy that contributes most to global warming.

The ethical investment code consists of 2 lists of prohibited investment (known as "black lists"): a black list for shares and corporate bonds and a black list for government bonds:

- **Black list of companies**: this list includes companies that are not aligned with the ten principles of the UN Global Compact that relate to human rights, labour law, the environment and the fight against corruption and/or that are involved in controversial weaponry and/or in thermal coal.
- **Black list of countries**: two concepts are used for government bonds
 - » countries with **advantageous taxation** as referred to in the 1992 Income Tax Code
 - » the countries with the **lowest environmental, social and governance ratings** as defined by the non-financial rating agency Vigeo Eiris (viz. the least compliant with international human rights, labour rights and environmental protection standards).

4.2 RESPONSIBLE INVESTMENTS

Ethias is proud of its affiliation to the social economy and actively supports companies in this sector.

Ethias holds financial participations in these different fields: social loan companies, housing companies, microfinance organisations (Incofin, Impulse Microfinance), welcoming structures, social economy funds (Netwerk Rentevrij, Carolidaire), funds for scientific research, etc.

Ethias has also established privileged relations with alternative funding associations and organisations.

Here is a non-exhaustive list of financial products and financial holdings in which Ethias is a stakeholder

Through the Global 21 Ethical Fund

The **Ethias Global 21 Ethical Fund** is intended for the management of pension and group insurance reserves. It carries the “**Ethibel Excellence**” label. This fund has two solidarity mechanisms, for the benefit of the **Réseau Financité** and **Fairfin**. Depending on the client’s choice, Ethias pays one of these partners 0.05% of the average capital invested in the fund at year-end. Affiliates who so wish may also retrocede all or part of their yield to the association of their choice.

Through financial participations

- **Impulse Microfinance Investment Fund**, Belgium’s leading private equity fund specialising in microfinance
- **Triodos**: Ethias holds Triodos share certificates to support the mission of this ethical and sustainable bank.

Through investments with added value for society

- **Hospitals and nursing homes**: Ethias supports a very large number of institutions, such as psychiatric and recovery & care centres for the elderly, research centres, etc.
- **Scientific research** (university funds, spin-offs)
- **Gimv Health & Care Fund**: Ethias is a strategic partner of the Gimv Health & Care Fund. This fund focuses on companies active in health & care services and in the MedTech sector (medical technology) and invests in innovative healthcare concepts within these sectors. In this way, the fund is collaborating to address a number of challenges that our society faces: an aging population, increasing chronic diseases, rising health care costs and increasing demands for quality information from patients.



Through passive and sustainable real estate investments

- **SWECO** (Malines): investment in a 100% passive office building. Sweco's new head office is at the forefront of sustainable and ecological renovations in Belgium. This former building of the RTT (former Belgian State Telephone Company) from the 1950s is a pioneer in sustainable renovation technologies
- **State Archives** (Namur & Ghent): Ethias owns the buildings of the State Archives in Namur and Ghent. Built for the "Régie des Bâtiments" (Belgian Building Authority), these two new complexes meet the highest environmental quality standards. The Namur building has received a Valideo certificate.
- The new headquarters of **BDO** (Luxembourg): Ethias invested in an office building in Luxembourg which received the "Interim Certificate - Design Stage BREEAM" in 2015. It was decided to extend the certification mission to obtain the BREEAM "Post Construction" certificate in 2016. The final certificate of the building was received with the mention "very good" (Renovation).

Through investments in renewable energy

Participation in **ASPIRAVI** (www.aspiravi.be) through VEH (the Flemish Energy Holding) in which Ethias holds 13.33% of the shares. Aspiravi invests, realizes and operates renewable energy production projects (wind energy, biomass and biogas engines) throughout Belgium. By means of a green energy production cooperative, Aspiravi also enables the citizens of certain municipalities to participate in the financing and operation of wind farms.

5. CONCLUSIONS

5.1 SCOPE OF THE REPORT

This report describes Ethias' social, societal and environmental situation in 2017, as required by Directive 2014/95/EU, and complements the annual report.

In several areas, the collection of information has made it possible to identify areas for improvement. These areas will be integrated into the company's corporate social responsibility strategy as objectives for 2018.

5.2 PRINCIPLES OF THE REPORT

The information presented in this report has been provided and validated by the main persons responsible for the areas covered.

This is an objective description of the activities and commitments of Ethias for several years, and more particularly in 2017, in accordance with the legislation.

The report identifies the 2018 targets for Ethias as a sustainable company, a trustworthy insurer and a responsible investor.



5.3 MEMBERSHIP

From 2006 to 2017, Ethias adhered to the United Nations Global Compact. In 2017, Ethias lost membership due to a lack of progress reporting but will reapply for membership in 2018.

The Global Compact remains fully integrated into the company's strategy.

10 UN PRINCIPLES	ETHIAS' ANSWERS
Companies are encouraged to promote and respect the protection of international human rights law	<ul style="list-style-type: none"> • Joint Ethics Committee • Integrity policy • Social-Ethical Code • Ethical Investment code
To ensure that they are not complicit in human rights violations.	<ul style="list-style-type: none"> • Signing of an ILO convention by all suppliers • Ethical Investment Code
Companies should respect freedom of association and recognize the right to collective bargaining	<ul style="list-style-type: none"> • Social governance
To contribute to the elimination of all forms of forced or compulsory labour	<ul style="list-style-type: none"> • Signing of an ILO convention by all suppliers
To contribute to the effective abolition of child labour	<ul style="list-style-type: none"> • Signing of an ILO convention by all suppliers
To contribute to the elimination of all discrimination in employment and occupation	<ul style="list-style-type: none"> • Diversity Charter • Talent Management Policy
Companies are invited to apply the precautionary approach to environmental problems	<ul style="list-style-type: none"> • Environmental Governance • Ethical Investment Code
To take initiatives to promote greater environmental responsibility	<ul style="list-style-type: none"> • ISAE 3000 Financial Management • CO₂ balance • Mobility
To promote the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none"> • Responsible suppliers • Strategic choice of renovation
Companies are encouraged to take action against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> • Compliance Charter • Ethical Investment Code



This assurance report has been written in French and translated into English. The conformity of the translation with the original French version has been verified. Only the original version has a demonstrative value. In case of discrepancy between the original version and the translations, the original version prevails.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CARBON FOOTPRINT INCLUDED IN ETHIAS SA'S NON-FINANCIAL REPORT 2017

This report was prepared in accordance with the terms of our engagement letter dated November 13, 2017. The latter stipulates that we have been engaged to provide an independent limited assurance report on the carbon footprint included on pages 28 and 29 of Ethias SA's 2017 non-financial report (the "Report").

Responsibility of the Board of Directors

The preparation of the carbon balance information and data included in the 2017 Non-Financial Report, as set forth on pages 28 and 29 ("Subject Matter Information"), in accordance with the criteria set forth on pages 28 and 29 of the 2017 Non-Financial Report (the "Criteria"), is the responsibility of Ethias' Board of Directors ("the Company").

This responsibility includes the selection and use of appropriate methods in relation to the preparation of the "Subject Matter Information", the reliability of the underlying information and the use of assumptions and estimates for the preparation of particular disclosures, which are reasonable in the circumstances, about sustainable development. In addition, the responsibility of the Board of Directors also includes the definition, implementation and monitoring of appropriate systems and procedures for the establishment of the "Subject Matter Information" from material misstatement, fraud or error.

Responsibility of the independent auditor

Our responsibility is to express, on the basis of our work and the evidence obtained, an independent opinion on the "Subject Matter Information". Our work was conducted in accordance with the principles of the International Standard for Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information".

This standard requires that we comply with ethical rules and plan and perform our procedures to obtain limited assurance that nothing has come to our attention that causes us to believe that the "Subject Matter Information" has not been prepared, in all material respects, in accordance with the Criteria established by the Company.

The objective of a limited assurance engagement is to implement procedures that we believe are necessary to obtain sufficient appropriate audit evidence to provide a reasonable basis for expressing a negative conclusion about the "Subject Matter Information".

The procedures implemented in a limited assurance engagement differ in nature and timing, and are less extensive in scope than a reasonable assurance engagement.

Consequently, the level of assurance obtained in a limited assurance engagement is significantly lower than the level of assurance that would be obtained in the implementation of a reasonable assurance engagement.

The choice of these procedures depends on our judgment, as does the assessment of the risk that the Board of Directors' statements contain material misstatements. The procedures we have implemented include the following:

PwC Bedrijfsrevisoren cvba, burgerlijke vennootschap met handelsvorm - PwC Reviseurs d'Entreprises scrl, société civile à forme commerciale - Risk Assurance Services
Maatschappelijke zetel/Siège social: Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe
T: +32 (0)2 710 4211, F: +32 (0)2 710 4299, www.pwc.com
BTW/TVA BE 0429.501.944 / RPR Brussel - RPM Bruxelles / ING BE43 3101 3811 9501 - BIC BBRUBEBB / BELFIUS BE92 0689 0408 8123 - BIC GKCC BEBB

- Evaluate and test the design and operation of the systems and processes used for data collection, analysis, consolidation and validation, including the methods used to calculate and estimate the “Subject Matter Information” for the year ended December 31, 2017;
- Ask the responsible persons for information;
- Inspect internal and external documents;
- Validate data by means of sampling tests.

We assessed the “Subject Matter Information” against the Criteria. The accuracy and completeness of the “Subject Matter Information” are subject to inherent limitations, given their nature and taking into account the methods of determination, calculation or estimation of such information. Our limited assurance report should therefore be read in relation to the Criteria.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Boards for Accountants (IESBA).

These are based on the fundamental principles of integrity, objectivity, professional competence and vigilance, confidentiality and professional conduct. Our audit firm applies the International Standard on Quality Control (ISQC) No. 1 and maintains an elaborate system of quality control, including documented policies and procedures regarding ethical rules, professional standards and applicable legal and regulatory provisions.

Conclusion

Based on our work, as described in this limited independent assurance report, and the audit evidence obtained, nothing has come to our attention that causes us to believe that the carbon balance information and data presented on pages 28 and 29 of the 2017 Non-Financial Report have not been prepared, in all material respects, in accordance with the Criteria.

Restriction on the use and distribution of our report

Our limited assurance report was designed in accordance with the terms described in our engagement letter. Our report is intended solely for the use of the Company’s carbon balance as included in the 2017 Non-Financial Report and may not be used for any other purpose. We do not accept any liability or obligation for damages to third parties, except the Company.

Sint-Stevens-Woluwe, the 26th of April 2018

PwC Reviseurs d’Entreprises scrl
Represented by

Marc Daelman*
Company Auditor

Kurt Cappoen*
Company Auditor

* Marc Daelman sprl, director, represented by its permanent representative – Marc Daelman

* Kurt Cappoen sprl, director, represented by its permanent representative – Kurt Cappoen

NON-FINANCIAL REPORT

In the interest of a better, fairer, more ecological and more inclusive world, the report presents the results of Ethias as

- Trustworthy insurer
- Sustainable company
- Responsible investor.



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